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***ADDENDUM TO:***  
***INFORMATION MEMORANDUM (IM) PUBLISHED***  
***ON 17<sup>TH</sup> MARCH, 2014***

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**THE AWARD OF 2100 MHZ, 1800 MHZ AND  
850 MHZ SPECTRUM:  
THE NEXT GENERATION MOBILE SERVICES  
AWARD (NGMSA)**

1<sup>st</sup> April, 2014

**1. Section 1.6.5 is changed as under:**

**“1.6.5 INFRASTRUCTURE SHARING**

Infrastructure sharing shall be considered as a matter of first priority by the Operators at the time of roll out. The NGMSA Licensees are required to share infrastructure with other operators as per PTA’s directives and guidelines. Licensees may enter into commercial arrangement with each other for active sharing however, such arrangement shall not take effect till such time the GoP policy is in place and subject to the formal approval and comprehensive framework of PTA. PTA shall prepare comprehensive framework in this regard once the GoP policy is in place.”

**2. Section 1.6.8 is changed as under:**

“The Licensee shall implement MNP with all Mobile Cellular Operators as it is implemented in Pakistan. The Licensee is required to contribute to Pakistan Mobile Database (PMD) Company in accordance with MNP Regulations.”

**3. Section 2.2.1 is changed as under:**

“The spectrum to be auctioned will give the successful Operator a License to build, own and operate a technology-neutral network and offer licensed services to consumers for meeting the roll out and QoS obligations for the Next Generation Mobile Services.

The assigned spectrum must not be used to provide Fixed Services<sup>1</sup> or any services not explicitly authorized by the license conditions.  
.....”

**4. In Section 2.3, Table 6 – Grade of Service (end to end blocking) is changed as under:**

QoS parameter	Requirements
<b>Voice Requirements</b>	
Grade of Service (end to end blocking)	Must not exceed 2%

**5. Section 2.5.2 Tariffs – Tariff of Non-SMP Operators is changed as under:**

“The Licensee shall comply with the Authority’s orders, determinations and regulations relating to the Licensee’s tariffs issued from time to time by the Authority in accordance with the law, to protect the consumers’ interest.”

**6. Section 2.5.4 is changed as under:**

“.....  
The Licensee shall provide the evidence of cost for Interconnection Termination rates within 12 months of Commencement of the services. The cost information so provided should be certified by a practicing Cost and Management Accountant firm of Pakistan.....”

<sup>1</sup> The provision of telecommunications services by means of a fixed connection or a system providing public fixed network connections to consumers.

**7. Clause 2.5.7.2 is changed as under:**

“It shall be open to the Authority to restrict the Licensee from operating in any unauthorized area defined by the Federal Government from the national security point of view.”

**8. Clause 2.5.7.3 is changed as under:**

“The Licensee shall not transfer user information and CDRs (except pertaining to foreign subscribers on operator's network while roaming) to any person/place outside Pakistan including AJ&K and Gilgit Baltistan.”

**9. Clause 2.5.7.4 is changed as under:**

“No local/long distance traffic (mobile and fixed line) shall be hauled directly outside Pakistan.”

**10. Clause 2.5.7.5 is changed as under:**

“No remote access shall be provided to any unauthorized person/place outside Pakistan for any maintenance/repairs/databases/facility.”

**11. Clause 2.5.7.7 is changed as under:**

“Licensee shall not use any ciphering/encryption other than built in standard technologies (GSM, WCDMA, LTE) without approval of the Authority.”

**12. Clause 2.5.7.13 is changed as under:**

“The Licensee shall block website(s), or web content(s) (on best effort basis) or other services as and when directed by the Authority.”

**13. Section 2.5.8 Relations with Customers – Standard Contract of Service, is changed as under:**

“Prior to providing NGMS to customers, the Licensee shall enter into a contract with such customers in accordance with the standard form contract approved by the Authority.”

