

هيئة تنظيم الاتصالات

TELECOMMUNICATIONS REGULATORY AUTHORITY

مملكة البحرين - Kingdom of Bahrain



FIXED TELECOMMUNICATIONS INFRASTRUCTURE NETWORK LICENCE

GRANTED TO

BAHRAIN NETWORK (BNET) B.S.C CLOSED

(formerly BNET B.S.C (c))

Commercial Registration No. 99973-1

by the Telecommunications Regulatory Authority under Articles 29
and 40(bis)(a) of Legislative Decree No. 48 of 2002 promulgating the
Telecommunications Law

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Approved by the General Director

Philip Marnick



**FIXED TELECOMMUNICATIONS INFRASTRUCTURE NETWORK LICENCE GRANTED
TO BAHRAIN NETWORK (BNET) B.S.C CLOSED BY THE TELECOMMUNICATIONS
REGULATORY AUTHORITY**

1 GRANT OF LICENCE

- 1.1 The Telecommunications Regulatory Authority (the “**Regulator**”) hereby grants BAHRAIN NETWORK (BNET) B.S.C CLOSED the Separated Entity (the “**Licensee**”) this licence, under Articles 29 and 40(bis)(a) of the Telecommunications Law promulgated by Legislative Decree No. 48 of 2002 (the “**Telecommunications Law**”), by virtue of which the Licensee is authorized in the Licensed Area (i) to deploy, install, operate, manage and maintain the Fixed Telecommunications Infrastructure Network and Telecommunications Facilities described herein and (ii) to provide the Telecommunications services described herein (the “**Licence**”).
- 1.2 This Licence has been granted in furtherance of the Regulator’s implementation of the policies set out under the Fourth National Telecommunications Plan in relation to the establishment by the Bahrain Telecommunications Company BSC (c) (“**Batelco**”) of a legally separate entity to deploy, install, operate, manage and maintain a single telecommunications infrastructure network and supply associated wholesale products and services in the Kingdom.
- 1.3 This Licence shall be subject to the provisions herein stated, the Telecommunications Law and any regulations, orders, determinations or decisions issued thereunder.
- 1.4 As a condition subsequent to this Licence, the Licensee shall provide to the Regulator within two (2) months of the Effective Date written evidence, in a form acceptable to the Regulator, of the matters set out in section 1.5.
- 1.5 The matters referred to in section 1.4 are that, in respect of those arrangements and/or activities that the Licensee was required under any applicable legal instrument, determination, order or request to provide to the Regulator and/or to enter into or complete by the Effective Date, the Licensee has:
- (a) provided to the Regulator comprehensive copies of all arrangements that require the Regulator’s approval;
 - (b) entered into the necessary arrangements and/or the Licensee has fully completed such activities (as appropriate),

and in each case above relating to (a) and (b) the Licensee has demonstrated to the satisfaction of the Regulator (acting reasonably) that the arrangements and/or activities in question meet the relevant standards in the applicable legal instrument.

2 DEFINITIONS

2.1 For the purposes of this Licence:

2.1.1 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 Licence, unless the context requires otherwise.

2.1.2 Terms used and not otherwise defined shall have the meaning ascribed to them in the Telecommunications Law.

2.1.3 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. For the removal of doubt for the purposes of this Licence the term Affiliate (in relation to the Licensee) shall include BRE and/or any other business entity that is part of the Batelco group of companies and/or any other Person determined by the Regulator to be an Affiliate of the Licensee;

“BRE” means Batelco’s businesses and/or business unit(s) and/or Affiliates, regardless of their form or structure, that as part of their Licensed Telecommunications services are concerned with the delivery and/or provision of retail Telecommunications services to Users and/or Subscribers in the Kingdom;

“Business Support Systems” means systems required to fulfil business operations relating to customers and includes wholesale billing, order management, fault notification, and customer relationship management;

“Control” means, as applied to any Person, the possession, directly or indirectly, of the power to influence the direction of the management of that Person, whether through ownership, voting or other means and “Controlling” and “Controlled” shall be construed accordingly;

“Effective Date” means the date referred to in section 19.1;

“Emergency Order” means an order issued by the Regulator on an urgent basis requiring the Licensee to take or refrain from taking specified action within a stipulated time limit;

“EoI” means equivalence of inputs standard such that, in relation to the Licensed Services, the Licensee must provide BRE and the OLOs with the same service, on the same time-scales and on the same terms and conditions (including price, non-price terms and service levels), using the same systems and processes (including operational support), with the same degree of reliability and performance and providing the same commercial information about the service and the systems and processes. For these purposes, “the same” means exactly the same subject only to:

