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Attachment 1

Request For Applications For Licensing of Public Mobile Services

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1 BACKGROUND

The Communications and Information Technology Commission (CITC) is the entity authorized to regulate the Information and Communications Technology (ICT) sector in the Kingdom of Saudi Arabia. The Telecommunications Act, enacted in June 2001, and effective in December 2001, provides the legislative foundation for developing and regulating the sector. The CITC Ordinance, effective in June 2001, created the CITC and defines its functions, governance, and financing. The Telecommunications Bylaw was issued in July 2002 and became effective immediately. The Bylaw provides for the regulation of the ICT sector by the CITC in the KSA.

At present, mobile telecommunications services in the Kingdom are offered by the Saudi Telecom Company (STC) and Etihad Etisalat Company (“Mobily”). In addition, as a part of the overall telecommunications liberalization process in the Kingdom, licenses have been issued to four new VSAT service providers, as well as two new public data telecommunications service providers.

The CITC previously issued a Public Notice No. 6/1427, dated 19/03/1427H; 17/04/2006G, attaching a Public Consultation Document titled “Regulatory Framework for Licensing of Fixed and Mobile Services in the Kingdom of Saudi Arabia”. This Public Consultation Document requested comments on the options considered for the overall fixed and mobile services regulatory framework.

Subsequently, the CITC issued the Public Consultation document entitled “Public Consultation Document On The Proposed Policies Related to Fixed and Mobile Services Licensing in the Kingdom of Saudi Arabia” on 15/04/1427H (13/05/2006G). The CITC has also separately initiated a process to license new facilities-based fixed telecommunications service providers.

The purpose of this RFA is to provide instructions to Applicants wishing to file an Application for a Facilities-based Mobile Cellular Services License in the Kingdom using FDD (paired) spectrum.

In preparing their Applications, Applicants are referred to the totality of information made available by the CITC including without limitation, all materials on the CITC Web-site (including the CITC Statutes), Public Notices and Public Consultation Documents.

2 DEFINITIONS

1. The words and expressions defined in the CITC Statutes shall have the same meaning when used in this RFA. The following words and expressions shall have the meaning assigned to them below, unless the context of the RFA requires otherwise.
2. In addition, the words and expressions defined in the Facilities-based Mobile License attached in Appendix 1 shall have the same meaning unless defined otherwise in this RFA.
3. In this RFA:

Advisors mean the CITC's representatives, agents, advisors or consultants including their respective employees;

Applicants mean the parties or Consortia that submit the Application;

Application means an application for a License to provide Facilities-Based Mobile Cellular Services in the Kingdom filed in response to this RFA;

Approved Foreign Bank means a non-Saudi bank appearing on the list issued by the Saudi Arabian Monetary Agency (SAMA) of foreign banks whose guarantees are acceptable to Saudi banks;

Authorized Signatory means any person or persons duly authorized by the Applicant to act on behalf of the Applicant ;

Bid Bond means a bid bond meeting the criteria set out in Clause 5.3 of this RFA and in the form and content as the Bid Bond Form;

Bid Bond Form means the form attached to this RFA as Appendix 5.3;

Business Entity/(ies) means the type of business entity/(ies) that can fulfill the requirements of the relevant regulations specified in the Companies Act, relevant to the right of participating in the forming of Joint Stock companies;

Business Proposal means the final Marketing and Business Plan submitted by the Successful Applicant under the conditions stated in Clause 5.5 and as part of the licensing schedule;

CITC means the Communications and Information Technology Commission (previously the Saudi Communications Commission);

CITC Statutes means the Telecommunications Act, the Ordinance, the Bylaw, and any other Regulations and Decisions approved according to the law;

CITC Web-site means the CITC's internet web-site located at the URL: www.citc.gov.sa;

Consortium or Consortia means a group of companies or Establishments and a cellular mobile operator or group of cellular mobile operators that have agreed to work together as an Applicant and that have committed to establish a legal entity eligible to hold the Licenses if selected to do so, and who agree to hold not less than 5% of the equity capital of the Licensee for a period not less than five years from the establishment of the Saudi Public Joint Stock Company;

Container means a box or a container enclosing an original and five printed copies of an Application as well as an electronic copy;

Cover Letter means the cover letter to be submitted as part of an Application in such form and substance as the Cover Letter Form;

Cover Letter Form means the form attached to this RFA as Appendix 5.1;

Deadline means the date specified in Clause 4.1(d) of this RFA;

Eligible Applicants means those Applicants who have been deemed by the CITC to have passed the pre-qualification criteria as stated in Clause 4.3;

Establishment means a Saudi Arabian entity that is registered with the Ministry of Commerce and Industry according to its regulations;

Finalists means those Applicants who will have the right to participate in the Single Round Auction stage;

Financial Comfort Letter means the financial comfort letter to be submitted as part of the Business Proposal in such form and substance as the Financial Comfort Letter Form;

Financial Comfort Letter Form means the form attached to this RFA as Appendix 5.6;

G means the Gregorian calendar;

H means the Hijra calendar as per Um-Al Qura Calendar;

International Bank means a non-Saudi financial institution included in the SAMA's list of acceptable foreign banks.

Kingdom means the Kingdom of Saudi Arabia;

License means the license or any amendment of the license to provide Facilities Based Mobile Cellular Services in the Kingdom, which is issued by the CITC in accordance with the provisions of the Act and the Bylaw and a draft of which is attached as Appendix 1 to this RFA;

Licensed Service Provider means any service provider licensed by the CITC to offer telecommunications services in the Kingdom;

Licensee means the Applicant issued with a Facilities Based Mobile Cellular Services License;

Management Agreement means the agreement entered into by the Licensee with the Operator/s to operate the Mobile Cellular Network of the Licensee for a period of at least five years from the date of the license issuance.

Minister means the Minister of Communications & Information Technology;

Mobile Cellular Network means a mobile cellular network for the provision of Mobile Cellular Services to the public, including without limitation a network of radio base station sites and a network of Transmission Links;

Mobile Cellular Services means the provision of any mobile voice or data telecommunications service ;

MoCI means the Ministry of Commerce and Industry;

Multiple Round Auction means the bidding procedure as described in Clause 4.4 under the rules stated in Appendix 4;

Operator(s) means the cellular mobile operator(s) member(s) of a Consortium, and considered for the pre-qualification criteria;

Performance Bond means a performance bond meeting the criteria set out in Clause 4.7 of this RFA and in the form and substance as the Performance Bond Form;

Performance Bond Form means the form attached to this RFA as Appendix 5.9;

Pre-qualification Criteria Table means the table setting out the pre-qualification criteria for Applicants to be considered as Eligible Applicants (attached in Appendix 3);

RFA means the document that contains the requirements and instructions for filing the Applications for the licensing of Mobile Cellular Services in the Kingdom;

RIO means the Reference Interconnection Offer described in the Article 41 of the Bylaw;

SAMA means the Saudi Arabian Monetary Agency;

Saudi Public Joint Stock Company means that company established under the conditions of the Companies Act (promulgated Royal Decree No. M/6 dated 22/2/1385H (22nd June 1965));

Single Round Auction means the bidding procedure as described in Clause 4.5 under the rules stated in Appendix 4;

STC means Saudi Telecommunications Company;

Successful Applicant means the Applicant who is awarded the Facilities based Mobile Cellular Services License in accordance to Clause 4.6 of this RFA;

Technical Proposal means the technical proposal submitted by all Applicants under the conditions stated in Clause 5.4 and as part of the licensing schedule;

Year means a Hijra year, unless specified otherwise.

3 REGULATORY FRAMEWORK

This Clause sets out a brief summary of the regulation of the telecommunications sector in the Kingdom as it applies to Mobile Cellular Services. This summary does not purport to be complete, definitive or exhaustive and Applicants should refer to the Act, its Bylaw, the Ordinance and with all other relevant laws.

The key legislation and other documents relating to the regulation of telecommunications in the Kingdom are available on the CITC Web-site.

3.1 Telecommunications Statutes

- a) The principal legislation governing the telecommunications sector in the Kingdom is the Act which was issued under Royal Decree No. (M/12), dated 12/3/1422H (4th June, 2001G).
- b) In addition to the Act, (i) the Bylaw, which was issued by Ministerial Resolution No. 11 dated 17/5/1423H (27th July, 2002G) pursuant to the Act and (ii) the CITC Ordinance, which was issued pursuant to Council of Ministers Resolution No. 74 dated 5/3/1422H (28th May, 2001G), also govern the telecommunications sector.
- c) The Bylaw sets out many of the key rights and obligations of telecommunications service providers. The Bylaw deals with various regulatory issues, including competition between service providers, interconnection, disputes between service providers, tariffs, relations between service providers and users, universal access and universal service policies, frequency, access to property by telecommunications service providers, numbering and telecommunications equipment Regulation, network intrusions and violations of the Act and Bylaw.
- d) Other legal or regulatory instruments include, for example, the Rules of Procedure detailing the operational aspects, the Tariff Approval Process, Interconnection Guidelines, National Numbering Plan, Signaling Point Code Numbering Plan, etc. for dealing with Licensed Service Providers, together with the Decisions and Public Notices issued by the CITC from time to time.

3.2 Licensing

- a) The CITC will issue a license to the new Licensees in accordance with its functions and powers under the Act, the Ordinance and the Bylaw.

4 LICENSING SCHEDULE AND PROCESS

4.1 RFA and Licensing Schedule

In relation to the current Mobile Cellular Services licensing process in the Kingdom, the CITC has decided that the schedule for the RFA phase and licensing schedule shall be as follows:

- a) Any interested parties can purchase entry to this RFA starting on 10/07/1427H (5th August, 2006G) for a fee of 100,000 Saudi Riyals;
- b) Applicants must submit any questions they have concerning the RFA and the related documents set out in the Appendices to this RFA by no later than 2/08/1427H (26th August, 2006G) using the communication protocol set out in Clause 7.10.
- c) The CITC will provide written answers to such questions by 18/08/1427H (9th September, 2006G). All other queries submitted after this date may be answered on a case by case basis;
- d) The Deadline for submitting Applications under the procedure stated in Clause 6 of this RFA is 5/10/1427H (28th October, 2006G).
- e) The pre-qualification stage will run over a 3 week period, under the conditions stated in Clause 4.3, concluding with the communication of Eligible Applicants on 26/10/1427H (18th November, 2006G).
- f) The Multiple Round Auction stage will start on 11/11/1427H (2nd December, 2006G) under the conditions stated in Clause 4.4, concluding with the communication of the Finalists. The Multiple Round Auction Stage is expected to run over a 2 week period.
- g) The Single Round Auction Stage is expected to start on 25/11/1427H (16th December, 2006G) under the conditions stated in Clause 4.5, concluding with the communication of the Successful Applicant.
- h) The Successful Applicant shall submit its Business Plan in accordance with Clause 5.5, no later than 1 week from the completion of the auction stage or stages in accordance with. Clause 4.6.

Appendix 2 of this RFA contains the License Award Process Timetable that summarizes the RFA and licensing process schedule.

4.2 Application Contents

Each Application shall consist of three separate parts as follows:

- a) Part 1 - a duly completed Cover Letter Form dated and signed by an Authorized Signatory , provided that a letter of power of attorney authorizing the Authorized Signatory is included. This Cover Letter Form will include attachments providing general information on the Consortium and the prospective Licensee as set forth in Clause 5.2 of this RFA;
- b) Part 2 - a Bid Bond for an amount equal to 300,000,000 (three hundred million) Saudi Riyals;
- c) Part 3 - a Technical Proposal as further detailed in Clause 5.4 of this RFA

The required content and form of each part of the Application are detailed in Clause 5 of this RFA.

4.3 Pre-qualification Stage

- a) In order to pre-qualify for entry to the Multiple Round Auction Stage, Applicants must demonstrate in their application that they have:
 - i. appropriate technical experience and capabilities for deploying and operating a cellular mobile service;
 - ii. appropriate commercial experience and capabilities for running a cellular mobile services company;
 - iii. adequate financial resources;
 - iv. independence from other mobile Licensees currently in operation in the Kingdom; and
 - v. independence from other bidders

as defined in Appendix 3 of this RFA.

- b) Applicants shall include in their application:
 - i. A Management Agreement
 - ii. A commitment to comply with the CITC statutes and all relevant and applicable Saudi laws and regulations, in particular Article 4 of the Act (which requires that fixed and mobile telecommunications services shall only be provided through joint-stock companies that place their stock for public subscription).

4.4 Multiple Round Auction Stage

- a) Applicants that fulfill the pre-qualification criteria stated in Clause 4.3 and which are notified accordingly by the CITC are considered Eligible Applicants and will have the right to participate in the Multiple Round Auction Stage.

- b) The Multiple Round Auction Stage will be carried out using the “ascending clock format”, as further described in Appendix 4.
- c) The Multiple Round Auction Stage is designed to qualify those Applicants, referred to as Finalists, who will have the right to participate in the Single Round Auction Stage if required.

4.5 Single Round Auction Stage

- a) The Single Round Auction Stage will be carried out using the Single Sealed Bid auction method, as further described in Appendix 4.

4.6 Successful Applicant

- a) The Single Round Auction Stage is designed to select one Applicant which will be considered as the Successful Applicant and which is to be awarded the Facilities-based Mobile Cellular Services License.
- b) If there is only one Finalist at the end of the Multiple Round Stage, this Applicant shall be the Successful Applicant

4.7 Issuance of the License

Before issuance of the License, the successful Applicants will be required to:

- a) establish a Saudi Public Joint Stock Company (where the Applicant is not already one) in accordance to the conditions stated in Clause 5.6;
- b) put in place a Performance Bond in accordance with Article 13 of the License and in the form of Appendix 5.9 of this RFA; and
- c) pay the License fees as described in Annex 3 of the draft License attached in Appendix 1.

