TERMS & CONDITIONS

“REGULATION FOR LICENSING SATELLITE COMMUNICATIONS STATIONS (VSAT)”

(To Provide Telecommunications Services in the Republic of Iraq)

2011 - 2012
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Preamble - VSAT Policy Introduction

The Telecommunications Regulatory Authority of the Republic of Iraq represented by the Communication and Media Commission (the "CMC") is charged with licensing VSAT operators of telecommunications services in Iraq under authority and regulation of order 65 – 2004. [Name of Licensee] ("Licensee") is issued a license to provide VSAT telecommunications services by the Republic of Iraq.

In developing and implementing its licensing plans for the VSAT Licensed Services, the CMC is committed to equal opportunity, competition, market transparency, modernization of telecommunications equipment and networks, rational and efficient use of the radio frequencies spectrum, consumer protection, and broad population coverage. Consistent with these goals and the other requirements of applicable order, the CMC intends to offer Licensee an opportunity to apply for a VSAT registration license to provide the New Licensed Services with a view (if applicant is successful) to continue providing the telecommunications services it has been providing under a Former License.

The CMC is issuing this VSAT Registration License to Licensee to provide Licensee with continuing authority to provide VSAT services pending further amendments by the CMC to make the licensing process more efficient.

Accordingly, pursuant to order 65, the CMC hereby issues a license (this “License”) authorizing Licensee to provide VSAT Licensed Services (as defined herein) upon and subject to the terms, conditions and obligations set forth herein and in the annexes attached hereto.

* Iraqi parliament is currently discussing a new telecommunication law. Order 65 is subject to future amendment and Iraqi parliament modification to clarify the CMC role and enforcement under Telecommunication law.

1. DEFINITIONS AND INTERPRETATION
1.1 In this License, the following terms have the following meanings:

“License” has the meaning set forth in the preamble.

“License Term” has the meaning set forth in Clause 2.1.

“VSAT” means antenna with all necessary equipment to provide two way services.

"Licensed Services" has the meaning set forth in Clause 3.1.

"Licensed Territory" means the territory of the Republic of Iraq.

"Licensee" has the meaning set forth in the preamble.

"National Security Laws" means Iraqi laws of national security and the related regulation, procedures, and instructions.

"Network" means a system of interconnected facilities and software designed to transport information and provide VSAT telecommunications services.

“New Licensed Services” has the meaning set forth in the preamble.

"Person" means a natural person or any entity with legal personality.

"Regulation" means any decree, directive, decision, regulation, guideline, order, technical specification, statement or other written action of Council of Ministers, Ministry of Communications (MoC), or CMC acting from time to time pursuant to powers under CMC's applicable Law.

"Order 65" has the meaning set forth in the preamble and Annex C.

"Telecommunications Legislation" means order 65 and CMC Regulations.

"CMC" has the meaning set forth in the preamble.

1.2 Unless otherwise defined in this License, all terms defined in the Telecommunications Legislation have the meanings and interpretations set out therein, whether or not capitalized herein.

1.3 All references in this License to laws, regulations, decrees or other legal instruments are subject to order 65. Any future modifications, amendments, replacements, re-enactments and/or substitutions is subject to upcoming Iraq Telecommunication law.

1.4 In this License, words importing the singular include the plural and vice versa, and use of any gender includes any and all genders.

1.5 Every provision of this License is separate and severable, so that if any provision is held invalid, unenforceable or illegal for any reason, the remainder of this License will remain in full force and effect.
1.6 In this License, the term "including" shall be deemed followed by "without limitation", "by the way of example and not limitation", or any other similar phrases.

2. Term of License

2.1 This License is effective for a term of 1 year beginning on the date of issuing and is renewed annually - subject to amendments by the CMC (with the intention being that this License requires improvement in line with future Iraqi Telecommunication law), provided that the CMC gives Licensee at least 30 days prior notice, unless extended under Clause 2.2 or terminated early under Clause 7.

2.2 The CMC reserves the discretion to renew this License, which discretion the CMC may exercise in case of any amendments in the licensing process for the New Licensed Services or for other reasons.