- (i) trivial differences (as determined by the Regulator);
- (ii) credit vetting (subject to reasonable justifications provided by the Licensee);
- (iii) payment procedures (subject to reasonable justifications provided by the Licensee); and/or
- (iv) such other difference as may be agreed by the Regulator in writing from time to time;

“EoO” means equivalence of outputs standard such that while the Licensed Services, which the Licensee is required to offer and provide to OLOs, would be comparable (including with respect to functionality and price) to those the Licensee offers and provides to BRE, the underlying processes do not have to be exactly the same;

“Equivalence Compliance and Technical Committee” means the committee established by the Regulator that will include representatives from the Licensee, Licensed Operators and such other entities as may be determined by the Regulator. The Equivalence Compliance and Technical Committee will, among other items, monitor the Licensee’s compliance with its obligations (including in relation to the Undertakings, separation of its systems and processes, separation of functions and individuals as between the Licensee and any Affiliate including BRE and the provision of the Licensed Services on an EoI basis), facilitate discussion of the needs and requirements (including the technical requirements) of Licensed Operators, recommend updates to the joint working manual (or equivalent) of the Licensee, and will investigate complaints from Licensed Operators;

“Fixed Telecommunications Infrastructure Network” means the Fixed Telecommunications Infrastructure Network and Telecommunications Facilities which

shall be the subject of the Fixed Telecommunications Infrastructure Network Licence referenced in Article 40(bis) of the Telecommunications Law and as may be further defined in the transfer of assets agreement(s) between Batelco and the Licensee or such other legal documentation as approved and/or required by the Regulator, and/or any applicable decision, determination, order, regulation or other regulatory instrument promulgated or approved by the Regulator from time to time. For convenience, the Fixed Telecommunications Infrastructure Network is referred to in this License as the **“Licensed Network”**;

“Force Majeure” means any cause affecting the performance by the Licensee of any obligation hereunder arising from acts, events, omissions, happenings or non-happenings beyond its reasonable control including (but without limiting the generality thereof) governmental or States’ acts or regulations, fire, flood, inclement weather, terrorism or any disaster or an industrial dispute (other than relating to the Licensee’s own workforce) affecting the provision of Licensed Services. Any act, event, omission, happening or non-happening only will be considered Force Majeure if it is not attributable to the wilful act, neglect or failure to take reasonable precautions of the Licensee, its officers, contractors, sub- contractors, agents, servants or employees;

“Implementation of Lawful Access” means the Licensee at its own cost providing all technical resources, including Telecommunications Equipment, systems, programs and communication links, which allow the purpose of the Lawful Access Regulation (or any subsequent regulation or regulatory decision issued by the Regulator or any other entity of the Kingdom tasked with the implementation of national security concerns) to be achieved;

“Infrastructure” means the basic physical and organizational systems and Telecommunications Facilities (e.g. buildings, ducts, fibre, network equipment, power supplies, people and processes) needed for the operation of the Licensed Network;

“Initial Period” means the period of two (2) years starting from the Effective Date;

“Lawful Access Regulation” means Resolution No. (8) of the year 2009 Promulgating a Regulation requiring Licensees to implement Lawful Access, as may be amended from time to time;

“Level 1 Separation” means, whilst both the Licensee and the rest of Batelco (including BRE) would continue to share the same applications, only employees of the Licensee would be able to access functions and data relating to the Licensee through the use of user access controls;

“Level 2 Separation” means the Licensee having separate applications and data from BRE and the rest of Batelco, with each having access only to its own applications and data;

“Level 3 Separation” means the applications and data of the Licensee and the rest of Batelco (including BRE) running on physically separate hardware and support systems;

“Licensed Area” means the territory of the Kingdom;

“Licensed Services” means the Telecommunications services supplied using the Licensed Network to other Licensed Operators on a wholesale only basis as set out in the Reference Offer or as otherwise determined by the Regulator. The Licensed Services shall include access to Telecommunications Facilities, and/or ancillary services that are necessary and/or desirable to provide the Licensed Services, including, for example (and without limitation), power, co-location, co-mingling, site access, internal tie circuits, external tie circuits;

“Management Information Systems” means systems used for enterprise planning and business intelligence systems, including information security management systems, required for the formation of strategic decisions and development of investment proposals;

“OLO” means a Licensed Operator that is not part of the Batelco group of companies;

“Operational Support Systems” means systems required to support the functionality of the network and includes network management systems, order fulfilment and provisioning, and service activation;