5 INSTRUCTIONS TO APPLICANTS

5.1 Binding Nature of Applications

By virtue of having submitted an Application, Applicants will be bound by the information provided and commitments made in their Application.

5.2 Cover Letter

Applicants are required to submit a completed Cover Letter with their Application in the form and substance as set out in Appendix 5.1 of this RFA.

Applicants should include the information required pursuant to this Clause in a document which shall be included with the Cover Letter.

a) Prospective Licensee Details

Applicants must provide the following information in relation to the Licensee:

- i. a table setting out the proposed ownership structure of the Licensee;
- ii. a chart showing the relationship among all persons having a direct or indirect ownership interest in the Licensee at time of incorporation;
- iii. the name, legal status, registered office and a description of the business of all proposed shareholders of the Licensee;
- iv. the financial statements of any proposed shareholder that will own 5 per cent or more of the issued shares of the Licensee. These financial statements must be provided for the preceding two fiscal years and should include an audited or certified income statement and balance sheet;
- v. the articles of incorporation in the form approved by the MoCI executed by each person agreeing to establish the joint stock company and to organize the Licensee in a manner that will comply with the requirements set out in this RFA and in the terms of the License;
- vi. either a certified resolution of the board of directors of all proposed shareholders in the Licensee or a notarized letter of authorization from all proposed shareholders in the Licensee that authorizes the Applicant to file the Application and to propose the Licensee for the issuance of the License;
- vii. the proposed bylaws of the company as per Clause 5.6 and articles of incorporation of the Licensee; and

b) Consortium Details

Applicants must provide the following information in relation to the Consortium:

- i. identification details of each of the Saudi companies or Business Entities and the cellular mobile operator collectively forming the Consortium. Such details must include the name, legal status, registered office address and a description of the business of each Consortium member;
- ii. details of the ownership structure of the companies or Business Entities collectively forming the Consortium and the precise ownership interests held;
- iii. details of the organizational structure of the Consortium including the functions and responsibilities of each Consortium member

emphasizing project management, system design, technical support, implementation, marketing, sales, operations and maintenance; and

- iv. a copy of the shareholder agreement or memorandum of understanding entered into between the Consortium members, if any.

For the avoidance of doubt, GCC nationals shall be treated as non-Saudi nationals in so far as their membership of the Consortium is concerned.

Current Saudi stock exchange (Tadawul) and Companies Act allow, for some companies, a portion of the public float of Saudi joint stock companies to be held by GCC nationals. GCC participation in the public flotation will be counted as Saudi ownership.

c) Management Agreement

Applicants must submit a copy of the draft Management Agreement that will be in place between the Licensee and the legal entity of the cellular mobile operator that is forming part of the Consortium to provide the Licensee with access to the technology, professional know-how, operational and the management experience required to operate the Mobile Cellular Network. This Management Agreement must be for a period of at least five years. Any subsequent amendments to the terms of the Management Agreement will be subject to the prior approval of the CITC.

The Management Agreement should include a commitment by all Consortium members holding not less than five per cent (5%) of the proposed Licensee to replace any Consortium member walking out with a similarly qualified entity before the walk out by the said member.

d) Compliance with Pre-qualification Criteria

Documentation must be provided that clearly and unequivocally demonstrates full compliance with each of the pre-qualification criteria set out in Clause 4.3. This documentation must include:

- i. a written commitment of the Operator(s) member(s) of the Consortium to meet the criteria set out in Clause 4.3;
- ii. a clear identification of which specific Consortium member(s) satisfy each relevant criterion and a clear reference to the documentation attached that proves so;
- iii. details of the network implementation experience of the consortium member or members, including types of contracts, duration and associated work and services completed or in progress, emphasizing types of systems and locations along with involvement with respect to management, technical support and operations;

- iv. the organizational structure(s), functions and responsibilities of each consortium member emphasizing project management, system design, technical support, implementation, marketing, sales, operations and maintenance;
- v. documents providing evidence satisfactory to the CITC of the due constitution, registration and the identity of the company in question such as a copy of the certificate of incorporation, commercial registration or equivalent documents.

5.3 Bid Bond

The Bid Bond submitted by Applicants shall be:

- a) for an amount equal to 300,000,000 (three hundred million) Saudi Riyals;
- b) in the form and substance as the Bid Bond Form set out in Appendix 5.3 of this RFA;
- c) issued by a Saudi bank or by an Approved Foreign Bank;
- d) valid for a period of 180 days from the Deadline; and
- e) the currency of the bid bond should be the Saudi Riyal.

5.4 Technical Proposal

The Technical Proposal shall consist of the following components:

- a) service launch, coverage and rollout commitments; and
- b) operations and technical plan.

The total size of the Technical Proposal (including annexes) should not be greater than 100 pages of A4 in type no less than 10 point and all pages must be numbered (e.g. page 15 of 75). The front page of the Technical Proposal should use the Technical Proposal Form attached as Appendix 5.4(a).

- a) The first and final pages of the Technical Proposal must be signed by an Authorized Signatory. All other pages must be stamped and/or initialed by the Authorized Signatory.
- b) In particular, information is required in respect of the following order:
 - i. Service Launch, Coverage and Rollout Commitments:
 - the rollout plan for each of the first five years of operation to be provided in the Network Rollout and Coverage Form attached as

Appendix 5.4(b) of this RFA which shall meet or exceed the minimum requirements of the License; and

- the proposed service launch date and the scale of the service at launch including coverage and services and the Applicants requirements (if any) for the customers of the planned network to roam on the current Mobile Cellular Service Providers' networks.

ii. Operations and Technical Plan:

- the Applicant must provide a concise description of the planned network of the Licensee. This must include:
 - Network and component Hierarchy;
 - the network capacity in terms of the number of subscribers capable of being supported and relevant metrics such as (mErlang) per subscriber;
 - the requirement for access services from STC (i.e. radio infrastructure, leased lines etc.);
 - radio frequency requirements (including information concerning the frequency bands, number of channels and the anticipated use);
 - an international gateway plan;
- a description of the quality of the network deployment including:
 - a description of the technique to be used for the optimum utilization of spectrum such as frequency hopping, variable interface planning, etc.
 - a description of the technology to be employed and the applicable network standards including any geographic restrictions to availability of enhanced services;
 - the extent to which technical evolution is planned over a five year period, including an outline of how the migration from initial to subsequent technologies will be managed (if applicable);
- a description of the proposed approach to the operation of the Mobile Cellular Services in the Kingdom; and
- a description of the following systems and processes and where appropriate, the proposed quality standards and reporting arrangements:

- network performance monitoring;
 - call metering and billing;
 - maintenance procedures and systems; and
 - after sales support/ customer care;
- detailed human resource plan and committed degree of Saudisation in accordance with the Kingdom's laws rules and regulations.

5.5 Business Plan

The Business Plan shall consist of the marketing and business plan, including:

- a) a description of the offer structure including target market segment, services to be offered, tariffs approach;
- b) details of the Licensee's marketing and distribution strategies; and
- c) feasibility study, business plan and Pro-forma Financial Statements.

In addition the Business Plan shall include a Financial Comfort Letter from a Saudi bank or from a recognized International Bank, in the form as set out in Appendix 5.6, indicating availability of financing for the first five years of the Applicant's business plan.

The total size of the Business Plan (including annexes) should not be greater than 50 pages of A4 in type no less than 10 point and all pages must be numbered (e.g. page 15 of 50). The front page of the Business Plan should use the Business Plan Form attached as Appendix 5.5.

- a) The first and final pages of the Business Plan must be signed by an Authorized Signatory All other pages must be stamped and/or initialed by the Authorized Signatory.
- b) Applicants should submit a financial summary using the Pro-forma Financial Summary attached as Appendix 5.7 in addition to their full, financial statements including a profit and loss statement, a balance sheet, as well as a cash flow statement and a detailed financing plan. The financial information provided should include a detailed set of key assumptions driving the revenues model as well as a bottom up analysis of capital and operating costs for the services and supporting networks and systems.

5.6 Establishment of a Saudi Joint Stock Company

Article 4 of the Act requires that mobile telecommunications services shall only be provided through joint-stock companies that place their stock for public subscription. The Licensee will not be able to commercially launch its services prior to the

formation and registration of the public joint stock company. The initial public subscription is an integral part of the Licensee's formation.

6 PROCEDURE FOR FILING AN APPLICATION

- a) An original and five copies of the Application shall be packaged together in a Container(s). Each Container shall be sealed, packed and closed, so that it is not possible to open it without visual evidence. If a Container is not sealed or marked properly, the CITC will assume no responsibility for the Application or the disposition of its contents. Improperly marked or sealed packages may be rejected by the CITC.
- b) Each of the original and five copies of the Application packaged together in the Container(s) shall be submitted in separate sealed envelopes clearly marked "Application for License to provide Facilities-Based Mobile Cellular Services". The original and each of the five copies shall be respectively marked as "Original" and "Copy". In the event of any discrepancy between the original and the copies, the original shall prevail. The envelopes shall be sealed so that it is not possible to open them without visual evidence.
- c) Applicants are also required to submit electronic versions of the Technical Proposal in CD-ROM format (Adobe Acrobat®, Microsoft Word®, Microsoft PowerPoint®, Microsoft Excel® or HTML) in each of the original and five copies of the envelopes.
- d) Applicants must deliver the Container(s) by hand or by courier to the CITC at the following address:

**The Office of the Governor,
Communications and Information Technology Commission,
King Fahad Road,
Riyadh, 11588
Kingdom of Saudi Arabia**

- e) The original and all copies of the Application shall be typed or written in indelible ink and shall be signed by the Authorized Signatory of the Applicant. The name and designation/position held by the Authorized Signatory must be typed or printed below the signature.
- f) Applications shall contain no interlineations, erasures or overwriting except as necessary to correct errors made by the Applicant, in which case the person or persons signing the Application shall initial such corrections.
- g) All Applications will be valid for a period of 180 days from Deadline for applications.

- h) Failure by any Applicant to provide all of the information required in the Application or any additional information required by the CITC may lead to the rejection of such Application in its entirety.

7 GENERAL PROVISIONS

7.1 Request for Clarification

Questions concerning the RFA must be submitted to the CITC in both Arabic and English by 2/08/1427H (26th August, 2006G). Any questions submitted in only one language may not be answered. All questions must make reference to the relevant clauses in the RFA and its Appendices. The CITC will provide the answers to such questions by 18/08/1427H (9th September, 2006G). Answers to questions will be made available to all Applicants. All questions should contain the name, address, fax number and e-mail address of the recipient for the dispatch of the written response to the questions.

7.2 Confidentiality of Applications

The CITC shall treat all Applications received in relation to this RFA as confidential during the period before the award of Licenses but Applications will not be returned to Applicants.

Claims of confidentiality and the treatment of any information for which confidentiality is claimed are subject to the provisions of Article 11 of the Rules of Procedure. Please refer to the CITC Web-site for these Rules of Procedure.

Neither the CITC and its employees nor its Advisors shall be liable in any respect whatsoever to any Applicant or any of its members or representatives for damages or harm resulting from a failure to maintain such confidentiality.

7.3 CITC Use of Applications

Subject to applicable patent, copyright, trademark and similar laws, the CITC shall have the right to use or reproduce ideas and information contained in an Application without notice or compensation of any kind to the Applicant.

7.4 Cost of Application and Application Process

The Applicant shall bear all costs associated with the preparation and filing of its Application. CITC will in no case be responsible for these costs, regardless of the conduct or outcome of the Application process.

7.5 Modifications of Terms and Conditions of the License

The CITC at its discretion may modify the terms and conditions of the License prior to issuance as set out in this RFA to reflect the plans or commitments made by the Successful Applicant.

7.6 Modification of the Consortia

- a) Requests for changes to a Consortium, including consolidation of different Applicants or Consortia after submission of the Application will be considered by the CITC so long as the CITC is informed and approves of the change.
- b) Changes will only be allowed for Consortium members who will hold less than five percent (5%) of the proposed Licensee where the CITC is notified no later than two weeks prior to the Deadline for applications and provided that the original member(s) satisfying the pre-qualification criteria remain(s) part of the Consortium.
- c) Any Consortium member of a pre-qualified Consortium will not be allowed to join another Consortium at any time during the licensing process.