**14. Section 2.6 Table 8: Fee Structure (Initial Spectrum Fee) – is changed as under:**

Fee/charges	Amount due
Initial Spectrum Fee	<p>Initial Spectrum Fee shall be paid in US Dollars or its equivalent in Pak Rupees to be converted at the National Bank of Pakistan (NBP) Telegraphic Transfer (TT) selling rate prevailing on the day preceding the date of payment.</p> <p>The Licensee may opt for 100% payment of the Initial Spectrum Fee given in clause 4.1.1 of the NGMS License as a onetime upfront amount within 30 days of the Auction.</p> <p style="text-align: center;">OR</p> <p>Pay 50% payment of the Initial Spectrum Fee given in clause 4.1.1 of the License within 30 days of the Auction and the remaining 50% of the Initial Spectrum Fee is payable in 5 years in 5 equal annual instalments with cumulative mark up rate at the rate of one year LIBOR rate + 3% for the period from the Effective Date of the License to the payment date. Additionally, if</p>

Fee/charges	Amount due
	<p>auction winner intends to pay the remaining balance liability on account of Initial Spectrum Fee at any time before the end of 5 years, it would be acceptable and without any pre payment penalties. However, mark up at LIBOR + 3% shall be payable on the balance amount till the date the payment is made. In case of delay in payment to the Authority, the Licensee shall pay Late Payment Additional Fee @ 2% per month or part thereof from the due date till the date of payment. The license shall be suspended / terminated on account of non-payment of any instalment of initial fee, the outstanding amount shall be recovered as arrears of land revenue in addition to any other penalties to which the licensee may be liable under the Act/Rules/Regulations and terms and conditions of the license.</p> <p>In case the initial spectrum fee, if it is opted to be paid 100% upfront, or first 50% payment if it is opted to be paid in instalments or any of its instalments becomes overdue, the Authority may serve upon the Licensee a show cause notice stating the default and seeking explanation, allowing it not less than 7 days, as to why its license shall not be suspended or revoked. On considering the Licensee's explanation the Authority may suspend or revoke the License as deemed appropriate. The Authority and the Licensee have agreed to this term in the light of the spirit of Section 28 of the Contract Act, 1872 and despite Section 23 of the Act read with Rule 9 of the Pakistan Telecom Rules, 2000</p>

**15. Section 4.1.4 is changed as under:**

“Under normal circumstances, when a round concludes with:

(a) no bids being submitted;

and

(b) no waivers having been submitted.

The auction will close. The Standing High Bidder on each lot upon the close of bidding will be declared the Provisional Winner of that lot.”

**16. In Section 7 Definition of Terms - “Fixed Services” is redefined as under:**

“The provision of telecommunications services by means of a fixed connection or a system providing public fixed network connections to consumers.”

**17. In Section 7 Definition of Terms – “Market entrant / New Entrant” and “Potential Market Entrant” are merged as “Market entrant / New Entrant / Potential Market Entrant” and redefined as under:**

“A new investor from within or outside Pakistan, which may or may not be from the Telecom Sector, not currently holding Spectrum in the 900 MHz or 1800 MHz bands, that obtains a license in the NGMSA. However, it cannot be an existing mobile cellular operator in Pakistan”

**18. Annex E is changed and given on the following page:**

## Annex E – Sealed-bid Offer

### STATEMENT OF SPECTRUM SEGMENTS THE APPLICANT IS INTERESTED IN BUYING AT THE BASE PRICES FOR THE NGMSA

Applicants are required to make initial binding offers for a minimum of 2x10 MHz of 2100 MHz spectrum. However, an applicant can state interest in buying additional spectrum for the NGMSA.

Please state below the number of spectrum segments that you are interested in buying usage rights for in the auction in the 1800 MHz category and in the 2100 MHz category, and fill out the Total Pre-Bid Deposit amount in the tables below with the stated spectrum segment(s). Only new entrant in cellular mobile market can bid for 850 MHz spectrum.

#### Category A: 2100 MHz

Please state the number of segments you are interested in buying usage rights for in the auction at the base prices indicated for each 2x5 MHz lot. Note that at least 2 segments in the 2100 MHz band is a requirement to participate in the NGMSA, so 2 or 3 must be entered in Column C. Multiply Column B times Column C and enter the total Pre-Bid Deposit amount under Column D. In column E enter the Initial Eligibility which is equal to the number of 2x5 MHz segments indicated in Column C. In Column F, enter the date and number of the instrument used for payment of pre-bid deposit.