“Reference Offer” means the reference offer incorporating the regulated wholesale products and services (including the price and non-price terms) to be offered by the Licensee to other Licensed Operators as may be amended from time to time, as approved by the Regulator;

“Reference Offer Order” means an order issued by the Regulator requiring that the Licensee submit a revised Reference Offer;

“Relevant Public Authority” means the authority within the Kingdom tasked with the responsibility for assessing Website content;

“**Risk**” means a probability or threat of damage, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through pre-emptive action;

“**Schedule of Fees Regulation**” means Resolution No. (7) of 2017 promulgating the Schedule of Fees Regulation, as may be amended from time to time;

“**Separation Guidelines**” means the separation guidelines relating to the separation of Batelco issued by the Regulator (Ref: LAD/0818/198) dated 6 August 2018;

“**Telecommunications Facility**” has the meaning ascribed under the Telecommunications Law and includes dark fibre and copper wire; and

“**Undertakings**” means the measures Batelco and the Licensee are required to undertake in relation to the separation of Batelco into the Licensee and the rest of Batelco (including BRE).

3 STATUS OF THE LICENSEE

3.1 The Licensee is and shall remain throughout the Term of this Licence a separate legal entity with its own board of directors and independent management in accordance with the governance criteria specified by the Regulator in a binding legal instrument.

3.2 The Licensee shall act on an independent basis from all other Licensed Operators, including BRE. The Licensee’s corporate identity or branding shall not be the same as or relate to, or in any way convey the impression that it relates to, or is such that it could be confused with, that used by BRE. The Licensee shall not position its corporate identity or branding in close proximity to that used by BRE or integrate any aspect of the corporate identity or branding used by BRE within that used by the Licensee.

3.3 The Chief Executive Officer (or equivalent) of the Licensee shall be a different individual from the Chief Executive Officer (or equivalent) of any Affiliate, including BRE.

3.4 The Licensee shall ensure that as a minimum from the Effective Date:

3.4.1 The following functions and the relevant individuals within those functions are separate from the equivalent functions and individuals in any Affiliate, including BRE: legal (including the General Counsel or equivalent), company secretarial, regulatory, treasury, finance, network management, procurement, product development, sales and marketing, and customer care; and

3.4.2 The Licensee shall have its own separate and independent advisers including without limitation legal advisers, financial advisers and auditors.

The Licensee shall not, without the prior written approval of the Regulator, avail itself of any shared services or functions with those used by any Affiliate, including BRE.

The Licensee shall ensure that within nine (9) months from the Effective Date all other functions and the relevant individuals within those functions shall be separate from the equivalent functions and individuals in any Affiliate, including BRE. This includes without limitation human resources, internal audit, IT and security.

3.5 The Licensee shall have sufficient independence in its commercial and operational decision-making to meet its obligations under this Licence and its other legal obligations. The Licensee shall independently formulate, determine and make its own decisions and in particular shall not act under the control, direction or influence of BRE in respect of its commercial and operational policy.

4 LICENSEE OBLIGATIONS

4.1 The Licensee shall comply with:

4.1.1 those parts of the Undertakings which apply in any respect to the Licensee, subject to the terms of this Licence, which shall take precedence over the Undertakings to the extent that there is any inconsistency between them;

4.1.2 the Reference Offer;

4.1.3 the transfer of assets agreement(s) between Batelco and the Licensee or such other legal documentation as approved and/or required by the Regulator;

4.1.4 the terms of the Telecommunications Law and any regulations promulgated thereto; and

4.1.5 the terms of all decisions, determinations, orders (including Emergency Orders) and/ or any other regulatory instrument issued by the Regulator.

4.2 Failure to comply with any of the obligations set out in section 4.1 shall constitute a serious breach of this Licence and the Telecommunications Law.

4.3 The Licensee shall maintain detailed records (in such format and updated at such frequency as the Regulator requires) of all Infrastructure and Telecommunications

Equipment that is used in connection with the Licensed Network, including the location and utilisation of any such Infrastructure or Telecommunications Equipment.

