

SCHEDULE 6.7 – SERVICE DESCRIPTION

NETWORK RIGHT OF USE SERVICE (NRU)

1 SERVICE DESCRIPTION AND TERMS OF USE

- 1.1 The Network Right of Use Service (the “**NRU**”) involves a service, as further described in this Schedule, provided by the Access Provider to the particular Access Seeker, which has transferred its Fibre Capacity to the Access Provider under a separate bilateral commercial asset transfer agreement between both parties to fulfil the single network objective of the Government’s National Telecommunications Plan Nos. 4 and 5, and Article 40 bis(a) of the Telecommunications Law of the Kingdom.
- 1.2 The NRU Service involves the grant of an indefeasible right of use of such Fibre Capacity to the extent to which:
 - a) control over and ownership and title to the specific Fibre Capacity has been transferred from the Access Seeker to the Access Provider; and
 - b) such Fibre Capacity was used solely for the operation of the Access Seeker’s mobile backhaul, connections between core network nodes, or for connecting the Access Seeker’s network to cable landing stations or international gateways.
- 1.3 The NRU Service involves the exclusive and indefeasible right to use such Fibre Capacity by the respective Access Seeker for its connectivity needs consistent with the scope as described above in Clause 1.2 for a period of twenty (20) years following completion and effectuation of their transfer to the Access Provider (the “**NRU Term**”) unless terminated earlier in accordance with the provisions of this Service Description.
- 1.4 The NRU Service includes:
 - a) Provision by the Access Provider within the Access Provider’s licensed fixed telecommunications infrastructure of the necessary duct hosting for the Transferred Fibre Assets. The provision of the duct hosting for the Transferred Fibre Assets is dependent on and ancillary to the NRU Service and does not involve granting of a separate duct licence to the Access Seeker;
 - b) Exclusive and indefeasible right to use the Transferred Fibre Assets by the respective Access Seeker for the entire duration of the NRU Term on the price and non-price terms stipulated in this Schedule 6.7 (Service Description) and Schedule 3 (Pricing) subject to payment of the applicable NRU Service Charges by the Due Date; and
 - c) Provision by the Access Provider of repair and maintenance services related to the Transferred Fibre Assets upon request by the Access Seeker and, where applicable, charged as per the list of Charges under Schedule 3 (Pricing).

- 1.5 The right to use the Transferred Fibre Assets granted under the NRU is granted on 'as is' basis, reflecting the technical and other conditions as well as their location, distance, reach and extension within the territory of the Kingdom of Bahrain as of the time of their transfer from the Access Seeker to the Access Provider. However, if the location of the Transferred Fibre Assets is required to be changed at the request of a competent authority, then provided (i) the Access Seeker submits a request in writing; and (ii) the Access Seeker confirms that the number of mobile network end points does not increase; and (iii) the relocation is limited to a distance of 500 meters from the original location then the Access Provider shall facilitate such a relocation. All the costs for carrying out the relocation shall be borne exclusively by the Access Seeker. However, the monthly recurring charge for the NRU shall not be increased as a result of the relocation.
- 1.6 When providing the NRU Service, the Access Provider shall not be responsible for any technical characteristics, quality, fitness for a particular purpose, or the remaining useful life of the Transferred Fibre Assets following their transfer to the Access Provider. Furthermore, the Access Provider shall not be responsible for any deterioration of their characteristics, performance or function during the NRU Term as a result of normal wear and tear or damage or loss caused by a third party outside of the Access Provider's control.
- 1.7 Where the Access Seeker requires replacement of the Transferred Fibre Assets, during the NRU Term, and unless such requirement is contrary to the terms stipulated in this Schedule 6.7 (Service Description), the Access Provider shall be obliged to perform the necessary removal, installation, and other similar maintenance services, upon the Access Seeker's request and at the Charges stipulated in Schedule 3 (Pricing).
- 1.8 Except as provided for in Clause 1.5, the Access Provider shall not be obliged, and the Access Seeker shall not be entitled to request, any extension or other change to the existing location, distance, reach or footprint of the Transferred Fibre Assets beyond that reflecting their status as of date of their transfer to the Access Provider.
- 1.9 The NRU Service involves a personal and non-transferable right. The Access Seeker is not allowed to resell the NRU Service to another Licensed Operator. The NRU Service does not confer on the Access Seeker a lease, sub-lease or any right of ownership or possession in respect of Access Provider's duct or any other similar civil infrastructure assets of the Access Provider. The Access Seeker may not share or sub-license any right granted under the NRU Service.
- 1.10 The Access Seeker does not have any general rights of access to duct(s) or any other similar civil infrastructure assets of the Access Provider including the Transferred Fibre Assets. Any repair, maintenance, replacement, removal or any other activity that is reasonably necessary in relation to the Transferred Fibre Assets shall be exclusively conducted by the Access Provider.
- 1.11 The Access Provider shall be entitled to suspend or terminate the NRU Service following the process envisaged in Schedule 9 (Supply Terms) of the Agreement.
Either Party may terminate the NRU Service on thirty (30) days' notice if:
 - a) the Access Seeker ceases to be a Licensed Operator, or
 - b) the Access Seeker no longer wishes to avail itself of the NRU Service, whether in its entirety for all affected Transferred Fibre Assets or for a specific subset thereof.

- 1.12 To the extent that there is any conflict or inconsistency between this Service Description and any other parts of the Reference Offer, the provisions of this Service Description shall take precedence.
- 1.13 To the extent that Fibre Capacity is used to provide connections to enterprise customers pursuant to agreements that are in place as at 19 June 2024 which are not provided using current RO products ('Existing Enterprise Agreements'), that shall be considered as part of the NRU throughout the remainder of its term. Provided however, that the term of agreement may not be amended or renewed. In all cases this consideration shall be valid for a maximum period of five (5) years such that as at 18 June 2029, all Existing Enterprise Agreements must be based on other products within BNET's RO.