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>
<i>Radio Frequency Segments</i>	<i>Base price per 2x5 MHz segment</i>	<i>Pre-Bid Deposit amount per 2x5 MHz segment</i>	<i>Number of 2x5 MHz segments (2 or 3)</i>	<i>Total Pre-bid Deposit amount for 2100 MHz segments (USD)</i>	<i>Initial Eligibility for SMRA auction</i>	<i>Proof of Payment</i>
<b>2100 MHz Band:</b> Spectrum rights for segments of 2x5 MHz	USD 147,500,000	USD 22,125,000				

#### Category B: 1800 MHz

Please state the number of segments you are interested in buying usage rights for in the auction at the base prices indicated for each 2x10 MHz lot. Note that you can only enter 0 or 1 under column C. Multiply Column B times Column C and enter the total Pre-bid Deposit amount under Column D. In Column E, enter the date and number of the instrument used for payment of pre-bid deposit.

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>Radio Frequency Segments</b>	<b>Base price per 2x10 MHz segment</b>	<b>Pre-Bid Deposit amount per 2x10 MHz segment</b>	<b>Number of 2x10 MHz Segments</b>	<b>Total Pre-bid Deposit amount for 1800 MHz segments (USD)</b>	<b>Proof of Payment</b>
<b>1800 MHz Band:</b> Spectrum rights for segments of 2x10 MHz	USD 210,000,000	USD 31,500,000			

Please add Column D of the 1800 MHz category and Column D of the 2100 MHz category. This is the total amount of Pre-Bid Deposit you must submit with your application.

<b>Total Pre-Bid Deposit for 1800 MHz and 2100 MHz spectrum (USD)</b>	
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Please enter the Initial Eligibility indicated under Column E in the table below. If the award process proceeds into the Auction stage, this is your initial eligibility for the auction. You will not be allowed to submit bids for lots totalling points above this eligibility. All bidders are required to bid these eligibility points in the first round of the auction.

<b>Initial eligibility for the NGMSA SMRA auction.</b>	
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I declare and irrevocably commit that the [name of Company] shall pay for the segments mentioned in the sealed bid at the Base Price for each segment stated in the above tables if awarded such spectrum in the NGMSA without auction rounds.

I further declare and irrevocably commit that for the number of stated spectrum segments for Category A in this application [the name of the Company] shall be bound to pay for the stated quantum of spectrum at the Base Price for each segment stated in the above tables if it is awarded such spectrum in the NGMSA without auction rounds.

I further declare and irrevocably bind the Company to pay for the stated spectrum segments for Category B in this application at the Base Price for each segment stated in the above tables if awarded such spectrum in the NGMSA prior to the commencement of the SMRA auction.

In addition, I declare and irrevocably commit that the Company shall bid in the first round of the NGMSA SMRA auction for:

- Lots totaling the same Quantum in category A, OR
- Lots totaling 2x10 MHz of spectrum in category A where 2x5 MHz lots of 2100 MHz spectrum are not offered in the SMRA auction.

I am aware that in case of first round bid non-complaint with the foregoing declaration, PTA may retain the entire amount of the Pre-Bid Deposit, or submit a compliant bid on my behalf, or both.

In addition to the above declarations and commitment, I declare and irrevocably commit that the Company shall pay for the lots/spectrum at the end of the SMRA auction for which it is declared Provisional Winner at the amounts bid and/or for the unallocated lots/spectrum less or equal to lots/spectrum indicated in the Company's Sealed Bid offer for which the Company is not declared Provisional Winner at the base price or the company's highest bid offer submitted for these lots whichever is higher.

Date: \_\_\_\_\_

\_\_\_\_\_  
Name and Signature of Authorized Representative

**Warning**

*Candidates will note that the application must be complete when it is submitted, with the correct amount of copies, with neither mistakes nor omissions. The application shall also be submitted during the hours indicated, and at the latest by the date specified by PTA. PTA will provide a receipt of application with checkmarks on the submitted documentation. If these requirements are not met, the application can be turned down and PTA may only provide 24 hours to complete.*