- 4.4 If requested by the Regulator, the Licensee shall remove and/or relocate (whether on a temporary or permanent basis) any Infrastructure or Telecommunications Equipment where this is deemed necessary by the Regulator. The Regulator shall determine whether such removal or relocation shall be at the Licensee's expense. In determining whether or not to request removal and/or relocation of the Licensee's Infrastructure or Telecommunications Equipment and/or whether the Licensee shall be required to incur the associated expenses, the Regulator may take into account such matters as it considers appropriate, including public interest grounds and/or for reasons of national security.
- 4.5 The Licensee shall give notice in writing to the Regulator and shall notify all parties affected of any material changes it intends to implement in the specification or performance of the Licensed Network which would require material changes to any equipment or systems connected to the Licensed Network or which would have the effect of making such connections inoperable. The period of notice given shall be appropriate to the likely impact on the parties affected and on connected equipment or systems, but (except in the case of emergency) shall be at least thirty (30) days' advance notice.
- 4.6 Where the Regulator considers that a change in the Licensed Network referred to in section 4.5 would cause any other Licensed Operator to be compelled to make major changes to its own systems in order to access and/or connect and/or utilise the Licensed Network, the Licensee shall be required to obtain the prior written approval of the Regulator before implementing such a change.
- 4.7 The Licensee shall publish every quarter on its website accurate and up to date digital coverage maps regarding the current and future planned deployment and installation of the Licensed Network. The coverage maps shall, as a minimum, provide details of current and future planned deployment and installation of the Licensed Network for each Licensed Service.
- 4.8 The Licensee shall not assign, transfer, subcontract, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges under this Licence to any Affiliate, Person or Persons except with the prior written approval of the Regulator. Any such approval shall be given subject to terms and conditions, which the Regulator at its

discretion may impose. The Regulator may revoke its approval pursuant to this section at any time by providing reasonable advance notice to the Licensee in writing.

- 4.9 At the request of the Regulator and/or every twenty-four (24) months (whichever is the shorter) the Licensee shall submit a draft Reference Offer for the Regulator's approval within a period of time determined by the Regulator. The Regulator shall review the Reference Offer in accordance with the Regulator's process for review of such Offers as set out in relevant legal instruments issued by the Regulator. The Regulator shall either issue a relevant approval letter or a Reference Offer Order specifying the terms of the draft Reference Offer and the process and timeline for resubmission of a revised draft Reference Offer by the Licensee to the Regulator for its approval.
- 4.10 Within two (2) weeks of the approval the Licensee shall publish the Reference Offer in the version approved on its website and upon request make copies available free of charge to any Licensed Operator within a reasonable time-frame. Any proposed change (including, updates) to the terms of the Reference Offer will require the prior written approval of the Regulator.
- 4.11 The Licensee shall implement separation of its systems and processes from the systems and processes used by BRE and the rest of Batelco in accordance with a timetable and procedure determined by the Regulator and, in any event, shall achieve:
- 4.11.1 Level 1 Separation as regards logical separation of the Licensee's Management Information Systems, Business Support Systems and Operational Support Systems by no later than nine (9) months from the Effective Date;
- 4.11.2 Level 2 Separation as regards logical separation of the Licensee's Management Information Systems, Business Support Systems and Operational Support Systems by no later than eighteen (18) months from the Effective Date; and
- 4.11.3 Level 3 Separation as regards physical separation of the Licensee's Operational Support Systems by no later than twenty-four (24) months from the Effective Date. From the Effective Date the Licensee shall ensure logical separation until the date specified in this section 4.11.3 for physical separation.
- 4.12 The Licensee shall within sixty (60) days from the Effective Date, or as otherwise required by the Regulator, present to the Regulator for its approval a detailed roadmap

for achieving the separation of its systems and processes in accordance with section 4.11 above. Such roadmap will include detailed milestones along with the dates by which such milestones will be achieved. The milestones will detail both the process functions (such as appointments and ordering) and the specific services that will be supported by the detailed roadmap. The Licensee shall provide monthly reports to the Regulator regarding achievement of the roadmap.

- 4.13 The Licensee shall comply at all times throughout the Term of this License, with the rules of the Equivalence Compliance and Technical Committee as determined by the Regulator (including with regard to composition of the Equivalence Compliance and Technical Committee, functions and obligations and the processes for carrying out such functions and obligations).
- 4.14 The Licensee shall ensure that it gives full and timely co-operation to the Equivalence Compliance and Technical Committee and, as a minimum, the Licensee shall:
- 4.14.1 dedicate sufficient budget and other resources to its participation in and compliance with its obligations to the Equivalence Compliance and Technical Committee, and shall, provide monthly compliance and equivalence reports to the Equivalence Compliance and Technical Committee, in such form as may be required by the Regulator;
 - 4.14.2 conducts its activities and fulfils its obligations to the Equivalence Compliance and Technical Committee in an independent manner; and
 - 4.14.3 fully and promptly implement any recommendations and measures required by the Equivalence Compliance and Technical Committee.

