

The Terms, Conditions & Specifications Required For the Award of Licenses for the Construction & Leasing of Wireless Communications Infrastructure

Preamble

WHEREAS the National Telecommunication Regulatory Authority (NTRA) (the Licensor), pursuant to Telecommunication Regulation Law No. 10 of 2003 is the only national authority competent to regulate the telecommunications sector in A.R.E. through the implementation of the approved policies set forth to enhance and deploy different types of telecommunication services in compliance with the last developments of telecom technologies and in a way that guarantees the fulfillment of the needs of the Users (whether they are individuals, corporations, companies) and all the productive, economic, administrative and service) sectors and entities of the state at the most appropriate prices;

WHEREAS the NTRA fosters and encourages investment in the ICT sector on non-monopolistic bases and within free and open competition between the best national and international expertise in a way that guarantees the publicity and transparency of information and ensures the provision of universal service and the protection of Users' rights;

WHEREAS the NTRA (the Licensor) is the only authority competent to grant licenses and permits to companies and corporations that intend to construct and lease the infrastructure of telecom services, and it is the only authority competent to monitor and follow up on their performance, setting out the general terms and conditions that guarantee fair and free competition between them;

Therefore the NTRA (the Licensor) has decided to award companies licenses to construct and lease the infrastructure of wireless communications in the A.R.E. pursuant to the provisions of the Telecommunications Regulation Law No. 10/2003 and the following terms and conditions:

1- The Bidder's Required Qualifications (to submit bids for the award of license):

- The bidder should have previous suitable experience in constructing wireless communication towers on all levels.
- The bidder should demonstrate its adequate financial capability in order to implement and execute all the requirements, terms, obligations and duties set forth in the license.

2- Bid Structure and Content:

- The bid should consist of the following elements and detailed information about its company (especially, the shareholders' names and the percentage of their shares, the company's address, contact person, telephone number, fax, etc.).
- **The Bidder's Previous Experience:**
 - The Company's organizational chart, the shareholders' names and the percentage of their shares.
 - The Bidder's relevant experience in the Egyptian market.
 - The Bidder's experience in the construction of wireless communication towers.
- **The Bidder's Financial Status:**
 - The Bidder's financial capabilities.
 - The audited financial statements for the last three (3) years.
 - The Bidder's (previous and planned) financing sources.
- **The Bidder's Technical Plan of Construction and Lease of Wireless Communication Towers:**
 - The technical solutions to face emergencies.
 - The technical solutions to insure towers and equipment.
 - A proposal of Service Level Agreement (SLA).
- **The Bidder's Marketing Strategy and Plan for leasing wireless communication towers:**
 - The expected potential of the Egyptian market.
 - Strategic marketing plans.
- The Bidder's financial plan for the construction and lease of wireless communication towers:
 - Pricing plan.
 - Expected costs.
 - The needed financing and its sources.
 - The expected revenues.

3- The Most Significant Terms and Conditions the Licensee shall abide by:

1. The License Term: the license shall be valid for a term of fifteen (15) years and shall be renewable.

2. Financial Obligations:

- A. The Licensee shall pay to the Licensor an upfront royalty amounting to 50,000 LE (only fifty thousand Egyptian pounds) for the issuance of the license to be paid once upon signing this license.

- B. An Annual License Fee amounting to 3 % (only three percent) of gross service provision revenues on an annual basis for the licensed services under the scope of this license, amounting to a minimum of half a million Egyptian pounds annually.
- C. Other Licensing Charges and Burdens: amounting to 10,000 LE (only ten thousand Egyptian pounds) annually plus the inflation rate announced by the Central Bank of Egypt on the first business day of each calendar year throughout the license term or any renewal period(s) whether the license is signed at the beginning of the year or not.
- D. The Licensee, upon signing this license, shall deposit in the Licensor's treasury a sum of money amounting to 500,000 LE (five hundred thousand Egyptian pounds) as a Performance Bond as per an official receipt in order to guarantee the execution of all the obligations mentioned herein. No interests will be earned on the Performance Bond. Cheques may be accepted by local banks in case they are certified by the drawee bank. It is permissible also that the Performance Bond be made according to a clean and unconditional Letter of Guarantee to be submitted for one year and issued by a recognized local bank. It will be renewed throughout the license term.

The bank will acknowledge its commitment to pay the deposit or part of it to the Licensor on demand regardless of any objection raised by the licensee. The bank acknowledges also in the Letter of Guarantee that the Licensee did not go beyond the limits of Letters of Guarantee the bank issues and that the bank is permitted to issue Letters of Guarantee.

- E. The Licensee shall abide by the articles and provisions of the license and the administrative resolutions issued by the NTRA concerning the Licensee's implementation and execution of its obligations as set forth herein.
- F. The Licensee shall abide by all the laws, regulations and decrees applied in the A.R.E. including the Telecommunications Regulation Law No. 10/2003.
- G. The Licensee shall use the internationally acknowledged standards/protocols, including the Mobile Phone Base Stations (MacroCells) Standards Protocol issued by the NTRA in collaboration with other competent entities.
- H. On constructing wireless communication towers, the Licensee shall abide by all the acknowledged constructional standards for the construction of the infrastructure of telecom networks.
- I. The Licensee shall abide by all the acknowledged technical standards and the relevant recommendations issued by ITU in constructing such infrastructure of telecom networks.
- J. The Licensee shall obtain all the required licenses, permits and legal and administrative approvals needed for the construction of the infrastructure of telecom networks from other competent authorities.
- K. The Licensee shall take all the required measures needed for the protection of existing installations and facilities on constructing or maintaining wireless communication towers.

- L. The wireless communications towers will be leased pursuant to a contract form approved by the NTRA, provided that it includes all the needed terms and conditions that determine the relation between the Licensee and Lessee.
- M. The terms, conditions and specifications (required for the award of the license of the construction and lease of the wireless communication infrastructure) and the bid submitted by the winning bidder will be deemed an integral part of this license and complementary part of its provisions.
- N. **The Applicable Law:** this license shall be governed by the provisions of the effective legislations, laws, regulations and decrees applied in the A.R.E. and the resolutions issued by the NTRA in this concern.