2 DEFINITIONS

Capitalised terms not defined in this Service Description are defined in Schedule 8 - (Dictionary) of the Reference Offer. Terms defined in this Service Description are specific to it and, in case of any inconsistency, shall prevail over Schedule 8 (Dictionary).

Asset Migration Plan means the plan for migration of assets from Batelco to BNET which was submitted to the Authority on 30 June 2022.

Fibre Capacity means the Fibre Cables which formed part of the licensed fixed telecommunications network of the relevant Access Seeker transferred to the Access Provider under the Asset Transfer Agreement ('ATA') or in the case of Batelco, the fibre capacity already transferred to the Access Provider and subject to the Asset Migration Plan.

Fibre Cable(s) means the physical fibre optic cable(s) including all individual fibre strands contained within the protection and external sheath of such cable and any directly related accessories that must not be separated from such cable(s).

NRU or '**NRU Service**' means the Network Right of Use Service as described in this Service Description to be provided for the NRU Term and on the price and non-price terms stipulated in this Schedule 6.7 (Service Description) and Schedule 3 (Pricing).

Transferred Fibre Assets means the Fibre Capacity to which control of and ownership and title to have been transferred from the relevant Access Seeker to the Access Provider under the respective ATA.

3 MAINTENANCE AND SUPPORT

- 3.1 Access Provider shall be obliged to provide repair and maintenance services in respect of the NRU Service in accordance with the terms of the Agreement.
- 3.2 Access Seeker may report a Fault to the Access Provider's nominated contact point which shall be available twenty-four (24) hours per day every day.

- 3.3 Access Provider shall record the Fault using a unique reference which it shall pass to the Access Seeker at the same time as acknowledging the Fault and both parties shall agree the time of the report. The Access Provider shall acknowledge the fault within fifteen (15) minutes and shall commence repair of the Fault within:
- a) Five (5) hours during Working Hours; or
 - b) Twelve (12) hours outside of Working Hours

from the time of the Access Seeker reported the Fault and shall restore the NRU Service in accordance with the Service Levels. The Access Provider shall advise the Access Seeker's nominated contact point once the Fault is clear and both parties shall record the time of this clearance.

- 3.4 All repair, maintenance or any other activities related to the Transferred Assets shall be carried out by the Access Provider at Charges stipulated in Schedule 3 (Pricing).
- 3.5 If and where required, the Access Seeker shall reimburse the Access Provider for all costs associated with the removal and replacement of any Transferred Fibre Asset which did not comply with the requirements or restrictions imposed by any competent authority in the Kingdom. Provided that the Access Provider shall, upon request of the Access Seeker, provide evidence to the Access Seeker of any notice or request for removal or replacement by the competent authority.
- 3.6 If the Access Provider, by reasonable notice to the Access Seeker, requires relocation or other movement of the Transferred Fibre Assets at the Access Provider's own volition, then the Access Provider shall cover the cost of relocating or moving the Transferred Fibre Assets and the Access Seeker may request to be present and attend to observe at its own expense. In exercising its rights under this Clause 3.6, in order to minimize disruption to the Access Seeker's services, the Access Provider shall use reasonable commercial endeavours to carry out joint planning and co-ordination with the Access Seeker.
- 3.7 Where relocation or other movement of the Transferred Fibre Assets is required by a competent authority or any relevant third party, the Access Provider shall exercise all commercially reasonable endeavours to seek reimbursement of all costs by such competent authority or any relevant third party. If full reimbursement of all costs by such competent authority or any relevant third party is not possible, such costs shall be borne by the Access Provider.
- 3.8 Where replacement of any Fibre Capacity (or part thereof) is required, and unless otherwise agreed between the parties, the Access Provider shall procure (at the Access Seeker's cost) the replacement material to be supplied to the Access Provider by an Approved Contractor. The Fibre Capacity must comply with the Access Provider's specifications notified to the Access Seeker and any requirements imposed by competent authority in the Kingdom. Provided that where the Fibre Capacity (or parts thereof), has been replaced by the Access Provider upon request from the Access Seeker and at the Access Seeker's cost in accordance with this Clause 3.8, then the costs for any subsequent request for replacement, (as long as that subsequent request is not frivolous) during the NRU Term, shall be borne by the Access Provider.

4 CHARGES

- 4.1 The Access Seeker shall pay to the Access Provider the relevant Charges determined in accordance with Schedule 3 - (Pricing) of the Agreement.
- 4.2 All Charges and sums due from one party to the other under this Agreement are exclusive of VAT. Any VAT shall be charged in accordance with the relevant regulation in force at the time of making the taxable supply and shall be paid by the paying party following receipt from the billing party of a valid VAT invoice.
- 4.3 All Charges for the NRU Service shall be considered fixed and shall not be subject to review or change during the entire duration of the NRU Term. This is an essential element of the NRU Service considering the recovery of the acquisition costs for the Transferred Fibre Assets incurred by the Access Provider.
- 4.4 The Access Seeker indemnifies and holds the Access Provider harmless from municipality charges or other taxes or charges that may be levied from time to time in connection with the provision or use of ducts or the Transferred Fibre Assets and if such charges are levied only on the Access Provider, the Access Seeker must promptly reimburse the Access Provider a portion of charges allocated to the Access Seeker by the Access Provider, in proportion to the share of usage of the duct infrastructure and/ or the Transferred Fibre Assets used and the allocation of the levies and charges.