5 LICENSED NETWORK AND SERVICES

- 5.1 The Licensee is authorised to deploy, install, operate, manage and maintain the Licensed Network and to provide the Licensed Services.
- 5.2 The Licensee shall ensure that the Licensed Services reflect the reasonable requirements of Licensed Operators. The Licensee shall consult other Licensed Operators at an early stage of the development of new products and services (which shall be at least three (3) months before the proposed introduction of any new products and services, and/or material change to existing products and services, and unless stipulated otherwise by the Regulator shall be by way of the Licensee publishing the relevant details by way of notice on its website) in accordance with the requirements and process stipulated in the Reference Offer and/or such other legal instruments as

may be issued by the Regulator. The Licensee shall allow other Licensed Operators a fair and equal opportunity to comment. The period for Licensed Operators to comment on the Licensee's proposals shall be commensurate with the complexity and importance of the products and services in question and in any event, shall be not less than two (2) weeks. The Licensee shall take due account of comments received from other Licensed Operators in finalising any such products or services. If requested by the Equivalence Compliance and Technical Committee and/or Regulator, the Licensee shall provide details regarding its consideration of the comments from other Licensed Operators so as to demonstrate the Licensee's compliance with the obligations under this section 5.2.

- 5.3 The Licensee shall provide the Licensed Services only on a wholesale basis and in accordance with the terms of the Reference Offer.
- 5.4 During the Initial Period the Licensee shall provide the Licensed Services on an EoO basis, unless required by the Regulator to provide the Licensed Services on an EoI basis. Within one (1) month from the Effective Date the Licensee shall provide a single common interface for Licensed Operators to order and track the progress of orders for the Licensed Services.
- 5.5 The Licensee shall ensure that all transactions are in writing, and that sufficient records are stored and retained for a period of at least two (2) years. The requirement to store and retain records applies to any of the Licensee's obligations under this License which require the Licensee to make available information to the Regulator and to any online interface for Licensed Operators to order and track the progress of orders for the Licensed Services.
- 5.6 The Licensee shall ensure that it has, and maintains, at all times during the Term of the Licence sufficient resources (including without limitation sole legal and/or beneficial ownership of assets, personnel, support services, finance) and paid-up capital requirements to meet its obligations under this Licence.
- 5.7 The Licensee is authorised to connect the Licensed Network to:
- (a) any Telecommunications Network operated under a Telecommunications Licence; and
 - (b) any Telecommunications Equipment approved for connection in accordance with Article 38 of the Telecommunications Law and any regulations issued pursuant to the Telecommunications Law.

- 5.8 The Licensee shall within sixty (60) days from any request by the Regulator present to the Regulator for its approval, a roadmap for migration of any relevant Licensed Services that are being provided by the Licensee over the Licensee's existing copper and/or copper based assets away from provision over such copper and/or copper based assets to the provision of such services over the Licensee's fibre based assets.
- 5.9 Unless otherwise determined by the Regulator, the Licensee shall provide distress, emergency and safety telecommunications services for shipping in accordance with the Radio Regulations of the International Telecommunication Union. The provision of such services shall be as agreed with the competent public authorities. If requested in writing by either the Licensee or such public authority following a reasonable period of time in which terms for the provision of such services cannot be agreed, the Regulator may determine terms suitable for the provision of such services.
- 5.10 The Licensee shall ensure that the Licensed Network and Licensed Services enable any duly Licensed Operator to meet a requirement to comply with:
- 5.10.1 any Universal Service Obligation to which the Licensed Operator is subject under Article 64 of the Telecommunications Law and/or the Licensed Operator's license(s) (including in relation to obligations to provide basic public telephone services and/or any Special Services);
- 5.10.2 obligations on the Licensed Operator to provide the following Telecommunications services at Public Payphones:
- (a) Basic Voice Services
 - (b) Directory Information Services
 - (c) Public Emergency Call Services
 - (d) Free-phone Services
 - (e) Operator Assistance Services
- 5.10.3 obligations on the Licensed Operator to provide a Public Emergency Call Service.

6 RESTRICTIONS ON THE LICENSEE

- 6.1 The Licensee must operate in all respects on a stand-alone basis, and independent from all Licensed Operators including BRE. This includes ensuring that its relationships,

dealings and transactions with Affiliates are conducted and carried out in a way and manner as if those other parties were not Affiliates. The Licensee shall ensure that any agreements entered into with third party entities are entered into by the Licensee on a stand-alone basis. If requested by the Regulator, the Licensee shall provide copies of such agreements. Subject to the prior written approval of the Regulator, the Licensee shall be entitled to benefit from favourable provisions in commercial agreements entered into by Affiliates.