7.7 Reservation of Rights

- a) This RFA is available to all interested parties. The information contained in this RFA or subsequently provided to Applicants, whether orally or in documentary form by or on behalf of the CITC or any of its employees or Advisors, is provided to Applicants on the terms and conditions set out in this document.
- b) This RFA is not an agreement and does not constitute an offer by the CITC to any other party. This RFA does not purport to contain all the information each Applicant may require. It is not the role of the CITC, its employees or Advisors to consider the investment objectives, financial situation and particular needs of each Applicant who purchases this RFA. The CITC has made reasonable efforts to include accurate and current information in this RFA and in any other documentation provided to Applicants. However, no representation or warranty, express or implied, is made by the CITC or its employees or by any of its Advisors as to the accuracy, reliability or completeness of the information provided and neither the CITC and its employees nor any of its Advisors shall have any liability whatsoever to any Applicants or, where applicable, to any of their Consortium members, owners or shareholders or any other person resulting from use of or reliance on any of the information so provided. Each Applicant should conduct its own investigations and analysis and should check the accuracy, reliability and completeness of the information set out in this RFA and obtain independent advice from appropriate sources prior to use of or reliance on that information.
- c) Notwithstanding any other provisions in this RFA, for whatever reason and without incurring any costs or liabilities or any obligation to inform the Applicants of the reasons for its actions, the CITC reserves the absolute and unfettered right, in its sole discretion:
 - i. to take any action, including amending, updating and supplementing this RFA and any other CITC documents, which it considers necessary to ensure that the licensing process occurs in a fair, open and

- transparent manner, in accordance with the laws of the Kingdom and so as to meet the objectives of the CITC;
- ii. to modify the licensing process set out in this RFA and any other CITC documents;
 - iii. to accept or reject any Application and to waive any minor informalities or defects in Applications received;
 - iv. to reject any Applicant or Application which the CITC reasonably believe may pose a risk to national security, safety or scarce resources or which, following the award of a license, may lead to an anti-competitive environment in the market for public telecommunications services in the Kingdom;
 - v. to annul, postpone and/or terminate the licensing process or revoke an award of license at any time before the license is actually issued; and
 - vi. to pre-qualify or not pre-qualify any one or more Applicants who have filed an Application. A rejection shall be justified.
- d) The CITC is not legally obliged to select or to issue a Facilities-Based Mobile Cellular Services License to any Applicant.
- e) Neither the Government of the Kingdom nor any of its agencies, employees, representatives, advisors or consultants, including the CITC and its Advisors, shall incur any liability whatsoever to any Applicant or, where applicable, to any of its respective Consortium members, owners or shareholders or any other person by reason of any Decision made or action taken by the CITC, its employees or Advisors in connection with the evaluation and selection of an Applicant or the carrying out or termination of the RFA process.

7.8 Other Provisions

- a) Disqualification Prior To Issuance Of License - The CITC may refuse to evaluate Applicants and remove them from further consideration or, having done so for any of the reasons set out below:
- i. failure to comply with any of the procedures or other requirements established by this RFA;
 - ii. illegal conduct by the Applicant related to the RFA process;
 - iii. any attempts by the Applicant to influence the evaluation of Applications;
 - iv. any corrupt practice by the Applicant, including the offering, giving, receiving or soliciting of any thing of value to influence the action of a

public official in relation to the licensing process established by this RFA;

- v. any fraudulent practice by the Applicant, including misrepresentations of fact or intention, and collusive practices, prior to or after submission of Applications, designed to undermine the integrity of the RFA process.
- b) Applicants are not allowed to contact any member of the Board or staff of the CITC and its Advisors in any way whatsoever in order to seek clarifications or other information regarding this RFA document other than by the means given in this RFA. Any breach of this requirement will result in the disqualification of the Applicant.
- c) Disqualification Subsequent To Issue Of License - If at any time the CITC learns that any of the activities referred to in Clause 7.8(a) above has occurred, the CITC may revoke the relevant license without compensation, in accordance with the provisions of the Act and the Bylaw. The provisions of this section are in addition to any criminal or civil legal action that may be available to or taken by any government entity or regulatory authority, including the CITC.

7.9 Legal and Formal Requirements

- a) Governing Law - This RFA and any License granted or denied pursuant to this RFA shall be exclusively subject to, and interpreted in accordance with, the laws of the Kingdom.
- b) Settlement of disputes - Any dispute, controversy or claim arising out of or in connection with this RFA, or the breach, termination or invalidity thereof, shall be settled by the CITC under the Act and the Bylaw and other applicable laws of the Kingdom.
- c) Language – The Application and associated documentation must be filed in both the Arabic and English languages. However, Applicants may elect to submit supporting materials including brochures, annual reports and technical documents only in the English language.
- d) Currency – All amounts of currency stated in the Application shall be expressed in Saudi Riyals (SAR).

7.10 Communications in Connection with the Licensing Process

- a) All correspondence with the CITC, other than the filing of the Application, should be submitted to either of the following addresses:
 - i. By e-mail to:

2006licensing@citc.gov.sa

- ii. Delivery by hand or by courier:

**The Office of the Governor,
Communications and Information Technology Commission,
King Fahad Road,
Riyadh, 11588
Kingdom of Saudi Arabia**

- b) All correspondence should contain the name, address, fax number and e-mail address of the recipient for the dispatch of any written response.
- c) All deliveries, notices or other communications made by the CITC to Applicants in connection with the application process shall be sent by fax, e-mail or personal delivery to the registered office of the Applicant, as specified at the time the Applicant registered with the CITC in the course of purchasing this RFA.



Appendix 1

Draft Facilities-based Mobile License

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PREAMBLE

Pursuant to the provisions of the Telecommunications Act issued by the Royal Decree No. M/12 dated 12/3/1422 Hijra corresponding to 4 June 2001G and by virtue of the provisions of the ordinance of the CITC (the “Ordinance”) issued by Council of Ministers Resolution No. 74 dated 5/3/1422 Hijra corresponding to 28 May 2001G, and pursuant to the Royal Decree No (.....) dated (.....) to incorporate the company and pursuant to the Council of Ministers Resolution No (.....) dated (.....) to award this License, the Commission has issued this License to (.....) (the “Licensee”) based on the following terms and conditions:

ARTICLE 1 – DEFINITIONS

The words and expressions defined in the Telecommunications Act, its Bylaw and the Ordinance shall have the same meanings in the context of this License, except as otherwise indicated in this Article:

1. “Calling Line Information” means information sent to a called Terminal by the Mobile Cellular Network to permit identification of the calling Terminal which shall not include any information regarding the location of the calling terminal.
2. “CITC” means the Communications and Information Technology Commission (previously the Saudi Communications Commission) of the Kingdom of Saudi Arabia.
3. “CITC Statutes” means the Telecommunications Act, the Ordinance of the Saudi Communications Commission, the Telecommunications Bylaw, any other Bylaw adopted under the Act or any other legal or regulatory instrument that is enforceable by the CITC.
4. “Class License” means a service-based License held for the purpose of providing telecommunications services via networks, system elements and/or facilities owned and/or operated by a third party possessing an Individual License.
5. “Coverage Area” means the areas of the Kingdom in which the Licensee must ensure that Subscribers can access Mobile Cellular Services by means of the Licensee’s Mobile Cellular Network as specified in Annex 1 of this License.
6. “Effective Date” shall have the meaning set forth in Article 5 of this License.
7. "Force Majeure" shall mean any incident that is beyond the reasonable control of the Licensee and which was unforeseen when issuing the License or cannot be prevented such as an act of God, wars and unavoidable natural disasters.
8. “Frequency Management Spectrum Guidelines” means the procedures issued pursuant to the provisions of Article 81 of the Bylaw.

9. “Global Mobile Personal Communications Services (GMPCS)” means mobile personal communications through the use of hand-held/Terminal wireless sets radio and end-user equipment communicating directly with satellites.
10. “Individual License” means a facilities-based License permitting the deployment and/or operation of any form of telecommunications network, system elements and/or facilities for the purpose of providing telecommunications services.
11. “Reference Interconnection Offer (RIO)” means the Reference Interconnection Offer described in the Article 41 of the Bylaw.
12. “Kingdom” means the Kingdom of Saudi Arabia.
13. “License” means this license or any amendment to this License issued by the CITC in accordance with the provisions of the Telecommunications Act and the Bylaw.
14. “Licensed Services and Networks” means services and networks that the Licensee is authorized to provide install operate and use pursuant to Article 4 of this License.
15. “Licensed Service Provider” means a service provider possessing an Individual or Class License.
16. “Licensed Territory” means the territory defined in Article 7 of this License.
17. “Mobile Cellular Network” means a mobile cellular network for the provision of Mobile Cellular Services to the public, including without limitation a network of radio base station sites and a network of Transmission Links.
18. “Mobile Service” means a radio communication service configured so as to permit full mobility of User Terminal Equipment which permits the reception of communications from or permit communication with any apparatus or station. Mobile services in this context shall exclude satellite mobile services.
19. “Net Revenues” means the total revenues received by the Licensee from providing the Licensee's Public Mobile Cellular Services commercially, less the dues to any other domestic and international telecommunication entities that are reflected in the settlement results of these services .
20. “Number Portability Plan” means any plan concerning Number Portability that the CITC may require the Licensee to develop and submit to the CITC for approval pursuant to CITC Statutes.
21. “Performance Bond” means the bank guarantee which has to be issued by the licensee and which is to be deducted considering the compliance with roll-out obligations,
22. “Proposal Documents” means the commercial and technical proposal and the financial proposal submitted by the Licensee to the CITC as part of an application for the License, in response to the Request for Applications.

23. “Quality of Service Parameters (QoS)” means the quality of service parameters defined in Article 24 of this License.
24. “Red Crescent” means the humanitarian non-governmental organization operating in the Kingdom.
25. “Requests for Applications (RFA)” means the Request for Applications for the licensing of Mobile Cellular Services in the Kingdom.
26. “Security Department” means the Public Security Department of the Ministry of the Interior, a government department in the Kingdom.
27. “Service Launch” means the date on which the Licensee begins offering Mobile Cellular Services to the public for certain fees.
28. “Terminal Equipment (Terminal)” means equipment which is directly or indirectly connected to a network point and which is used directly by the Users in order to access mobile cellular services by means of that network.
29. “Transmission Links” means radio and non-radio communication facilities such as microwave systems and fiber optic cables used to link the facilities, including, but not limited to radio base station sites and switches, of the Licensee, whether with each other or with the facilities of another of the public telecommunication service providers licensed by the CITC.
30. “User (Subscriber)” means an end-user who uses publicly available public Mobile Cellular Network services.
31. “Violations Committee” shall have the meaning ascribed to it under Article 94 of the Bylaw and Article 38 of the Telecommunications Act.
32. “Year” means a Hijra year in accordance with the Um-Al-Qura calendar, which commences from the Effective Date of this License or any anniversary thereof.

ARTICLE 2 – ANNEXES

1. The following Annexes form part of this License and are subject to all the terms and conditions set out in this License:

Annex 1 – Network Rollout and Coverage Requirement Schedule

Annex 2 – Frequencies

Annex 3 – Fees

2. The Request for Applications prepared by the CITC which identifies the framework to provide Mobile Cellular Services, and the responses to such requests submitted by the Licensees, are part of this License. In case of contradiction between this License (including the Annexes) and the said documents, this License and Annexes thereof shall prevail.

ARTICLE 3 – COMPLIANCE WITH CITC STATUTES AND ITS DECISIONS

1. The Licensee shall comply with the conditions and provisions of this License and Annexes thereto and the Telecommunications Act and its Bylaw, the Ordinance, the Decisions and other CITC Statutes and guidelines issued by the CITC.
2. This License shall be implemented in accordance with the statutes of the CITC and with any decisions it issues, as well as the conditions contained in this License.
3. Where any conflict shall arise between this License and any of the CITC Statutes, the CITC Statutes shall prevail.
4. The Licensee shall comply with the decisions that are issued by the CITC following the Effective Date of the License which state its rights and obligations, including but not limited to those relating to:
 - a) Terms of providing the service.
 - b) Quality standards of communications services provided by the Licensee.
 - c) Principles and rules applied in determining tariffs of telecommunications services.
 - d) Universal service and right of universal usage.
 - e) Fees.
 - f) Frequencies.
 - g) Numbering.
 - h) Number Portability.
 - i) Interconnection.
 - j) Equipment license and types approval.
5. Pursuant to the provisions of the Bylaw, the CITC will invite comments of the Licensee prior to the taking by the CITC of the Decisions that would affect the rights and obligations of the Licensee. CITC shall take into consideration the comments of the Licensee with regard to such decisions, as it deems appropriate, at its sole discretion, in line with its regulations.
6. The CITC may invite comments of other parties, including other service providers and Users, in line with its stated powers as stipulated in the Telecommunications Act, Bylaw and other CITC Statutes and CITC regulations.
7. The Arabic version of the License shall be the official version and in case of any differences between the text of the official version written in Arabic language and a translation into another language, the Arabic version shall prevail.

8. Activities and acts of the Licensee that are not governed by the Telecommunications Act, its Bylaw and the other CITC Statutes shall be subject to the applicable laws and regulations of the Kingdom of Saudi Arabia.

ARTICLE 4 – THE LICENSE

1. Pursuant to the Telecommunications Act, its Bylaw and the other CITC Statutes, the CITC hereby issues this License to the Licensee to practice the following:
 - a) to install operate and use a Mobile Cellular Network to provide public Mobile Cellular services in the Kingdom pursuant to the terms and provisions of this License and Annex 1; and
 - b) to provide public Mobile Cellular Services using any international digital standard for mobile telephone services as approved by a recognized international standards organization acceptable to the CITC including but not limited to the European Telecommunications Standards Institute (ETSI) and the ITU, and pursuant to the laws and regulations enforced in the Kingdom, such services including but not limited to:
 - i. Voice communications services;
 - ii. Data communications services; and
 - iii. Other related services including, but not limited to, short message services, voice mail, multimedia services, push-to-talk over cellular (PoC), location based services and other such value added services as may be desired by the Licensee's Users and offered by the Licensee.
2. The Licensee may provide internet services using its Mobile Cellular Network subject to obtaining a license for such service from the CITC.
3. The Licensee may install operate and maintain an international access network provided that the Licensee shall not offer or provide any services over its international access network to any person except as part of its provision of Public Mobile Cellular Services to its customers.
4. The Licensee may not provide fixed voice services, fixed data services or cellular satellite mobile services unless the Licensee is duly authorized by an appropriate license to offer such services.
5. Broadcasting content is subject to separate licensing from the Ministry of Culture and Information.
6. The Licensee is authorized to interconnect its network to any public or private telecommunications network licensed by the CITC and to any telecommunications equipment which has been licensed or approved in accordance with the provisions of Chapter 12 of the Bylaw.