2.3 Licensee will not be entitled to any compensation on expiration or earlier lawful suspension, termination or revocation of this License, whether under this Clause 2, under Clause 7 or otherwise.

2.4 The CMC reserves the right to refuse a VSAT application license if the applicant is deemed not to meet the technical or financial terms and conditions of the License, or deemed not to meet the terms and conditions set forth herein during the renewal Term.

3. VSAT LICENSED SERVICES

3.1 Licensee is authorized on a non-exclusive basis to provide the following telecommunications services (the “VSAT Licensed Services”) within the meaning of order 65, as the same may hereafter be more fully defined or interpreted by the CMC in Regulations or otherwise, on a retail and wholesale basis in the Licensed Territory during the License Term:

3.1.1 VSAT data services;

3.1.2 VSAT Internet services;

3.1.3 VSAT VOIP;

3.1.4 VSAT backhaul telecommunications services (but not to provide wholesale backhaul telecommunications services across its own Network to other service providers);

3.1.5 Delivery over Licensee’s Network of any text, sounds, images, audio and video programming (broadcast, on demand and/or interactive), information, data or other content and related information services.

4. VSAT LICENSED FACILITIES

4.1 To provide Licensed Services, Licensee may, subject to CMC approval:
4.1.1 Construct, install, purchase, lease, own, operate and maintain a VSAT Network, alone or jointly with others; and

4.1.2 Interconnect its Network with any VSAT Network within the Licensed Territory.

5. FEES AND OTHER PAYMENTS

5.1 Licensee will promptly pay the fees and other payments set forth in Annex B in accordance with the terms and conditions set forth therein.

5.2 If Licensee defaults in making payment under this License, then Licensee will pay interest on past due amounts from the date due through the date paid, which interest will accrue from day to day and be calculated on the actual number of days elapsed in a 365-day year. The applicable rate of interest will be such default interest rate as may be published by the CMC in the Regulations from time to time. Licensee’s obligation to pay, and the CMC’s and Republic of Iraq’s right to collect, interest on late payments is without prejudice to (a) the CMC’s right to revoke this License or take any other corrective action for non-payment, and (b) all other liabilities and damages that may be imposed on the Licensee as a result of its breach of the License terms and conditions.

5.3 Licensee must supply the CMC with the technical parameters and document for the VSAT services it provides necessary to compute the spectrum fees and payments set forth in Annex B in accordance with Clause 1.3 of the same Annex.

6. AMENDMENT

6.1 Order 65 is subject to future amendment and Iraqi parliament modification to clarify the CMC role and enforcement under Telecommunication law.

6.2 Any provision in this License may be amended by the CMC:

6.2.1 if Licensee is in material breach of or default under one or more terms of this License or the Telecommunications Legislation and such breach or default has not been cured; or

6.2.2 if the CMC delivers to Licensee the notice under Clause 6.3.

6.3 Before amending this License under Clause 6.2.2, the CMC must notify Licensee:

6.3.1 stating that it proposes to amend this License and setting out the text and effect of such amendment;

6.3.2 specifying its reasons for making such amendment; and

6.3.3 stating the time (being not less than 30 days after the notice is given) during which Licensee may submit comments on the proposed amendment.
7. **TERMINATION**

7.1 This License may not be terminated prior to the expiry of the License Term except in accordance with Clauses 7.2 or 7.3 below.

7.2 This License may be terminated by the CMC if Licensee and the CMC agree in writing to terminate this License.

7.3 This License may be revoked by the CMC as set forth in Clause 7.4 or the applicable provisions of the Telecommunications Legislation if:

7.3.1 The CMC determines that Licensee has committed a serious violation or repeated violations of the terms and conditions of this License, the Telecommunications Legislation, the National Security Laws or any other applicable laws and regulations under order 65; or

7.3.2 Licensee enters into liquidation, bankruptcy, or equivalent proceedings.

7.4 In order to revoke this License on the grounds specified in Clause 7.3, the CMC will:

7.4.1 notify Licensee in writing of its intent to revoke this License and the specific incident(s) or circumstance(s) that constitutes the basis for such revocation; and

7.4.2 confirm that the basis for revocation, if deemed curable by the CMC, has not been cured or remedied within 30 days after receipt by Licensee of such notice, except in circumstances that, in the CMC’s discretion, warrant immediate revocation without affording Licensee an opportunity to cure.