- 6.2 The Licensee shall provide at least twelve (12) months' advance written notice to the Regulator of any proposal to dispose of, decommission, retire or otherwise cease to operate more than five percent (5%) of the Licensed Network and may not do so without the prior written approval of the Regulator. At the same time as providing its proposal to the Regulator, the Licensee shall provide a business continuity plan to the Regulator in such format and with such detail as the Regulator may require.
- 6.3 The Licensee shall not proceed with any proposal under section 6.2 without the prior written approval of the Regulator. The Regulator may grant approval to the Licensee's proposals under this section 6.3 of the Licence subject to conditions, including without limitation, a direction to the Licensee to enable one or more other Licensed Operators to take over and operate the assets in question and/or performance of contracts with Licensed Operators for the provision of the Licensed Services.

7 DEPLOYMENT TARGETS

- 7.1 The Licensee shall deploy the Licensed Network in accordance with any deployment targets determined by the Regulator from time to time.

8 QUALITY OF SERVICE REQUIREMENTS

- 8.1 The Licensee shall meet the quality of service requirements in the Reference Offer and/or such other quality of service requirements as may be determined from time to time by the Regulator.
- 8.2 The Licensee shall ensure that it maintains true, accurate and not misleading information records in a form to be approved by the Regulator within six (6) months of the Effective Date for the purpose of satisfying the Regulator that the Licensee is meeting the quality of service requirements as specified in section 8.1 and the Licensee shall provide quarterly updates to the Regulator concerning such requirements.

9 INTERRUPTIONS TO THE LICENSED SERVICES

- 9.1 The Licensee shall not intentionally interrupt the operation of the Licensed Network (or any part thereof) in the normal course of business, nor may it in the normal course of business suspend the provision of the Licensed Services without having first obtained the prior written approval of the Regulator and provided reasonable advance notice to Persons to be affected by such interruption or suspension.

10 PROVISION OF ACCESS

- 10.1 Subject to section 10.3 and without prejudice to section 4.9, the Licensee shall provide Access to the Licensed Network and Licensed Services on the reasonable request of any Licensed Operator in accordance with the terms of this Licence, the Telecommunications Law, the terms of any Reference Offer and/or the terms of any determination or order issued by the Regulator. Access shall be provided in a manner that is non-discriminatory (including in particular, in accordance with the provisions in section 10.4 of this Licence).
- 10.2 The Licensee shall provide Access within a maximum period from the date of request as shall from time to time be determined by the Regulator or set forth in regulations.
- 10.3 The Licensee shall not be required to provide Access where in the Regulator's view it is not reasonable to require the Licensee to provide Access, including, but not limited to, where it would expose any Person engaged in provision of the Access to undue risk to health or safety.
- 10.4 The Licensee shall make available to other Licensed Operators on a timely and equal basis technical information and other commercially relevant information that is necessary for the Licensed Operator to gain Access to the Licensed Network and Licensed Services.

11 CONNECTION POINTS

- 11.1 The Licensee shall establish a connection point at any User's premises that shall constitute the boundary of its network. The Licensee shall not prevent any User from connecting any cabling owned by that User at that User's premises to the Licensed Network provided it is in compliance with applicable regulations.

12 ACCESS TO LAND

- 12.1 The Licensee shall be entitled to use public and private properties in accordance with the provisions of Chapter XIII of the Telecommunications Law.

13 INTEROPERABILITY AND TECHNICAL STANDARDS

- 13.1 The Licensee shall comply with relevant regulations and technical specifications issued by the Regulator in order to ensure interoperability of the Licensed Services and the Licensed Network and Facilities with Telecommunications services and Telecommunications Networks provided by other Licensed Operators to the extent technically feasible.

14 PRIVACY AND CONFIDENTIALITY

- 14.1 The Licensee shall comply with all obligations upon it (including those referred to at section 4.1) 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 privacy and confidentiality of such information subject to any requirement under law. References in this License to confidential information or business secrets shall be understood to include all information that is reasonably considered to be commercially confidential (regardless of whether it has been formally designated as such) and shall include without limitation information pertaining to network coverage and/or capabilities.
- 14.2 Without prejudice to section 14.1, the Licensee shall not disclose to any Affiliate, including BRE, any confidential information or business secrets relating to any other Person to whom the Licensee provides the Licensed Services. The Licensee shall establish and maintain, at all times throughout the Term of this License, organisational measures including in particular appropriate information barriers, processes and systems to prevent the disclosure of confidential information by the Licensee to BRE or any Affiliate (and vice versa).
- 14.3 The Licensee shall maintain sufficient information on its privacy and confidentiality procedures to satisfy the Regulator, at its reasonable request, that the requirements of sections 14.1 and 14.2 are being met. Unless otherwise agreed with the Regulator, the Licensee shall be required to keep a record of all individuals and/or Persons with access to confidential information and a summary of the nature of the information provided. The Licensee shall provide a copy of this record to the Regulator on request.