7. Radio based Transmission Links shall not be used by the Licensee except pursuant to a Radio License issued by the CITC. The CITC cannot guarantee that suitable radio frequencies will be available for all Transmission Links, but will where possible make suitable frequencies available upon request in accordance with the provisions of Article 15 of this License.
8. In addition to the terms and conditions set out in this License, the Licensee shall comply with the following:
 - a) The Licensee shall provide periodical reports to the CITC and shall provide any other information requested by the CITC. The CITC shall determine the nature of the requested information and the time of its provision.
 - b) The Licensee shall provide the technical ability in its equipment and networks through which security monitoring equipment can be connected to these networks. The Security Department shall be responsible for all reasonable costs of such security monitoring equipment, for operating and maintaining such equipment, and for the provision and operation of any needed interconnecting circuits. This obligation shall include monitoring of any VoIP and IP telephony services provided by the Licensee.
 - c) In emergency situations, as determined by the Government, the Licensee must allow the use of its spectrum and/or networks by the concerned departments of the Government of the Kingdom and is entitled to be compensated by the Government for such use.

ARTICLE 5 – EFFECTIVE DATE OF LICENSE

This License shall become effective on the date the CITC issues a decision to approve such license.

ARTICLE 6 – TERM AND RENEWAL

1. This License shall be valid for twenty-five (25) years from the Effective Date, and shall have an automatic right of renewal pursuant to the CITC Statutes and with the approval of the CITC and any license renewal may be subject to a renewal fee based on the cost of renewal at that time.
2. Terms of renewal shall be subject to negotiation and such negotiations may be requested by either party two years before the expiry date of the License.

ARTICLE 7 – LICENSE TERRITORY

1. The License Territory shall include:
 - a) all areas of the Kingdom to permit the provision of licensed Mobile Services and the establishment of the Mobile Cellular Networks in all areas of the Kingdom; and

- b) permit such services to be supplied and carried between the Kingdom and networks outside the Kingdom in accordance with laws and agreements which regulate this subject.

ARTICLE 8 – AMENDMENT OF LICENSE

1. This License shall not be amended unless such amendment is made by the CITC in accordance with the CITC Statutes.
2. The CITC has the right to issue one or more of the licenses based on CITC Statutes and in this case this License shall be amended to be consistent with the new licenses as CITC deems appropriate.

ARTICLE 9 – ASSIGNMENT OF THIS LICENSE AND SUB-CONTRACTING

1. Assignment of this License is subject to provisions of Article 23 of the Telecommunications Act and its Bylaw.
2. Licensee may assign this License after obtaining the prior written approval of CITC provided that Licensee shall fulfill all legal, technical, financial and commercial requirements in order to obtain such License pursuant to the discretion of CITC and in compliance with the CITC Statutes.
3. The Licensee may, after obtaining the written approval from the CITC, contract with other persons such as sub-contractors to commission them to provide the telecommunication services it was licensed to provide by virtue of the License.
4. Licensee may contract with other persons to operate and maintain part of the Licensee's network on its behalf, in which case all obligations resulting from this License shall remain the responsibility of the Licensee.

ARTICLE 10 – REVOCATION AND SUSPENSION

Pursuant to the procedure set forth in Article 11 hereof, the CITC has the right to revoke or suspend the License in accordance with the CITC statute in the event the Licensee commits a material breach of the terms of the License and fails to remedy such breach upon notice thereof and passage of a reasonable period of time to cure such breach.

ARTICLE 11 – VIOLATIONS AND PENALTIES

1. Violations and penalties related to this License shall be dealt with in accordance with the CITC Statutes.
2. In the event of occurrence of an act that warrants referral by CITC of the issue to the Violations Committee relating to the Telecommunications Act, such referral shall be after CITC has taken the following prior measures:
 - a) Notified the Licensee of the violation in writing, including the legal bases and facts clarifying the violation and afforded the Licensee the opportunity, during

a reasonable period of time, prescribed by the CITC, to rectify the violation;
and

- b) Requested the Licensee's comments regarding the alleged violation, in order to consider them when reviewing such violation.
3. The Violations Committee in reviewing such violation will take into consideration, in accordance with the CITC Statutes and the Committee's working procedures, the measures taken by the Licensee to remedy such violation.

ARTICLE 12 – ENSURING CONTINUITY OF SERVICE

1. If this License is not renewed, or is suspended or is revoked, the Licensee shall cooperate with the CITC and take all actions required by CITC to guarantee continuity of service in accordance with the CITC Statutes. The CITC shall consult with the Licensee, and take into account the Licensee's comments as the CITC deems appropriate.
2. If this License is not renewed, or is amended or is revoked, the Licensee shall be entitled to request compensation for the additional costs it incurs to ensure continuity of service. Such compensation shall be obtained in the manner determined by the CITC. However, the CITC itself shall not be liable to pay compensation to the Licensee or to any other party for any costs incurred by the Licensee.

ARTICLE 13 – FEES PAYABLE BY LICENSEE

1. The Licensee shall pay to the CITC the fees specified in Annex 3 of this License.
2. The applicable fees for frequencies shall be due on the date of Service Launch for the first year, and for the following years the fees for using the frequencies shall be due on the anniversary of the date of Service Launch.
3. The Licensee shall pay the due fees for providing the service on a quarterly basis.
4. CITC shall determine the method of issuance of invoices and payment and shall inform the Licensee thereof with which the Licensee shall comply.
5. Payment shall be due immediately upon the issuance of the invoice and shall be paid within one month of the invoice issuance date. In case of nonpayment within the said period, CITC shall cash in the Performance Bond in order to obtain the amount it is due.
6. The Licensee, prior to the issuance of this License, shall submit a Performance Bond in the amount of Three hundred million Saudi Riyals (SR 300,000,000), issued from [()]. Such Performance Bond shall be valid for a period of [()] months from the date of its issuance. It shall be renewed for similar periods within a reasonable period before the expiration thereof, and with the coordination of the concerned parties within the CITC.

ARTICLE 14 – FREQUENCIES

1. CITC shall authorize the Licensee in accordance with this License to use the frequencies stated in Annex 2 hereof for the sole purpose of providing Mobile Cellular Services. The Licensee shall not use such frequencies for any other purposes.
2. Additional frequency bands may, where possible, be assigned to meet the needs of the Licensee and to enable him to carry out his works and meet his obligations under this License, in compliance with the stated regulatory procedures as stated in the CITC Statutes and against payment by the Licensee of the applicable fees for using such frequencies.
3. Such additional frequency assignments will only be made by the CITC where the Licensee can demonstrate existing or reasonably projected subscriber demand and that the frequency bands already assigned to the Licensee are being utilized effectively as measured against international benchmarks for spectrum utilization for similar or identical frequency assignments to the complete satisfaction of the CITC.
4. The Licensee's use of the frequencies indicated in Annex 2 of this License and all other frequencies shall be governed by the technical characteristics defined by CITC and the provisions of the CITC Statutes and other provisions and principles that may be approved in:
 - a) the National Frequency Spectrum Plan; and
 - b) the Frequency Spectrum Management Procedures.
5. Any existing frequency assignment used by the Licensee, whether for the delivery of Licensed Services or for related facilities such as Transmission Links, may be subject to reassignment. Reassignment will only occur where the CITC believes such action will improve spectrum efficiency in the Kingdom, or for other reasons including international spectrum coordination, provided such actions will not unduly impact the operation of the Licensed Services.
6. Reassignment will only occur after the CITC and the Licensee have consulted with each other, where CITC has provided the Licensee with reasonable time and, where applicable, alternative frequency assignments, for the maintenance of services.
7. Compensation may only be considered by CITC where reassignment involves a reduction of frequency assignments detailed in, or described in an addendum to, Annex 2 of this License.

ARTICLE 15 – NUMBERING

1. The CITC shall assign the numbers required by the Licensee to provide the Mobile Cellular Services in accordance with the provisions stated in the National Numbering Plan and the Licensee shall use such numbers in accordance with the CITC Statutes including the National Numbering Plan and any decisions issued by the CITC to regulate the numbering.

2. With regard to additional numbers that are needed by the Licensee, such numbers shall be allocated in accordance with CITC Statutes, and in conformity with the rules and provisions of the National Numbering Plan.
3. Mobile Number Portability is currently being implemented by existing Mobile Service Providers pursuant to the CITC Mobile Number Portability Policy and Guidelines, [and Local Number Portability (LNP) as outlined in Phase 2 of CITC's Mobile Number Portability Policy and Guidelines will be a future obligation for Licensees]. Licensees shall provide Number Portability as an option to its Subscribers pursuant to the CITC Number Portability policy.

ARTICLE 16 – TELECOMMUNICATIONS EQUIPMENT AND TYPES

The Licensee shall obtain a License from CITC for its own telecommunication equipment which it needs to be able to exercise its rights and meet its obligations under this License. In this regard, the Licensee shall comply with CITC Statutes.

ARTICLE 17 – ACCESS TO PROPERTY

The Licensee may access public and private property for purposes of installing, maintaining and operating the Mobile Cellular Network and providing licensed services permitted hereby pursuant to the CITC Statutes.

ARTICLE 18 – SERVICE OBLIGATIONS

1. The Licensee shall provide services in accordance with the stated standards of service quality and the terms and conditions of service provision as permitted by the CITC Statutes.
2. Licensee shall comply with executing all the obligations stated in the CITC Statutes and this License by continuing to provide the services and working on developing and improving such services in line with the goals of the Telecommunications Act, especially the following services:
 - a) make available clear, detailed, fair and accurate written terms and conditions to all Subscribers that comply with the requirements of the Telecommunications Act, and its Bylaw, which may be provided via a publicly accessible advertised website;
 - b) provide its postpaid Subscribers with clear, detailed, fair and accurate written invoices that comply with the requirements of the Telecommunications Act, and its Bylaw;
 - c) provide various information services including directory inquiry services; and
 - d) Where the Licensee provides access to emergency services, the Licensee shall carry and route any emergency calls to an appropriate emergency response centre and shall provide Calling Line Information to emergency services for any calls made to such services including the Red Crescent, Public Security,

Civil Defence, and other similar organizations which originate from within the Licensee's network free of all costs and charges.

ARTICLE 19 –TARIFFS

The Licensee shall provide CITC with tariffs for all the services it is licensed to provide and the CITC may, at its discretion, regulate the Licensee service tariffs based on the provisions of the Telecommunications Act and its Bylaw.

ARTICLE 20 – CONTINUITY OF SERVICE IN EMERGENCIES

1. The Licensee shall not stop providing the Mobile Cellular Services or the Mobile Cellular Network without prior permission from the CITC, except following a Force Majeure that affects the performance of the obligations stated in the License. The Licensee shall, upon occurrence of the Force Majeure, immediately inform the CITC attaching the supporting documents. The CITC will study the matter and issue a Decision with regard to this matter in accordance with its evaluation and efforts and pursuant to the then prevailing statutes of the Kingdom.
2. The Licensee shall use its best efforts to ensure the continuity of provision of Mobile Cellular Services which the Licensee is licensed to provide, in all cases and circumstances, through setting out the plans, arrangements, procedures and principles that guarantee their continuity.
3. The Licensee shall ensure the establishment of special work teams to repair all faults affecting the Licensee's Mobile Cellular Services or the Mobile Cellular Network in the Kingdom in case of disasters and emergency and re-instate them as soon as possible, setting out the necessary rules and procedures. The Licensee shall provide telecommunications means between the affected areas, especially for emergency services.
4. Licensees offering VoIP and IP-based telephony services shall provide Users of such services with full access to emergency services. If this is not technically feasible or practical, the Licensee shall make Users fully aware of this limitation.

ARTICLE 21 – INTERCONNECTION

The Licensee shall permit interconnection with other telecommunications networks in accordance with the Telecommunications Act, Bylaw and Interconnection Guidelines and shall also have the right to interconnect to the same.

ARTICLE 22 – NATIONAL ROAMING

1. The Licensee will be entitled to receive national roaming on terms that are fair, reasonable and not unduly discriminatory where the Licensee makes a reasonable request in writing to a Dominant Service Provider.
2. The Licensee shall not be granted the right for its customers to roam on an existing mobile network at Service Launch within the municipal boundaries of Riyadh, Makkah, Madinah, Jeddah, Dammam, Khobar and Dhahran.

3. Following the fourth anniversary of the Service Launch, the Licensee will no longer be entitled to receive national roaming. However the Licensee can continue to have national roaming arrangements with another operator subject to reaching a commercial agreement with that operator.

ARTICLE 23 – QUALITY OF SERVICE

The Licensee shall supply the Services in accordance with the QoS indicators and the terms of service approved by the CITC based on the Statutes.

ARTICLE 24 – TECHNOLOGY MIGRATION

1. The Licensee shall advise the CITC of any intention to materially change the technology deployed by the Licensee in the assigned spectrum so as to provide the CITC with reasonable time to evaluate, assess the potential impact of, permit the coordination of, and/or to consult with interested parties on the proposed technology change.
2. Where the CITC believes the proposed technology change is likely to have a materially adverse effect on any other licensed service provider, the CITC may require the Licensee to undertake actions to mitigate any such adverse effects.