7.5 The CMC has the right to revoke or reject this license on ground of breach of national security.

8. **CONTINUITY OF SERVICE**

8.1 Licensee must comply with the reasonable directions of the CMC to ensure continuity of VSAT Licensed Services for Licensee’s customers over Licensee’s Network upon termination or expiry of this License, unless Licensee has been issued or designated to receive a new VSAT license to provide New Licensed Services at the end of the License Term and conditions and intends to continue providing services that include or are similar to the Licensed Services. Such compliance must include Licensee allowing:

8.1.1 continued use of Licensee’s Network; and

8.1.2 continued access by Licensee’s customers to Licensed Services.

8.2 In giving directions under Clause 8.1, the CMC must provide for Licensee to be compensated by the successor provider for costs that are reasonable for the account of such license, provided that the successor meets the license requirements.
8.3 If the CMC determines that Clause 8.1 is inadequate to ensure continuity of service, then the CMC may require the sale of Licensee’s Network and related assets on reasonable commercial terms to ensure such continuity.

9. **Suspension of Licensed Operators, Fines and Other Penalties**

9.1 If Licensee breaches or defaults under this License, the Telecommunications Legislation or the National Security Laws, without prejudice to the authority of the CMC to revoke this License under Clause 7.3 or 7.5, the CMC may take any actions and/or impose any penalty or fine authorized by the Telecommunications Legislation, including [relevant Articles of order 65], and the CMC may suspend this License in whole or in part, and impose a fine in such amount as the CMC determines to be proportionate to the gravity of the breach or default.

9.2 Licensee will promptly pay or otherwise comply with any penalty, fine or other restriction or requirement imposed by the CMC in accordance with Clause 9.1 above.

9.3 Licensee will promptly pay or otherwise comply with any penalty, fine or resolve interference caused to other networks, subject to 10.3 of Annex A.

9.4 Any termination or suspension of this License is without prejudice to the rights and remedies of the CMC under this License, the Telecommunications Legislation or any applicable law as at the date of termination, and Licensee will not in such cases be entitled to a refund of any fee, contribution or other amount paid.

10. **EXCEPTIONS AND LIMITATIONS**

10.1 Licensee will be excused from compliance with this License if:

10.1.1 such non-compliance is caused primarily and directly by any of the following events (each a "Superior force"), in each case, beyond the reasonable control of Licensee: (i) act of God; (ii) confiscation or expropriation; (iii) insurrection, war or military operations; or (iv) requirement or restriction of governmental authorities (but, for the avoidance of doubt, excluding any determination of the CMC) by which, or as a result of which, it is illegal for a party to observe or perform an obligation under this License or which frustrates the observance or performance of that obligation; and

10.1.2 as soon as possible, Licensee notifies with a notice to the CMC of the superior force (the nature of which will be specified in the notice) and the excused obligation (the nature of which will also be specified in the notice).

10.2 Licensee will not be entitled to the benefit of Clause 10.1 to the extent:
10.2.1 the force majeure was caused by, or reasonably could have been prevented, mitigated or remedied if it were not for the negligence or misconduct of Licensee;

10.2.2 the force majeure was caused by, or reasonably could have been prevented if it were not for, a failure or omission of Licensee, and Licensee has failed to mitigate or remedy the event relied upon, and to resume the observance or performance of the particular obligation, with reasonable dispatch;

10.2.3 the force majeure was caused by Licensee’s lack of funds; or

10.2.4 the excused obligation may reasonably be observed or performed notwithstanding the force majeure.