14.4 The Licensee shall not use or allow to be used any apparatus comprised in the Licensed Network which is capable of recording, monitoring, or intruding into communications unless it complies with applicable laws or regulations.

15 ANTI-COMPETITIVE PRACTICES

15.1 Without derogating from Article 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 including, in particular, as between the Licensee and BRE;

(b) not abuse a dominant position;

(c) not without the express written approval of the Regulator enter into exclusive arrangements with third parties for the location of its facilities that are required to provide the Licensed Services;

(d) not without the express written approval of the Regulator enter into any agreements, arrangements or undertakings with any Person, including any supplier of services that compete with the Licensed Services, which have as their objective or cause the fixing of prices or other restraint on competition;

(e) not enter into any merger or joint venture even where such merger or joint venture would not meet the thresholds stipulated in the Regulator's mergers and acquisitions regulation, without the prior written approval of the Regulator;

(f) not use information obtained from other Licensed Operators if the objective or effect of such use is anti-competitive;

(g) not give undue preference to, or receive an unfair advantage from a business carried on by the Licensee or by an Affiliate of the Licensee and/or the wider Licensee's group, including without limitation BRE; and

(h) 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 to the provision of the current and future Licensed Services.

16 ACCOUNTING REQUIREMENTS

- 16.1 Within one (1) year of the Effective Date and on an ongoing annual basis, the Licensee shall in a manner to be approved in writing in advance by the Regulator, keep, draw up, submit to independent audit by an external auditor approved by the Regulator and present in written form, separate accounts for Licensed Services activities, to the extent that would be required if the Licensed Services activities in question were carried out by legally independent companies, so as to identify all elements of cost and revenue, with the basis of their calculation and the detailed attribution methods used, related to such Licensed Services activities, and the accounts shall include an itemised breakdown of fixed assets. Such accounts shall be drawn up and presented separately from those of any Affiliate (including BRE), and shall not include any activities carried out by any Affiliate, except with the prior written consent of the Regulator. Such accounts shall also comply with the requirements of any legal instrument concerned with the presentation of financial material and/or audited accounts.
- 16.2 The Regulator may require the Licensee to submit other accounting information it may require in order to effectively supervise and enforce the terms of this Licence and the provisions of the Telecommunications Law and regulations issued thereunder.
- 16.3 The Regulator may appoint an independent auditor to manage and administer an independent audit of the Licensee. In the event of such appointment the Licensee shall give all necessary assistance to the appointed auditor to carry out the objective of its appointment and meet the costs of the independent audit.

17 REQUIREMENT TO PROVIDE INFORMATION AND INSPECTION

- 17.1 Without derogating from Articles 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 Licensee shall comply with any reporting framework determined by the Regulator including any requirement on 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 Licence, the provisions of the Telecommunications Law and the regulations issued thereunder.
- 17.2 All information requested by the Regulator must be provided by the Licensee within the time limits requested by the Regulator and shall be complete, accurate and free from material error.

18 LICENCE FEES

18.1 The initial licence fee for the period of the Licence from the Effective Date until the end of the calendar year in which the Licence is awarded shall be Thirty-Five thousand Bahraini Dinar (BHD 35,000).

18.2 The annual license fee payable in respect of each subsequent year shall be levied in accordance with the Schedule of Fees Regulation.

19 DURATION AND RENEWAL

19.1 The Effective Date for this Licence is 2 June 2019 and is valid for a term of fifteen (15) years.

19.2 The Regulator shall renew the Licence upon request by the Licensee for additional terms of ten (10) years upon expiration of the current Licence term, provided that the Licensee is not, and has not been, in material breach of the Licence (in which case, the Regulator may veto renewal in accordance with Article 30 of the Telecommunications Law).

20 MODIFICATION, REVOCATION AND TERMINATION

20.1 The Licence may be modified in any of the following ways at any time by:

(a) written agreement between the Regulator and the Licensee;

(b) the Regulator if the Regulator determines that such modification is necessary to make the conditions of the Licence consistent with terms being imposed generally in respect of other Licences, for the purpose of ensuring fair and effective competition between licensees or to the extent necessitated by technological development, provided that the Regulator shall have:

(i) given the Licensee six (6) months written notice of the proposed modification; and

(ii) consulted with the Licensee;

(c) an order of modification by the Regulator in accordance with Article 35 of the Telecommunications Law;

(d) a determination of the Regulator that such modification(s) is / are necessary to comply with the Telecommunications Law.