ANNEX 1: Network Rollout and Coverage Requirements Schedule

Minimum network rollout and coverage requirements are defined in Table A1.1.

Table A1.1 : Network Rollout and Coverage Obligations

At Service Launch and no later than one (1) Year following issue of License	<p>Coverage within the municipal boundaries of the following cities:</p> <ul style="list-style-type: none"> • Riyadh, Makkah, Madinah • Jeddah, Dammam, Khobar, Dhahran
Within two (2) years of Service Launch	<ul style="list-style-type: none"> • Coverage of an additional 15 cities. These cities should include at last one major city in each of the Kingdom's administrative districts. • Major highways connecting the cities of Riyadh, Makkah, Madinah, Jeddah, Dammam/Khobar/Dhahran as indicated in Table A1.2
Within four (4) years of Service Launch	At least 85% population coverage of the Kingdom and highways of the Kingdom listed in Table A1.2

where coverage in Table A1.1 means the service may be obtained at 90% or more measured locations within the defined coverage area.

Within these areas the Licensee's Public Mobile Cellular Network shall be dimensioned to provide a Blocking Factor of no more (at capacity measure) than 5% in the Busy Hour, where:

- i. "Blocking Factor" means the percentage of total call attempts made during the Busy Hour within coverage that are unsuccessful; and
- ii. "Busy Hour" means the period of one (1) hour starting at the same time each day for which the average traffic on the Licensee's mobile network is the greatest, determined from an analysis of traffic data obtained from the Licensee's mobile network measured over a nominal 28 day period.

Table A1.2 : Highway Coverage Requirements

Highways to be covered within 2 years of Service Launch:

- Riyadh-Taif-Makkah
- Riyadh-Dammam
- Madinah-Makkah
- Jeddah - Makkah

Highways to be covered within 4 years of Service Launch:

- Riyadh-Qassim
- Qassim-Hail (new)
- Qassim-Madinah (new)
- Riyadh-Kharj-Wadi Al-Dawasser-Khamis Meshayt-Abha
- Dammam-Jubail
- Dammam-Houfuf
- Houfuf-Salwa
- Taif-Baha
- Baha-Abha
- Madinah-Tabouk
- Qassim-Makkah (passing through Thalam and Afif and crossing Riyadh-Taif Highway)
- Riyadh-Harimla
- Madinah-Yanbu (new)
- Hafr Al-Batin-Rouq' ai
- Nairiah-Hafr Al-Batin
- Kharj-Harad
- Harad-Batha'
- Qassim-Zulfi
- Jeddah-Shu'aybah-Lith
- Jeddah-Jizan
- Tabouk-Dabbah
- Tabouk-Halat Ammar
- Jubail-Khafji
- Baqiq-Riyadh-Dammam

- Arar-Jaddidat International
- Arar-Turayf
- Rafha-Arar
- Skakah-Arar
- Hafr Al-Batin-Rafha
- Skakah-Qurayyat
- Turayf-Qurayyat
- Kharis-Houfuf
- Khamis Meshayt-Najran

In addition, the Licensee shall cover any new major highway constructed in the Kingdom.

ANNEX 2: Frequencies

The Licensee is entitled to use the following frequencies for the provision of Mobile Cellular Services in the Kingdom of Saudi Arabia pursuant to the terms and conditions of this License:

[Details of the available spectrum will be included in the formal RFA]

ANNEX 3: Fees

In addition to the upfront fee for the award of spectrum already paid by the Licensee, the Licensee shall pay the following fees by certified cheque in favor of the CITC in accordance with the terms of [Article 13] of this License and the terms of this Annex:

- i. an amount of [x] per MHz annually, allocated to the Licensee for frequency usage;
- ii. an annual payment of 1 per cent of the Net Revenues of the Licensee as a license issuing fee;
- iii. an amount of [x] for using the Licensee's assigned numbers as per the CITC Decision No. 34/1425 dated 4/1/1425Hijra;
- iv. an annual payment of [X] percent of the Net Revenues of the Licensee representing direct percentages for providing the Mobile Cellular Services on a commercial basis;
- v. where applicable, a fee in respect of work and services provided by the CITC according to the Ordinance of the CITC; and
- vi. fees for Universal Service and Universal Access to be [X] percent of the Net Revenues of the Licensee as a contribution to the Universal Service and Universal Access Fund in line with CITC policy.

Appendix 2

License Award Process Timetable

APPENDIX 2

[Note to Applicants: please refer to Clause 4.1 of the RFA]

LICENSE AWARD PROCESS TIMETABLE

Phase / Event	Duration	Date(s)
Deadline for submitting Questions on RFA		02/08/1427H (26 th August, 2006G)
Answers on RFA Questions		16/08/1427H (9 th September, 2006G)
Deadline for submitting Applications Referred to as Deadline in the RFA		6/10/1427H (28 th October, 2006G)
Pre-qualification Stage Applicants to be evaluated under the pre-qualification criteria (Clause 4.3)	3 weeks	From: 6/10/1427H (28 th October, 2006G) Until: 27/10/1427H (18 th November, 2006G)
Announcement of Eligible Applicants		27/10/1427H (18 th November, 2006G)
Start of the Multiple Round Auction Stage CITC to conduct the Multiple Round Auction Stage (Clause 4.4)		11/11/1427H (2 nd December, 2006G)
Announcement of Finalists		Until: 22/11/1427H (13 th December, 2006G)
Start of the Single Round Auction Stage CITC to conduct the Single Round Auction Stage (Clause 4.5)		25/11/1427H (16 th December, 2006G)
Announcement of Successful Applicant		Around: 25/11/1427H (16 th December, 2006G)
Submission of Business Proposal Successful Applicant to submit the Business Proposal (Clause 4.1(h))		Around: 2/12/1427H (23 rd December, 2006G)
Issuance of the License <ul style="list-style-type: none"> • Successful Applicant to establish a Saudi Public Joint Stock Co. • Successful Applicant to pay upfront fee (Clause 4.7) 	3 to 6 weeks	From: 2/12/1427H (23 rd December, 2006G)

Appendix 3

Pre-Qualification Criteria Table

APPENDIX 3

[Note to Applicants: please refer to Clause 4.3 of the RFA]

PRE-QUALIFICATION CRITERIA TABLE

Characteristic	Criteria
Expertise	The Applicant must include a telecommunications company
Revenue	At least USD 500 million annual revenues summed across the most recent four consecutive quarters from available audited financial statements of the Applicant
Subscribers	Must operate a cellular mobile network(s) providing services to at least 1.5 million cellular mobile subscribers
Operational Experience	Must have at least one year experience in developing and operating a greenfield cellular mobile operation
Locked-in Expertise	The telecommunications company must commit to own at least 15% of the equity of the new licensee and must undertake to maintain such ownership for at least the duration of the Management Agreement (5 years)
Joint Stock Company	Must commit to establish a Saudi Public Joint Stock Company
Public Subscription / Public Float	To be determined after this public consultation
Independence from Current Licensees	Any member of the Consortium or any Applicant shall have No participation (0%) in or from any current cellular mobile Licensees in the Kingdom
Independence from Other Applicants	Any member of this Consortium or any Applicant shall have No participation (0%) in the shareholding of other Applicants

Appendix 4

Auction Rules

APPENDIX 4

[Note to Applicants: please refer to Cause 4.4 and Clause 4.5 of the RFA]

AUCTION RULES

1. DEFINITIONS

“Auction Manager” means an individual appointed by the CITC to manage the mobile license auction.

An “Active Bidder” means a Bidder who has submitted a “Yes” or a “Waive” response in the current Bid Round.

"Bidder" means a body corporate which has made a qualifying application for the right to Bid for the Mobile License.

"Bidder Group" means the Bidder and all persons connected with the Bidder.

"Confidential Information" means information of whatever nature whether in writing, oral or other form which relates to a Bidder's business case or auction strategy including the highest price the Bidder is willing to bid or other information in relation to a Bidder or Bidder Group which if known to another Bidder might reasonably be expected to influence that Bidder's conduct in relation to the auction. Confidential Information shall not include such information which is in or which comes into the public domain other than as a result of a breach by any member of the Bidder Group of the Rules which are defined within this document or any other duty of confidentiality relating to that information. The determination of the Council of Ministers as to what constitutes Confidential Information is final.

"Current Operator" means Saudi Telecom Company (“STC”) or Etihad Etisalat Company (“Mobily”) or any company or individual holding a relationship with either of these companies. "Insider" means any party to whom Confidential Information is disclosed by a Bidder Team other than as a result of a breach by any member of the Bidder Group of the Principles or the Rules (each as defined below).

An "Economic Interest" of more than a specified percentage means an indirect interest held by a person ("A"), through one or more bodies corporate, in the share capital of another body corporate ("B"), such that the percentage interest attributable to that person [(calculated in accordance with normal accounting principles)] in the share capital of B exceeds the specified percentage. For this purpose A and every body corporate controlled by A shall be treated as one person.

“Key Word List” means Confidential Information taking the form of a list of unique words in a sequentially numbered list contained within a sealed envelope, one copy being given to the Auction Manager by each Bidder and one copy retained by the Bidder.

“Messenger” means the individual or individuals chosen by lot from officers of the Armed Forces of the KSA and who shall be randomly assigned by drawing of lots at the start of each Bid Day to each Bidder to carry Bid Offers and Bid Responses between that Bidder and the Auction Manager.

"Participant" in relation to a body corporate, means a person who holds or is beneficially entitled to shares in that body or who possesses voting power in that body. However, a person shall not be regarded as a Participant in a body corporate by reason only of:

- a) holding or being beneficially entitled to 5 percent or less of any class of shares in the body corporate which are listed or traded on a recognized stock exchange; or
- b) possessing voting power in respect of 5 percent or less of any such class of shares.

“Related Party” of a Bidder Group means a member of such Bidder Group other than a member who:

- a) has no interest, whether direct or indirect, in the share capital of the Bidder;
- b) possesses no voting power in the Bidder; and
- c) is not concerned in any way with the Bidder's application for the Mobile License.

“Relevant Member” of a Bidder Group means;

1. A member of such Bidder Group other than a member who:
 - a) has no interest, whether direct or indirect, in the share capital of the Bidder;
 - b) possesses no voting power in the Bidder; and
 - c) is not concerned in any way with the Bidder's application for a mobile license in the KSA.
2. A person is connected with a Bidder if this person is
 - a) a person who controls the Bidder;
 - b) a Participant in the Bidder who is concerned in any way with the Bidder’s application for a mobile license in the KSA;
 - c) a person who has an Economic Interest of more than 10 percent in the Bidder and is concerned in any way with the Bidder's application for a mobile license in the KSA;

- d) a person who controls, or is controlled by, a person falling within sub-paragraph 2a), 2b) or 2c);
 - e) a person who is controlled by a person who controls a person falling within sub-paragraph 2a), 2b) or 2c); or
 - f) a person who is controlled by the Bidder.
3. Any reference to a Participant with more than a specific percentage interest in a body corporate is a reference to a person who:
- a) holds or is beneficially entitled to more than the specified percentage of the shares in that body; or
 - b) possesses more than the specified percentage of the voting power in that body.

And for this purpose a person and every body corporate controlled by him/her shall be treated as one person.

4. Subject to paragraph 5 any reference in these Rules to a person:
- a) holding or being entitled to shares, or any amount of the shares or equity share capital, in a body corporate; or
 - b) possessing voting power, or any amount of the voting power, in a body corporate,

is a reference to his doing so, or being so entitled, whether alone or jointly with one or more other persons and whether directly or through one or more nominees.

5. For the purposes of these Rules, a person's holding of shares, or possession of voting power, in a body corporate shall be disregarded if, or to the extent that;
- a) that person holds the shares concerned:
 - i. as a nominee;
 - ii. as a custodian (whether under a trust or by a contract); or
 - iii. under any other arrangement in respect of the shares concerned which can be reasonably expected to yield no gain of any nature from the outcome of the mobile license award process in the KSA; and
 - b) that person is not entitled to exercise or control the exercise of voting rights in respect of the shares concerned.

6. For the purposes of sub-paragraph 5b):

- a) a person is not entitled to exercise or control the exercise of voting rights in respect of shares if he is bound (whether by contract or otherwise) not to exercise the voting rights, or not to exercise them otherwise than in accordance with the instructions of another; and
 - b) voting rights which a person is entitled to exercise or of which he is entitled to control the exercise only in certain circumstances shall be taken into account only when those circumstances have arisen and for so long as they continue to obtain.
7. For the purposes of these Rules a person controls a body corporate if:
- a) he has a controlling interest in it; or
 - b) he has a controlling interest in a body corporate which has a controlling interest in the body; or
 - c) although he does not have such an interest in the body, or in any body corporate with a controlling interest in the body, it is reasonable, having regard to all the circumstances, to expect that he will be able, by whatever means and whether directly or indirectly, to achieve the result that the affairs of the body are conducted in accordance with his wishes;

and for this purpose a person has a controlling interest in a body if he holds, or is beneficially entitled to, 50 percent or more of the equity share capital in the body, or possesses 50 percent or more of the voting power in it.