11. ASSIGNMENT, TRANSFER, CHANGE OF CONTROL, SUBCONTRACTING

11.1 Without the prior written approval of the CMC and compliance with the Telecommunications Legislation, Licensee may not:

11.1.1 assign, pledge or otherwise transfer to another Person this License or any rights under it;

11.1.2 dispose of its Network or substantially all of its assets; or

11.1.3 issue, or permit or suffer the transfer of shares in Licensee or other transaction which would have the direct or indirect effect of causing the transferee to acquire (directly or indirectly) (i) 10% or more of Licensee's share capital, voting rights or securities; (ii) the ability to control the business and affairs of Licensee or to direct or cause the direction of management, whether by ownership, contract or otherwise, of Licensee.

11.2 Licensee may, without the prior written approval of the CMC, exercise any of its rights or obligations hereunder, whether related to its VSAT Network or this VSAT Licensed Services, by subcontracting to other Persons to provide VSAT services through providing a written notice to CMC.

11.3 Notwithstanding any other provision of this License and any arrangement it may enter into with any other Person relating its privileges or obligations under this License, Licensee remains subject to, and retains full responsibility and liability for, all obligations under this License and the Telecommunications Legislation.

11.4 Licensee will notify the CMC in advance of the material terms of any proposed transaction described in Clause 11.1.1, 11.1.2 or 11.1.3, including any information that may be reasonably requested by the CMC. The CMC will approve or reject any such transaction within 30 days after being notified thereof. Any such transaction that is attempted without the prior written approval of the CMC will be deemed an
unlawful assignment and in breach of the terms and conditions herein, whereupon
the License will be subject to revocation by the CMC.

11.5 Without limiting the foregoing, the CMC may reject any proposed transaction
subject to Clause 11.1 as the CMC deems appropriate, taking into account and based
on:

11.5.1 the effect on the competitiveness of the relevant market;

11.5.2 matters of national security; and

11.5.3 any other considerations deemed relevant by the CMC under applicable
laws.

12. **COMPLIANCE WITH LAWS AND REGULATIONS**

12.1 Licensee must observe all applicable laws and regulations of the Republic of Iraq,
including order 65, Telecommunications Legislations, National Security Laws,
competition laws and laws for the protection of environmental conditions and of
classified tourist and historical and holy sites.

12.2 Nothing in this License relieves Licensee from any of its obligations under applicable
laws and regulations (such as order 65 or any CMC law applicable then) and/or any
of its obligations to obtain any other licenses, permits or approvals that may be
required under any law or regulation in force in the Republic of Iraq.

13. **GOVERNING LAW AND DISPUTE RESOLUTION**

13.1 This License will be governed by and construed according to the laws of the Republic
of Iraq and order 65 or any CMC law applicable then. All disputes will be subject to
the exclusive jurisdiction of the CMC and the Iraqi courts as provided for in order 65
or any CMC law applicable then.

SIGNED BY:

__________________________________________

CEO

Communications and Media Commission / Republic of Iraq

Date: __________________
Annex A

License REGULATORY CONDITIONS

Licensee must comply with the following regulatory conditions and all Regulations as the same may be amended from time to time by the CMC:

1. VSAT Service Price regulation
   1.1 Licensee will submit to the CMC all current VSAT prices and packages, non-price terms and conditions on which it provides VSAT Licensed Services.
   1.2 The CMC will in most cases adopt an open market approach.
   1.3 If Licensee is designated under the CMC’s Regulation as a provider with significant market power in relevant VSAT market, then its prices for VSAT Licensed Services in such market, as well as any proposed changes or the introduction of new prices or price packages, will be subject to approval of the CMC prior to taking effect.
   1.4 While Licensee is not a provider with significant market power in a relevant market, its prices in such market will take effect at its discretion without respect to their filing with the CMC.