20.2 The Licence may be revoked in any of the following ways at any time by:

- (a) written agreement between the Regulator and the Licensee;
- (b) an order of revocation by the Regulator in accordance with the provisions of the Law;
- (c) if the Licensee is dissolved, or enters into liquidation, bankruptcy or equivalent proceedings or makes a general assignment for the benefit of creditors.

20.3 The Licence shall automatically terminate upon the expiry of its term if it is not renewed in accordance with section 19.2 above.

21 **FORCE MAJEURE**

21.1 If the Licensee is prevented from performing any of its obligations under this Licence because of Force Majeure the Licensee shall notify the Regulator of the obligations it is prevented from performing and the reason why as soon as practicable after it becomes aware of such Force Majeure.

21.2 The Regulator may suspend those obligations referred to in section 21.1 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 this Licence 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.

22 **LAWFUL ACCESS**

22.1 The Licensee shall comply with all orders and/or directions (including Emergency Orders) issued by the Regulator in relation to the Implementation of Lawful Access.

22.2 The Licensee shall meet the costs determined by the Regulator in relation to its obligations regarding national security and internet safety including all costs relating to:

- (a) the installation, management and operation of all technical solutions required to ensure that access to Website content is as mandated by the Regulator from time to time;
- (b) the installation, management and operation of all systems regarding the Implementation of Lawful Access;

- (c) any other system or matter required to ensure that the Licensed Network is compliant with the Licensee's obligations as notified to the Licensee by the Regulator from time to time.

23 CRITICAL INFRASTRUCTURE

- 23.1 The Licensee shall take all appropriate measures to manage Risks to the security (which shall include, without limitation, national security, asset security, information security, cyber security, organisational security and physical security as described in the Separation Guidelines) and availability of its Infrastructure and take all appropriate steps to protect, so far as possible, the security and availability of its Infrastructure.
- 23.2 The Licensee will inform the Regulator within twenty-four (24) hours of any security breach or potential security breach that affects its Infrastructure.

24 DISPUTE RESOLUTION

- 24.1 All disputes between the Licensee and the Regulator arising out of this Licence shall be resolved in accordance with the provisions of Chapter XVI of the Telecommunications Law.
- 24.2 The courts of the Kingdom shall have jurisdiction over disputes between the Licensee and other Licensed Operators in connection with Telecommunications activities which they are licensed to conduct; provided, however, that the parties to such dispute may agree that the dispute be referred to arbitration, in which case, unless such parties agree otherwise and provided that such agreement is not contrary to the Bahrain Arbitration Law (No. 9/2015), the provisions of Articles 67 to 71 of the Telecommunications Law shall apply mutatis mutandis.

25 COMPLIANCE

- 25.1 Without prejudice to the Regulator's powers under the Telecommunications Law and/or any other regulatory instrument, if the Licensee fails to comply with its obligations under this Licence, the Regulator may take such action as it deems necessary and appropriate in accordance with the provisions of Article 3(c), 35 and/or 65 of the Telecommunications Law (as appropriate) including a requirement for the Licensee to make available additional products and services on such terms and conditions (including duration and price) as may be determined by the Regulator.

26 NOTICES

- 26.1 All notices from the Licensee to the Regulator and vice versa shall be in writing and sent either by registered or electronic mail accompanied by acknowledgment of receipt.
- 26.2 Where a notice is sent by email, it shall be sent to the following addresses:
- (a) If sent to the Regulator: licensing@tra.org.bh
 - (b) If sent to the Licensee: regulatory@bnet.com.bh
- 26.3 Where a notice is sent by registered mail, it shall be sent 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: Building No. 1095, Road 1425, Block 1014, Al Hamalah, Kingdom of Bahrain
- 26.4 Either party may change its above addresses by notifying the other party in writing at least fifteen (15) days before such change takes effect.

27 TRANSITIONAL PROVISIONS

- 27.1 The Licensee shall from the Effective Date provide the Licensed Services in accordance with the Reference Offer in the version approved by the Regulator prior to the Effective Date.

END

Acceptance by: **BAHRAIN NETWORKS (BNET) B.S.C CLOSED**



Name: AHMED JABER ALDOSERI

Designation: CHIEF EXECUTIVE OFFICER

Date: 16/8/2022

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