8. A Bidder ("Bidder A") is associated with another Bidder ("Bidder B") if:
- a) a Related Party in relation to Bidder A:
 - i. is a Participant with more than zero (0) percent interest in a body corporate which is a Relevant Member of the Bidder Group in relation to Bidder B; or
 - ii. has an Economic Interest of more than zero (0) per cent] in Bidder B;
 - b) a person, not being a Related Party in relation to Bidder A or Bidder B:
 - i. is a Participant with more than zero (0) percent interest in both a body corporate which is a Relevant Member of the Bidder Group in relation to Bidder A and a body corporate which is a Relevant Member of the Bidder Group in relation to Bidder B; or
 - ii. has an Economic Interest of more than zero (0) percent in both Bidder A and Bidder B; or

- c) a member of the Bidder Group in relation to Bidder A and a member of the Bidder Group in relation to Bidder B:
 - i. are both Participants with more than zero (0) percent interest in a body corporate which is a current licensed mobile operator in the KSA, or in a body corporate which controls a current licensed mobile operator in the KSA; or
 - ii. both have an Economic Interest of more than zero (0) percent in a current licensed mobile operator in the KSA, or in a body corporate which controls a current licensed mobile operator in the KSA.

2. AUCTION RULES

2.1. General Rules

- a) All Bidders must abide by the Rules.
- b) The Rules shall only apply to the current auction process, to ensure that the auction process is fair and accessible to all Bidders and that there is strong competition for licenses. For the avoidance of doubt, all existing CITC statutes will remain in force and effect throughout the auction process.
- c) Unless otherwise stated, the Rules shall apply from the date on which a Bidder submits its application to pre-qualify up to and including the date on which the license is awarded to a Bidder (the "Auction Period"). The Rules will apply both to pre-existing arrangements which remain in place between those dates and to new arrangements. The Rules will also apply after the date on which the licenses are awarded should a breach of these Rules be subsequently discovered to have occurred during the Auction Period. In that event, the CITC shall have the discretion to terminate the license of the Bidder responsible or deemed responsible under the Rules without compensation.
- d) All prices shall be expressed in Saudi Riyals.
- e) No collusion between members of different Bidder Groups may take place. Moreover, there should be no transfer of Confidential Information between members of different Bidder Groups, whether deliberate or accidental (except where allowed under the auction procedures).
- f) No member of a Bidder Group shall be party to or engage in any anti-competitive or restrictive conduct or agreements which might affect the auction and/or its outcome.

- g) No Bidder may apply in any other form than under its own readily recognizable identity.
- h) No Bidder shall apply in such a manner or carry out any act during the Auction Period so as to result in becoming a part of a whole of any other Bidder or Bidder Group.
- i) No person may be a Related Party to more than one Bidder Group.
- j) Consortia can bid for the Mobile License provided that they comply with the ownership rules and the pre-qualification criteria. However, following submission by any Bidder of its application to pre-qualify and being advised that it has become an Eligible Applicant, no Related Party of that Bidder, nor that Bidder, may make arrangements with members of another Related Party in connection with the Mobile License auction or become a Related Party of another Bidder.
- k) The CITC is keen to encourage competition in the KSA telecommunications market, and wishes to encourage international participation in the auction. However, if a Bidder is supported by a Related Party which is deemed to be unsuitable by the Council of Ministers or their representative, the Bidder may be required to reorganize its Bidder Group so as to eliminate the undesirable element. Failure to do so may result in exclusion from the auction, notwithstanding that the bidder might otherwise have satisfied the pre-qualification criteria.

2.2. Confidentiality

- a) It is vital for the effective management of the auction process that information about bids is not shared, nor should the opportunity arise for it to be shared, between members of different Bidder Group. Following submission of prequalification applications, members of different Bidder Group may not work together or collude to influence the outcome of the auction; Bidders will be required to warrant prior to the start of the auction process that no such arrangements exist between any member of its Bidder Group with any member of any other Bidder Group and that they shall not seek to enter into any during the Auction Period.
- b) Additionally, Bidders must provide adequate measures and processes to ensure that members of their Bidder Group nor their Insiders transmit Confidential Information to members of any other Bidder Group or Insiders in relation to any person other than a member of their own Bidder Group or Insiders in relation to their own Bidder Group.

2.3. Insiders

- a) Insiders may include, but are not limited to, in relation to a Bidder Group, its technical, legal or financial advisers, debt providers, and holders of shares in any member of a Bidder Group who do not constitute members of that Bidder Group and sub-contractors.
- b) Bidders will be required on submission of applications to pre-qualify to provide a list of their Bidder Group's Insiders. Each Bidder will be required to confirm that its Insiders warrant that they shall not disclose the Bidder Group's Confidential Information to any member of any other Bidder Group other than as required by law or other regulation. Insiders will be required to certify that they have read, understood and are complying with such Rules.
- c) Bidders will be deemed responsible for any transmission of Confidential Information by members of their Bidder Group and by their Insiders, and risk disqualification from the auction if such is shown to have occurred. The determination of the CITC in such matters will be final.

2.4. Advisers to CITC

- a) Advisers to the CITC in respect of the auction of this Mobile License shall not be permitted to advise members of Bidder Groups on matters relating to the auction.

2.5. Anti-Competitive Behavior

- a) The CITC shall exercise every reasonable effort to prevent anti-competitive or restrictive conduct and the entry into, or continuation of, agreements which might damage the auction or effectively restrict access to the auction or prevent the development of business cases.
- b) Bidders shall certify prior to the start of the auction process that the Bidder or any member of its Bidder Group has not entered into any relationship with any equipment provider or software supplier which places any restriction on the supplier as to the quantities of equipment or software which it supplies or offers to supply to any other member of a Bidder Group for the purposes of planning, building or operating a mobile network in the KSA, or as to the price or other terms and conditions upon which such equipment or software is supplied or offered to be supplied to any other member of a Bidder Group
- c) If a Bidder Group is found to have entered into any such agreement then that Bidder may be disqualified from the auction or be liable to loss of license if granted as a result of this auction and such agreement is found to exist at some future date.

- d) If a Current Operator is found to have entered into any such agreement or materially affected the auction or the outcome thereof then that Current Operator will be severely penalized.

2.6. Outstanding Issues Limiting Acceptance of License Award

- a) The Bidder shall provide details prior to the start of the auction process of any consents, clearances, permissions or approvals necessary or appropriate (including merger control or other competition law clearance in any relevant jurisdiction), or other conditions which would need to be met before it could be granted a license. So far as possible, all such matters should be satisfied before the auction takes place.
- b) If any such matter is unavoidably likely to remain unsatisfied or outstanding after the date of the auction, then that matter should be specifically identified prior to the start of the auction process and an indication given of the likely timescale within which it will be completed.

3. PROCESS RULES

3.1. Pre-qualification Process

- a) The auction will be preceded by pre-qualification of Applicants as described in Clause 4.3 of the RFA and Appendix 3 of this RFA. Only Eligible Applicants who meet all other criteria, including the provision of the required bid bond, will be permitted to bid and thus to become Bidders.
- b) Bidders shall be invited to provide the required documentation described elsewhere in this Appendix prior to the start of the auction process and of all dates of the auction process.
- c) Existing Operators may not take part in the auction.
- d) Bidders shall within two working Days submit a formal verification that the Bidder and all members of the Bidder's team are not a Related Party with any other Bidder team.
- e) If any such relationship shall exist, the Bidder shall instead submit a full description of any such relationship and if necessary the manner in which the Bidder proposes to manage that relationship so as to ensure the fair and transparent operation of the auction.
- f) The CITC shall be at liberty to accept or decline the Bidder, the Bidder Team, its composition and any other aspect if the CITC deems there is a potential risk posed to the fair and transparent operation of the auction and the decision of the CITC shall be final.

- g) The CITC shall advise the Bidder of any issue within 2 working days of the submission of this information and shall permit the Bidder to revise the Bidder Team and advise CITC of this revision within five working days.
- h) The CITC may then make a final determination of the acceptability of the Bidder and may decline to pre-qualify the Bidder and the decision of the CITC shall be final.
- i) The Reserve Price for the License shall be the first Starting Price set by the CITC for the first Bidding Round of any Bidding Day.
- j) The auction will be preceded by a preliminary session for Bidders and the Auction Manager and auction management team including Messengers to ensure all rules and mechanics of the process are clearly understood.
- k) Pre-qualified bidders who do not attend the practice session and any preliminary process briefing meetings which may be held to review the auction rules and the auction process will not be permitted to bid.
- l) Bidders are responsible for understanding the rules and the process.
- m) The Bidder shall be responsible for all costs associated with entering and taking part in the auction.
- n) Each Bidder is responsible for the development of a technical plan and business plan, and determining a bidding strategy based on those plans.
- o) The working week in the KSA runs from Saturday to Wednesday inclusive. Bidding Days (“Bidding Day”) shall include Saturday to Thursday inclusive. No bidding will be held on any Friday.
- p) No bid can be withdrawn.
- q) All bids will be made in whole multiples of 200,000.
- r) From the Application Date until the conclusion of the auction Bidders shall not communicate with any other Bidder or any Current Operator on any matter which may or may be deemed to have a material effect on either the price paid for the Mobile License or which may result in the disclosure of the identity of any Bidder.
- s) No Bidder or Current Operator shall enter into any form of public communication concerning the auction, the award of the license or any other matter which may have a material effect on the fair operation and completion of the auction and award process including but not limited to bid strategy, budgets, willingness to pay, valuations, identities of bidders, or bidder suitability. If a Bidder violates this or any other

auction rule, the Bidder shall forfeit the Bid Bond and shall be excluded from the auction.

3.2. First Bidding Phase Process

- a) Bidders who have pre-qualified shall send a team of representatives to a venue to be announced prior to the auction by the Auction Manager. Each Bidder's team shall be assigned a separate room. Each room shall be selected at random each day by a representative of each Bidder under the supervision of the Auction Manager.
- b) Each Bidder team shall be in their randomly assigned room no later than 9 am on each Bidding Day.
- c) Each Bidder team may carry into the room any and all such items as may be required for the team that day and shall remove all items at the end of the Bidding Day including all materials which may no longer be required by the Bidder team.
- d) Each room shall be provided with furniture but no form of communications equipment will be permitted inside any room. Laptop computers shall be permitted and AC power shall be provided. Bidder teams shall note that wireless LAN devices shall be rendered inoperative for the duration of the Bidding Day.
- e) Each Bidder shall submit a Key Word List to the Auction Manager via the Messenger using a sealed envelope for use during that Day no later than 9.15 am on each Bidding Day and each Bidder shall retain a duplicate copy.
- f) Each list shall contain no less than thirty (30) randomly selected words in the English language. Each word shall contain at least six characters. No numbers shall be used in any word.
- g) Each Bidder shall submit a new Key Word List on each Bidding Day which shall not contain any word used in any previous Key Word List supplied by that Bidder.
- h) Each Bidding Round will be notified in writing to each Bidder by the Auction Manager no later than 30 minutes before the start of the Bidding Round with two copies of the Bid Form numbered for that round and two envelopes also numbered for that Bidding Round. The Bid Form shall also announce the Current Bid Price for that Bidding Round.

- i) Each Bidding Round will run for 20 minutes.
- j) Bidders shall submit one of three responses to the Current Bid Price. “Yes” shall indicate the Bidder is willing to pay the Current Bid Price for the mobile license. “No” shall indicate the Bidder is not willing to pay the Current Bid Price for the mobile license. “Waive” shall indicate the Bidder does not wish to make a bid in the current Bidding Round but wishes to proceed to the next Bidding Round or next phase of the auction.
- k) Any Bidder submitting “No” shall be deemed to have exited the auction. If all Bidders in the current Bidding Round submit “No” bids, the first phase of the auction process shall end and all bidders active in the previous Bidding Round shall proceed to the final single sealed Bidding Round.
- l) Bidders shall be permitted up to three (3) “Waive” bids.
- m) Bidders shall be permitted any number of “Yes” bids.
- n) Bidders shall be permitted to make one (1) “No” bid.
- o) Each bid shall be made using the Bid Form and shall include the next Key Word taken in order sequence from the Bidder’s Key Word List. A bid shall only be accepted if authenticated by the Auction Manager. Authentication shall consist of verification that the Key Word used by one party matches the Key Word expected by inspection of matching word sequences on the duplicate Key Word List held by the other party. That word shall be marked as used once sent or authenticated.
- p) Each bid shall be submitted in duplicate with each bid separately sealed in the envelopes provided for that Bid Round. The Bidder shall pass the envelopes to its assigned Messenger in the absence of any other form of communication between the parties no later than 20 minutes past the announced start time of any Bid Round. The Messenger shall carry the sealed bids to the Auction Manager for authentication.
- q) The Auction Manager shall open each of the two bids and authenticate each bid.
- r) No later than 30 minutes past the start time for that Bid Round, the Auction Manager shall provide each Bidder with a summary of the current bid round showing the current Bid Price for that round and the bids received from each Bidder.
- s) If the Bidder disagrees with the Bid as stated on the summary, the Bidder shall be permitted to send an Error Card by means of its

Messenger to the Auction Manager no later than 35 minutes past the announced start time of any Bid Round.