2. Network Facility Sharing
   2.1 Licensee will comply with any Regulation related to the sharing of facilities or property comprising its Network. In addition, the CMC may impose on Licensee further specific obligations related to network access and facility sharing, but only if the CMC determines that Licensee is a provider with significant market power in a relevant market under the Telecommunications Legislation.
   2.2 Licensee will share infrastructure whenever and wherever mandated by the CMC in accordance with the Telecommunications Legislation. If the CMC considers it necessary for Licensee to share infrastructure with other providers in designated areas in the national and/or public interest or otherwise, the CMC will inform Licensee and the affected providers accordingly so that they can make the necessary arrangements.

3. Interoperability and Technical Standards
   3.1 Licensee will comply with all applicable Telecommunications Legislation to ensure interoperability of its Licensed Services and Network with telecommunications services and Networks operated by other providers.
   3.2 Licensee will ensure that all its Network equipment complies with the Telecommunications Legislation or international standards.
3.3 All VSAT equipment must comply and meet international standards approved by the CMC in order to provide a blanket license.

3.4 VSAT equipment will be issued a blanket license if they are deemed to operate under characteristics defined by the CMC under clause 3.5.

3.5 The blanket license will be issued for VSAT’s operating under the following characteristics:

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Frequency Range</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ka-Band</strong></td>
<td><strong>Transmit</strong>: 29.50 – 30.00 GHz</td>
</tr>
<tr>
<td><strong>Receive</strong>: 19.70 – 20.20 GHz</td>
<td></td>
</tr>
<tr>
<td><strong>Ku-Band</strong></td>
<td><strong>Transmit</strong>: 14.00 – 14.25 GHz</td>
</tr>
<tr>
<td><strong>Receive</strong>: 10.70 – 12.75 GHz</td>
<td></td>
</tr>
<tr>
<td><strong>C-Band</strong></td>
<td><strong>Transmit</strong>: 5.85 – 6.425 GHz</td>
</tr>
<tr>
<td><strong>Receive</strong>: 3.625 – 4.2 GHz</td>
<td></td>
</tr>
</tbody>
</table>

2. Exclusive FSS allocation as per ITU or Iraqi Table of Frequency Allocations

3. Meets relevant international standard approved by CMC similar to ETSI European Norms e.g. EN 301 459.

4. Interception, Public Rescue and Emergency Services

4.1 Upon request of the CMC and for the interest of the Republic of Iraq, Licensee will install a state-of-the-art lawful interception system including the configuration and enabling of Licensee’s network components, effective monitoring equipment and delivery to the Republic of Iraq of the lawful interception point of interconnection that will be operated based on the requirements of the public interest without any intervention, help, knowledge or assistance from Licensee.

4.2 Any connection to the Network for the purpose of intercepting information will be performed in compliance with court orders and in accordance with applicable Iraqi laws.

4.3 Licensee will, in a state of emergency and upon the request of the CMC, permit the CMC designees to use part or the whole of Licensee’s Network and services during such state of emergency on a priority basis.

5. Accounting and Audit Requirements

5.1 Upon CMC request, Licensee will deliver to the CMC such financial documents and records, including audits, as the CMC may determine are necessary to confirm that Licensee is correctly reporting its revenues and spectrum use for the purposes of its payment obligations under this License.

5.2 The CMC may impose additional accounting requirements on Licensee including if the CMC determines that Licensee has significant market power in the relevant VSAT telecommunications market, and Licensee will comply with all such requirements.
6. **Anti-competitive behaviour**

6.1 Licensee will not enter into any agreement or arrangement that in any way has the objective or effect of preventing or restricting competition in relation to the operation of its Network or the provision of VSAT telecommunications services by Licensee or any provider.

6.2 Licensee will not show undue preference for, or exercise undue discrimination against, any Person or class of Persons in the price and performance characteristics of its Licensed Services or the terms and conditions under which such services are provided. In particular, Licensee will not give any undue preference to, or receive an unfair advantage from, a business carried on by it or an associated or affiliated company, service or Person. Licensee will not engage in any activity that could place a competing provider at an unfair competitive disadvantage or prevent or restrict competition in one or more markets.

6.3 Licensee will provide its services on a non-discriminatory basis to any Person seeking to obtain such services and pay Licensee's published price unless Licensee demonstrates reasons acceptable to the CMC (commercial or technical) as to why it should not be required to provide such service on such a basis.