- t) On receipt of the Error Card, the Auction Manager shall compare the two bids received from that Bidder and verify the Bid received and, if necessary, issue a corrected summary for the current Bid Round to all Bidders no later than 45 minutes after the announced start time of the Bid Round. If the Bid is not in error, the messenger shall carry one of the two Bids received back to the Bidder as verification of the original received Bid.
- u) Bidding rounds shall continue until the Auction Manager announces the end of bidding for that Bidding Day unless the auction has otherwise concluded.
- v) Bidding rounds shall continue until either;
 - i. All Bidders active in that round submit “No” bids, or
 - ii. Until only two active Bidders remain active at the conclusion of any round, or
 - iii. Only one active Bidder remains at the conclusion of any round.
- w) If any Bid Round results in only one active bidder left, and that Bidder has given a “Yes” bid for that Bidding Round, the license shall be awarded at the current price offered in Bidding Round.
- x) If any Bid Round results in only one active bidder left, and that Bidder has given a “Waive” bid for that Bidding Round, the license shall be offered to that Bidder at the current price offered in Bidding Round by reissuing the same price for the next Bidding Round. If the active Bidder changes the response in this next Bid Round to “Yes”, the license shall be awarded at the current price offered in that Bid Round. If the response to this bid round is “No”, the active Bidders in the previous Bidding Round with more than one active Bidder shall go forward to the second SSB phase.
- y) There shall be no more than 8 Bidding Rounds in any Day.
- z) The Bid Price for the next Bidding Round shall be no higher than 10% more than the Current Bid Price.
- aa) The Bid Price shall not increase by more than 50% from Day to Day.
- bb) The end of a Bidding Day shall be announced to all Bidders using the Information Form which shall contain the next Key Word from that Bidder’s Key Word List for authentication by the Bidder.

- cc) The Bidder shall vacate the room within 30 minutes of the announced end of a Bidding Day.
- dd) One Day shall pass between the end of the first Bidding phase and the start of the final Single Sealed Bid phase. If the start of the final Single Sealed Bid phase falls on a Friday then the final Single Sealed Bid phase shall begin on the following day.

3.3. Single Sealed Bid Second Phase Process

- a) The identities of the remaining bidders shall be announced prior to the start of the Single Sealed Bid Phase. Any Bidder reaching this phase shall not be permitted to withdrawal. Failure to observe this rule shall result in loss of Bid Bond and pursuit of any or all other measures which may be deemed necessary by CITC to maintain the integrity of the current and any future auction process.
- b) Each Bidder shall make a "best and final offer" for the license by submitting a sealed bid by Noon, Riyadh local time, two Days following the end of the first Bidding Phase. The Bid shall be submitted at the location nominated by the Auction Manager. The minimum bid shall be the Current Bid Price at the end of the First Bidding Phase Process.
- c) Multiple Bids by any Bidder are not permitted.
- d) The Bidder who makes the highest bid in this Single Sealed Bid phase shall be awarded the mobile license.
- e) If Single Sealed Bids are equal, Bidders shall submit a further "best and final offer" sealed bid by Noon, Riyadh local time, on the following Day. The minimum bid shall be the Bid Price submitted by the Bidder in the previous sealed offer. This process shall continue until the Bids received are not equal and an award can be made.
- f) If one of the final Bidders fails to make any bid, the license shall be awarded to the remaining highest or only Bidder at the Bid Price submitted.

3.4. Unforeseen Circumstances

- a) If the auction cannot reasonably continue due to Act of God or other unforeseen circumstance, the Auction Manager may announce this to all Bidders using the Information Form which shall contain the next

Key Word from that Bidder's Key Word List for authentication by the Bidder. The auction shall continue on the next reasonably practicable Bidding Day following a formal announcement by the CITC.

3.5. Announcement Process

- a) The CITC shall announce the results of each round by posting these results on the CITC website within 30 minutes of the completion of any round unless prevented from doing so for technical or other reasons.
- b) Announcements of any round shall not contain information of any Bidder's identity.
- c) At the end of each Bidding Day, the CITC shall confirm the end of the Bidding Day and the results of the Bids for that day by means of a written press release.
- d) The CITC shall announce the values of all Bids received in the Single Sealed Bid phase after the opening the Single Sealed Bids along with the identity of the winning Bidder.



Appendix 5.1

Cover Letter Form

APPENDIX 5.1

[Note to Applicants: please print this form and complete in accordance with Clause 5.2 of the RFA]

COVER LETTER FORM

His Excellency the Governor of the CITC
Communications and Information Technology Commission
King Fahad Road
Riyadh 11588
Kingdom of Saudi Arabia

[Insert Date]

Name of Applicant.....

Dear Sirs,

Re: Request for Applications for the Licensing of Facilities-Based Mobile Cellular Services in the Kingdom of Saudi Arabia

1. Having examined the RFA and the attached appendices including the Licenses, we the undersigned hereby submit an Application for the grant of a License to provide Facilities-Based Mobile Cellular Services.
2. *[Note to Applicant: Please provide a description of each of the Consortium members]*
3. We have duly completed this letter and enclose herewith:
 - (a) our Consortium Details, Licensee Details and a copy of our Management Agreement, pursuant to clause 5.2 of the RFA;
 - (b) the [powers of attorney/notarized certificates] that clearly evidence the authority to sign of the signator[y/ies] of this cover letter and other documents filed with our Application that require signature (using the Power of Attorney Form attached to the RFA as Appendix 5.2);
 - (c) a Bid Bond (using the Bid Bond Form attached to the RFA as Appendix 5.3);
 - (d) our Technical Proposal (using the Technical Proposal Form attached to the RFA as Appendix 5.4(a));

- (j) and a completed Compliance Checklist (using the Compliance Checklist Form attached to the RFA as Appendix 5.8);
4. We confirm that our Application is open for acceptance by the CITC until and including that date which is 180 days from the Deadline.
5. We confirm our agreement to the terms, conditions and provisions of the RFA.
6. We agree that, in the event of a discrepancy between this cover letter and the RFA, the RFA shall prevail.
7. We confirm that all information provided in our Application and all associated documentation is complete, true and accurate in every detail and by virtue of having submitted an Application, we are bound by the information and commitments made by us.
8. For the avoidance of doubt:
 - (a) in this letter, words and expressions shall have the same meanings as are respectively assigned to them in the RFA; and
 - (b) this letter and all other documents comprising our Application shall be governed by and construed in accordance with the laws of the Kingdom.
9. We undertake that, if our Application is accepted, we shall:
 - (a) pay all required fees and amounts stipulated in the RFA and the Licenses; and
 - (b) perform all other obligations required by the RFA including without limitation all requirements set out in clause 5.6 of the RFA.

Yours faithfully,

[Signature of Authorized Signator[y/ies]]

[Name of Authorized Signator[y/ies]]

[Name of Applicant]

[Date]

Appendix 5.2

Power Of Attorney

APPENDIX 5.2

[Note to Applicant: please print this form, complete and submit with Application]

POWER OF ATTORNEY

Name of Applicant.....

Re: Request for Applications for the Licensing of Facilities-Based Mobile Cellular Services in the Kingdom of Saudi Arabia

This power of attorney is made on [] by [] (registered number []) whose registered office is at [] (the **Company**).

The Company hereby appoints [] of [] to be its true and lawful attorney (the **Attorney**) with the full power and authority of the Company in its name to:

- (a) execute on the Company's behalf in whatever manner required any document or thing lawfully necessary to effect the Application for the Facilities-Based Mobile Cellular License in such form as the Attorney in his absolute discretion may reasonably deem necessary or desirable; and
- (b) do or cause to be done all such acts and things as the Attorney in his absolute discretion may reasonably deem necessary or desirable in order to carry out and give effect to the Application for the Facilities-Based Mobile Cellular License or any related matter.

The Company undertakes to ratify whatever the Attorney may do in its name or on its behalf in exercising the powers contained in this document and to indemnify the Attorney against any loss incurred by him in connection with anything lawfully done by him in the exercise or the purported exercise of the powers contained in this document, save for any loss which would not have arisen but for the negligence or fraud of the Attorney.

This power of attorney is governed by the laws of Saudi Arabia.

IN WITNESS of which this power of attorney has been executed as a deed and has been delivered on the date which first appears above.

[Signed as a deed by
[]

Acting by []
And []

.....



Director

Director/Secretary



Appendix 5.3

Bid Bond Form

APPENDIX 5.3

[Note to Applicant: please print this form and complete in accordance with clause 5.3 of the RFA]

BID BOND FORM

His Excellency the Governor of the CITC
Communications and Information Technology Commission
King Fahad Road
Riyadh 11588
Kingdom of Saudi

[Insert Date]

Name of Applicant.....

Dear Sirs,

Re: Request for Applications for the Licensing of Facilities-Based Mobile Cellular Services in the Kingdom of Saudi Arabia

Since [insert name of applicant] have submitted their Application for the Facilities-Based Mobile Cellular Service to provide Public Mobile Cellular Services in the Kingdom of Saudi Arabia, we, [Name of Issuing Bank], hereby unconditionally and irrevocably undertake to pay you the sum of 300,000,000 (three hundred million) Saudi Riyals in accordance with the following:

1. we shall pay you immediately upon your written demand and irrespective of any objection by the Applicant or any other party such amount or amounts as you may demand not exceeding in the aggregate the above mentioned amount, namely: by transfer to your account at any bank in the Kingdom of Saudi Arabia or in any other manner acceptable to you;
2. all payments made based on your demand shall be free and clear of, and without any present or future deduction for payment of, any taxes, levies, duties, charges, fees deductions or withholding of any nature whatsoever and by whomsoever imposed;
3. the undertakings contained in this bid bond constitute direct and fundamental obligations of ours and are unconditional and irrevocable. We shall not be excused from any or all of these obligations for any reason or reasons of whatever nature or source, such as change in the conditions of the licensing process or extension thereof or change in the scope or nature of work to be performed, or any omission, act or proceeding by you or by a third party

which would excuse or discharge us from the obligations and liabilities stated in this bid bond;

4. this bid bond shall remain valid and in full force and effect until [...] (12th May, 2007G) pursuant to the conditions of this bid bond. If you provide us with a written and signed notice on or before the date specified for the expiration of this bid bond (or any subsequent extensions pursuant to the conditions hereof) that we should extend the bid bond, we shall:
 - (a) automatically extend this bid bond for the required period (provided that it does not exceed 365 days) from the original expiration date of the bid bond or from the expiration date of any subsequent extensions, as specified in the extension request; or
 - (b) pay you the value of the bid bond;
5. we represent and confirm that the amount of this bid bond does not exceed twenty percent (20%) of the total paid-up capital and reserves of the bank; and
6. any dispute with respect to this bid bond shall be resolved exclusively by the competent authorities in the Kingdom of Saudi Arabia and according to the Saudi laws, regulations, decisions, rules and instructions.

Yours faithfully,

[Signature of Authorized Signator[y/ies]]

[Name of Authorized Signator[y/ies]]

[Name of Issuing Bank]

[Date]

Appendix 5.4a

Technical Plan Form

APPENDIX 5.4(a)

[Note to Applicant: please print this form and complete in accordance with clause 5.4 of the RFA]

TECHNICAL PLAN FORM

His Excellency the Governor of the CITC
Communications and Information Technology Commission
King Fahad Road
Riyadh 11588
Kingdom of Saudi Arabia

[Insert Date]

Name of Applicant:

Dear Sirs,

Re: Request for Applications for the Licensing of Facilities-Based Mobile Cellular Services in the Kingdom of Saudi Arabia

We, [insert name of Applicant] confirm that this is our Technical Proposal and forms part of our Application for a Facilities-Based Mobile Cellular Services License to provide Public Mobile Cellular Services in the Kingdom. As such, this Technical Proposal is subject to the terms and conditions set out in the RFA for Public Mobile Cellular Services in the Kingdom and the Cover Letter submitted with our Application.

Yours faithfully,

[Signature of Authorized Signator[y/ies]]

[Name of Authorized Signator[y/ies]]

[Name of Applicant]

[Date]

Appendix 5.4b

Network Rollout and Coverage Form

APPENDIX 5.4(b)

[Note to Applicant: please print this form and complete in accordance with clause 5.4 of the RFA]

NETWORK ROLLOUT AND COVERAGE FORM

Name of Applicant:

Re: Request for Applications for the Licensing of Facilities-Based Mobile Cellular Services in the Kingdom of Saudi Arabia

Applicants must complete this Network Rollout and Coverage Form and submit it as part of their Technical Proposal. As stated in clause 5.4 of the RFA, the Licensee shall meet or exceed the minimum requirements stated in the License (draft version) attached as Appendix 1 of the RFA.

Service Launch

Commercial Service Launch	
---------------------------	--

Rollout & Coverage

	Date	% Population covered	Cities Covered	Highways Covered
<i>Service Launch</i>				
Commercial Service Launch + 1 yr				
Commercial Service Launch + 2 yrs				
Commercial Service Launch + 3 yrs				

Commercial Service Launch + 4yrs				
Commercial Service Launch + 5 yrs				

[Signature of Authorized Signator[y/ies]]
 [Name of Authorized Signator[y/ies]]
 [Name of Applicant]
 [Date]

Appendix 5.5

Business Plan Form

APPENDIX 5.5

[Note to Applicant: please print this form and complete in accordance with clause 5.5 of the RFA]

BUSINESS PLAN FORM

His Excellency the Governor of the CITC
Communications and Information Technology Commission
King Fahad Road
Riyadh 11588
Kingdom of Saudi Arabia

[Insert Date]

Name of Applicant:

Dear Sirs,

Re: Request for Applications for the Licensing of Facilities-Based Mobile Cellular Services in the Kingdom of Saudi Arabia

We, *[insert name of Applicant]* bid *[insert amount]* Saudi riyals for the License.

We, *[insert name of Applicant]* confirm that this is our Business Proposal and forms part of our Application for a Facilities-Based Mobile Cellular Services License to provide Public Mobile Cellular Services in the Kingdom. As such, this Business Proposal is subject to the terms and conditions set out in the RFA for Public Mobile Cellular Services in the Kingdom and the Cover Letter submitted with our Application.

Yours faithfully,

[Signature of Authorized Signator[y/ies]]

[Name of Authorized Signator[y/ies]]

[Name of Applicant]

[Date]

Appendix 5.6

Financial Comfort Letter Form

APPENDIX 5.6

[Note to Applicant: please print this form and complete in accordance with clause 5.5 of the RFA]

FINANCIAL COMFORT LETTER FORM

His Excellency the Governor of the CITC
Communications and Information Technology Commission
King Fahad Road
Riyadh 11588
Kingdom of Saudi Arabia

[Insert Date]

Name of Applicant:

Dear Sirs,

Re: Request for Applications for the Licensing of Facilities-Based Mobile Cellular Services in the Kingdom of Saudi Arabia

We, [insert name of signing bank] understand that a Consortium comprised of [insert names of Consortium members] (**the Consortium**) intends to make an offer to acquire a Facilities-Based Mobile Cellular License in the Kingdom of Saudi Arabia for SAR [insert bid value].

Based on our thorough review of the following, we are confident that the licensee will have sufficient access to funding to meet its peak financing requirements during the first five years of the business plan, inclusive of the proposed license fees:

- the Request for Applications for the Licensing of Facilities-Based Mobile Cellular Services in the Kingdom of Saudi Arabia (the RFA);
- the Consortium's Application for the grant of the License including the business plan for the establishment of a facilities-based mobile operation in the Kingdom of Saudi Arabia;
- the financial resources available to the Consortium; and
- our assessment of the Consortium's ability to raise financing in the domestic and international debt capital markets for the establishment of the facilities-based mobile operation in the Kingdom of Saudi Arabia.

Our review and assessment is based on the information that was available to us at this date, and is subject to various conditions. These include no substantial delays in the license award process, execution of documentation in satisfactory form, satisfactory

conditions in the domestic and international debt capital markets, and no change in the terms of the license to be issued.

This letter is not intended to create legal relations between us and is not a commitment to provide financing to the Consortium.

This letter is governed by the laws of the Kingdom of Saudi Arabia and the courts of the Kingdom of Saudi Arabia shall have exclusive jurisdiction to settle any disputes arising out of or in connection with this letter. The parties accordingly submit to the exclusive jurisdiction of the courts of the Kingdom of Saudi Arabia.

Please do not hesitate to contact us if you have any questions.

Yours faithfully,

[Signature of Authorised Signator[y/ies]]

[Name of Authorised Signator[y/ies]]

[Name of Issuing Bank]

[Date]



Appendix 5.7

Pro-Forma Financial Summary

APPENDIX 5.7

[Note to Applicant: please print this form and complete in accordance with clause 5.5 of the RFA]

PRO-FORMA FINANCIAL SUMMARY

Name of Applicant:

Re: Request for Applications for the Licensing of Facilities-Based Mobile Cellular Services in the Kingdom of Saudi Arabia

	Unit	Years after commercial launch				
		Year 1	Year 2	Year 3	Year 4	Year 5
<i>Operating Metrics</i>						
% Population Coverage	%					
Number of Base Stations	#					
Total Minutes of Usage	Millions					
Outgoing	Millions					
Incoming	Millions					
Number of Employees	00					
<i>Market/Revenue Assumptions</i>						
Population	Millions					
% Growth	%					
% Addressable Market	%					
Addressable Market	Millions					
Penetration	%					
Market Share	%					
Market Share of Gross Adds	%					
Market Churn	%					
Average Number of Subscribers	Millions					
% PostPaid Subscribers	%					
PostPaid ARPU	SAR					
Voice ARPU	SAR					
Data ARPU	SAR					
PrePaid ARPU	SAR					
Voice ARPU	SAR					
Data ARPU	SAR					

Average ARPU (PostPaid and Prepaid)	SAR
Domestic Voice ARPU	SAR
International Voice ARPU	SAR
Data ARPU	SAR

% Roaming Revenue	%
Customer Roaming Revenue	SAR million
Non Customer Roaming Revenue	SAR million

Network Revenue	SAR million
Equipment Revenue	SAR million
Interconnect Revenue	SAR million
Other Operating Revenue	SAR million

Revenue	SAR million
----------------	--------------------

Cost Structure

Average Acquisition Cost per Subscriber	SAR
Marketing Cost per Subscriber	SAR
Other Acquisition Costs per Subscriber	SAR
Total Subscriber Acquisition Cost	SAR million

% of Revenue %

Average Administration Cost per Subscriber	SAR
Total Administration Cost	SAR million

% of Revenue %

National Roaming Costs	SAR million
Interconnect Expenses	SAR million
Other Operating Expenses	SAR million

Total Costs	SAR million
--------------------	--------------------

% of Revenue

EBITDA	SAR million
---------------	--------------------

% of Revenue

EBIT	SAR million
-------------	--------------------

% of Revenue

Net Income	SAR million
-------------------	--------------------

% of Revenue

Cash Flow Items

Capital Expenditure	SAR million			
<i>% of Revenue</i>	<i>%</i>			
Cash Flow from Operations	SAR million			
<i>% of Revenue</i>	<i>%</i>			
Cash Flow from Financing	SAR million			
<i>% of Revenue</i>	<i>%</i>			
Net Cash Flow	SAR million			

Financing Plan

Cash and cash equivalents	SAR million			
Debt	SAR million			
Equity	SAR million			
Total Sources of Financing (Debt and Equity)	SAR million			

[Signature of Authorized Signator[y/ies]]

[Name of Authorized Signator[y/ies]]

[Name of Applicant]

[Date]

Appendix 5.8

Compliance Checklist

APPENDIX 5.8

[Note to Applicant: please print and complete]

COMPLIANCE CHECKLIST

His Excellency the Governor of the CITC
Communications and Information Technology Commission
King Fahad Road
Riyadh 11588
Kingdom of Saudi Arabia

[Insert Date]

Name of Applicant.....

Dear Sirs,

Re: Request for Applications for the Licensing of Facilities-Based Mobile Cellular Services in the Kingdom of Saudi Arabia

Note: Where the Applicant is compliant, no additional notes or reservations should be added. In any case where the Applicant is not fully compliant with one or more of the following criteria a full explanation must be provided. Note that this compliance checklist is merely a summary of the RFA requirements, and in the case of any contradiction between the contents of the RFA and the contents of this checklist, the RFA shall prevail.

Compliance Check-List	Compliant	Not Compliant (Explanation Required)
<p>Cover Letter Applicants are required to submit a validly completed Cover Letter with their Application in the form and substance as the Cover Letter Form set out in Appendix 5.1 of this RFA.</p>		
<p>Prospective Licensee Details The Applicant must provide: i. a table setting out the proposed ownership structure of the Licensee;</p>		

Compliance Check-List	Compliant	Not Compliant (Explanation Required)
<ul style="list-style-type: none"> ii. a chart showing the relationship among all persons having a direct or indirect ownership interest in the Licensee at time of incorporation; iii. the name, legal status, registered office and a description of the business of all proposed shareholders of the Licensee; iv. the financial statements of any proposed shareholder that will own 5 per cent or more of the issued shares of the Licensee. These financial statements must be provided for the preceding two fiscal years and should include an audited or certified income statement and balance sheet; v. a contract, in the form approved by the MoCI executed by each person agreeing to establish the joint stock company and to organize the Licensee in a manner that will comply with the requirements set out in this RFA and in the terms of the License; vi. either a certified resolution of the board of directors of all proposed shareholders in the Licensee or a notarized letter of authorization from all proposed shareholders in the Licensee that authorizes the Applicant to file the Application and to propose the Licensee for the issuance of the License; vii. the proposed bylaws as per Clause 5.6 and articles of incorporation of the Licensee; and 		
<p>Consortium Details</p> <p>The Applicant shall provide:</p> <ul style="list-style-type: none"> i. identification details of each of the companies or Establishments and the cellular mobile operator collectively forming the Consortium. Such details must include the name, legal status, registered office address and a description of the business of each Consortium member; ii. details of the ownership structure of the companies or Business Entities collectively forming the Consortium 		

Compliance Check-List	Compliant	Not Compliant (Explanation Required)
<p>and the precise ownership interests held;</p> <p>iii. details of the organizational structure of the Consortium including the functions and responsibilities of each Consortium member emphasizing project management, system design, technical support, implementation, marketing, sales, operations and maintenance; and</p> <p>iv. a copy of the shareholder agreement or memorandum of understanding entered into between the Consortium members, if any.</p>		

Compliance Check-List	Compliant	Not Compliant (Explanation Required)
<p>Management Agreement</p> <p>Applicants must submit a copy of the draft Management Agreement that will be in place between the Licensee and the legal entity of the cellular mobile operator that is forming part of the Consortium to provide the Licensee with access to the technology, professional know-how, operational and the management experience required to operate the Mobile Cellular Network. This Management Agreement must be for a period of at least five years. Any subsequent amendments to the terms of the Management Agreement will be subject to the prior approval of the CITC. The Management Agreement should include a commitment by all Consortium members holding not less than five per cent (5%) of the proposed Licensee to replace any Consortium member walking out with a similarly qualified entity before the walk out by the said member.</p>		
<p>Compliance with Pre-qualification Criteria</p> <p>Documentation must be provided that clearly and unequivocally demonstrated full compliance with each of the pre-qualification criteria set out in Clause 4.3. This documentation must include:</p>		

- | | | |
|---|--|--|
| <ol style="list-style-type: none"> i. a written commitment of the Operator(s) set as member(s) of the Consortium; ii. a clear identification of which specific Consortium member(s) satisfy each relevant criterion and a clear reference to the documentation attached that proves so; iii. details of the experience of each consortium member including types of contracts, duration and associated work and services completed or in progress, emphasizing types of systems and locations along with involvement with respect to management, technical support and operations; iv. the organizational structure(s), functions and responsibilities of each consortium member emphasizing project management, system design, technical support, implementation, marketing, sales, operations and maintenance; v. documents providing evidence satisfactory to the CITC of the due constitution, registration and the identity of the company in question such as a copy of the certificate of incorporation, commercial registration or equivalent documents. | | |
|---|--|--|

Compliance Check-List	Compliant	Not Compliant (Explanation Required)
<p>Bid Bond</p> <p>The Bid Bond submitted by Applicants shall be:</p> <ul style="list-style-type: none"> a) for an amount equal to 300,000,000 (three hundred million) Saudi Riyals; b) in the form and substance as the Bid Bond Form set out in Appendix 5.3 of this RFA; c) issued by a Saudi bank or by an Approved Foreign Bank; d) valid for a period of 180 days from the Deadline; and e) the currency of the bid bond should be the Saudi Riyal. 		
<p>Technical Proposal</p> <p>Technical Proposal fulfilling the requirements of clause 5.4 of the RFA, and of which the first and final pages must be signed by a person or persons duly authorized by a notarized power of attorney to act on behalf of each member of the Applicant Consortium.</p>		

[Signature of Authorized Signator[y/ies]]
 [Name of Authorized Signator[y/ies]]
 [Name of Applicant]
 [Date]



Appendix 5.9

Performance Bond Form

APPENDIX 5.9

[Note to Applicants: please print this form and complete in accordance with Clause 4.7 of the RFA]

PERFORMANCE BOND FORM

His Excellency the Governor of the CITC
Communications and Information Technology Commission
King Fahad Road
Riyadh 11588
Kingdom of Saudi Arabia

[Insert Date]

Name of Applicant.....

Dear Sirs,

Re: Request for Applications for the Licensing of Facilities-Based Mobile Cellular Services in the Kingdom of Saudi Arabia

Since [insert name of applicant] have submitted their Application for the Facilities-Based Mobile Cellular Service to provide Public Mobile Cellular Services in the Kingdom of Saudi Arabia, we, [Name of Issuing Bank], hereby unconditionally and irrevocably undertake to pay you the sum of 300,000,000 (three hundred million) Saudi Riyals in accordance with the following:

1. we shall pay you immediately upon your written demand and irrespective of any objection by the Applicant or any other party such amount or amounts as you may demand not exceeding in the aggregate the above mentioned amount, namely: by transfer to your account at any bank in the Kingdom of Saudi Arabia or in any other manner acceptable to you;
2. all payments made based on your demand shall be free and clear of, and without any present or future deduction for payment of, any taxes, levies, duties, charges, fees deductions or withholding of any nature whatsoever and by whomsoever imposed;
3. the undertakings contained in this performance bond constitute direct and fundamental obligations of ours and are unconditional and irrevocable. We shall not be excused from any or all of these obligations for any reason or reasons of whatever nature or source, such as change in the conditions of the licensing process or extension thereof or change in the scope or nature of work to be performed, or any

omission, act or proceeding by you or by a third party which would excuse or discharge us from the obligations and liabilities stated in this performance bond;

4. this performance bond shall remain valid and in full force and effect until 5 years from date of Bond pursuant to the conditions of this performance bond. If you provide us with a written and signed notice on or before the date specified for the expiration of this performance bond (or any subsequent extensions pursuant to the conditions hereof) that we should extend the performance bond, we shall:

(a) automatically extend this performance bond for the required period from the original expiration date of the performance bond or from the expiration date of any subsequent extensions, as specified in the extension request; or

(b) pay you the value of the performance bond;

5. we represent and confirm that the amount of this performance bond does not exceed twenty percent (20%) of the total paid-up capital and reserves of the bank and

6. any dispute with respect to this performance bond shall be resolved exclusively by the competent authorities in the Kingdom of Saudi Arabia and according to the Saudi regulations, decisions, rules and instructions.

Yours faithfully,

[Signature of Authorized Signatory(ies)]

[Name of Authorized Signatory(ies)]

[Name of Issuing Bank]

[Date]