7. **Requirement to Provide Information and Permit Inspection**

7.1 Licensee will maintain and provide to the CMC in a timely manner and upon request any periodic report, statistics and other data or information reasonably required by the CMC to supervise and enforce effectively the terms of this License and carry out its functions under CMC's law and instructions, including information relating to the operational, financial, administrative and technical aspects of its Network and on access to and use of the Network and its Licensed Services. Licensee will notify the CMC of any changes to such information in advance of implementation.

7.2 Licensee will permit the CMC to inspect Licensee's premises, facilities, files, records and other data to enable the CMC to perform its duties.

7.3 The CMC shall maintain the Licensee's information confidential unless in cases that relate to the public interest as CMC deems fit. If the CMC discloses such information it will consider the following: (a) doing so on an aggregate basis so that Licensee’s business, commercial and financial affairs remain confidential, or (b) taking steps to ensure that such disclosure will not adversely affect Licensee's lawful business, commercial or financial affairs.

7.4 Licensee must ensure and pledge that any information it provides to the CMC is true, accurate and complete.
8. **Environmental Protection**

8.1 Licensee will take steps with respect to the construction, installation, operation and maintenance of its VSAT Network and all VSAT equipment to minimize harm to the environment within the Republic of Iraq.

8.2 Licensee will comply with all Iraqi applicable environmental laws and regulations.

8.3 Licensees must ensure to protect archaeological and heritage sites.

9. **Customer Protection**

9.1 Licensee will not engage in any unfair or deceptive practices in its dealings with customers and will comply with all applicable laws and regulations regarding customer protection.

9.2 The licensee will provide the CMC with detailed customers' complaints on Licensee's services and performance.

10. **Interference Protection**

10.1 All registered VSAT stations are subject to abide by ETSI standards and other relevant international standards approved by the CMC.

10.2 All registered VSAT transmission and receiving antenna characteristics must comply with ITU-R Recommendation 580-6.

10.3 Any VSAT registered Licensee will be responsible for any interference caused to other networks.

10.4 If a registered Licensee is deemed to be responsible for any interference caused to other Networks (terrestrial or other) the responsible Licensee must provide evidence to the CMC of how it intends to solve the interference.

10.5 The CMC expects a registered VSAT licensee to inform the CMC of a possible interference it is causing or being caused by its equipment.

10.6 The CMC expects the registered VSAT licensee to inform the CMC of a possible interference being caused on its own Network.
Annex B

FEES AND PAYMENTS

1. **Annual Spectrum License Fee**

   1.1 During the License Term, Licensee is required to register their VSAT stations free of charge. A spectrum usage fee paid to the CMC will provide the Licensee with a Spectrum License.

   1.2 In the meantime, and in order to reduce complexity for spectrum fees applying to VSAT’s, the CMC has introduced a type of fee charge based on spectrum usage – see table 1 below.

   1.3 The CMC shall, in a later stage, specify a transparent method for charging VSAT spectrum fees for a Spectrum License under clause 1.1. The CMC will provide public notice to registered VSAT’s once the transparent spectrum method based on the frequency range and bandwidth usage is ready.

   1.4 Table 1 is for the total network capacity and not for each VSAT terminal.


<table>
<thead>
<tr>
<th>Spectrum</th>
<th>Annual Fee (IQD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 100KHz</td>
<td>300,000</td>
</tr>
<tr>
<td>From 100 to 1MHz</td>
<td>1,500,000</td>
</tr>
<tr>
<td>From 1MHz to 4MHz</td>
<td>3,000,000</td>
</tr>
<tr>
<td>From 4MHz to 10MHz</td>
<td>6,000,000</td>
</tr>
<tr>
<td>More than 10MHz</td>
<td>9,000,000</td>
</tr>
</tbody>
</table>

2. **Universal Service Contributions**

   2.1 Licensee shall comply with all instructions issued by the CMC in regard to universal service.
Annex C

Annex C – Order 65