

**VALUE ADDED SERVICES
(CALL DIRECTORY) LICENCE**

(VAS/CDS/XXX/XX)

Granted by

NIGERIAN COMMUNICATIONS COMMISSION

TO

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Under Section 32 of the Nigerian Communications Act, 2003

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LICENCE NO. VAS/CDS/XXX/XX GRANTED TO
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
TO PROVIDE AND OPERATE CALL DIRECTORY SERVICES IN NIGERIA
UNDER SECTION 32 OF THE NIGERIAN COMMUNICATIONS ACT 2003

THE LICENCE

1. The Nigerian Communications Commission (hereinafter referred to as "the Commission") being a body corporate with perpetual succession rights and a common seal, established by Section 3 of the Nigerian Communications Act, 2003 (hereinafter referred to as "the Act") and in exercise of the powers conferred on it by Section 32 of the Act hereby grants XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX (hereinafter referred to as "the Licensee") a Licence for the period specified in Paragraph 2 subject to the conditions set out in Schedules 1 and 2, to provide CALL DIRECTORY SERVICES (hereinafter referred to as "the Licensed Undertaking") in the Licensed Areas.
2. This Licence shall take effect from the 1st day of, 20.... and shall have a tenure of Five (5) Years thereafter, in the first instance, but without prejudice to Condition 20 of this Licence, shall be subject to revocation thereafter upon the giving of Twelve (12) Months notice in writing of such revocation.
3. This Licence shall be automatically renewed and remain valid for a further period of Five (5) Years subject to the provisions of Paragraph 4 and unless the Licensee has given a written notice to the Commission, at least Six (6) Months before the expiry date not to renew the Licence.
4. In order for this Licence to be automatically renewed as provided in Paragraph 3, the Licensee shall have satisfactorily rolled-out services, and paid all the renewal licence fees and charges due.
5. This Licence is valid for the provision and operation of the Service stated in Schedule 2 to this licence.
6. The Licence shall be governed by the provisions of Nigerian Communications Act 2003 and Wireless Telegraphy Act, Regulations and Guidelines issued by the Commission from time to time.

XXXXXXX
EXECUTIVE VICE-CHAIRMAN/CEO

DEFINITIONS AND INTERPRETATIONS

1. In these Conditions unless the context otherwise requires, the expressions shall have the following meanings:

“Access Provider”	Any person who provides last mile access to end users of telecommunications services and includes but is not limited to fixed telephony service providers, mobile cellular telephony service providers, Value Added Service Providers and Virtual Private Network Operators.
“Access Tandem”	Switching systems that provide concentration and distribution for traffic originating and terminating in the networks of Access Providers.
“Act”	The Nigerian Communications Act, 2003 or any such other subsequent Acts of the National Assembly.
“Commission”	The Nigerian Communications Commission and agents appointed pursuant to the powers under the Nigerian Communications Act, 2003.
“Communications”	The transmission of information from one point to another through a telecommunications System.
“Communications Equipment”	Any equipment or apparatus for the Purpose of or intended to be used for Communications as part of or comprising a communications system.
“Community”	A group of people or persons within a limited geographical area such as a housing estate, village or Local Government Area.
“Connect”	To install, maintain and use any telecommunications line or other apparatus used for telecommunications so that messages which are: (a) Conveyed by one Operator are also conveyed by another Operator; or (b) Sent by means of one item of apparatus are conveyed or received by means of another item of apparatus.
“Connectable System”	A telecommunications system approved for use in Nigeria by the Commission, which entitles the Licensee to interconnection under Section 96 of the Act.

“Cross-ownership Situation”	A cross-ownership situation exists when any person or entity that owns, directly or indirectly ("Attributable Interest"), an ownership stake of more than 25% (twenty five percent) of the Licensee has, directly or indirectly, an ownership stake of more than 25% (twenty five percent) in some other Operator(s) or in any person or entity that has an Attributable Interest in any other Value Added Services (Call Directory) Licensee.
“Customer”	A person who has entered into a contract with the Licensee for the provision of the service, irrespective of the payment terms thereof, subject to the Licensee's terms and conditions lodged in accordance with Condition of the Licence.
“Effective Date ”	The date on which this Licence enters into force.
“Electronic Directory Information Services”	A computer-based electronic database on contact about the products and/or services of companies that subscribe to the Directory Services.
“Emergency”	An emergency of any kind, including but not limited to medical emergencies and circumstances whatsoever resulting from major accidents, natural disasters and incidents.
“Emergency Organisation”	In respect of any locality, the relevant Government Department such as the Nigeria Police, hospital and ambulance services, and the Federal Fire Service.
“Interconnection Fees”	Fees payable in terms of an Interconnection Agreement for the carriage of messages originating in one network and terminating in another network.
“Interconnection Guidelines”	The Interconnection Guidelines issued by the Commission establishing requirements for Interconnection between Operators as stated in Condition 15.
“ITU-T”	The Standardisation Bureau of the International Telecommunications Union.
“Leased Line”	A dedicated point-to-point circuit, complying with ITU-T recommendations leased by an Operator for the sole purpose of conveying its traffic.
“Licence”	A licence granted or having effect as if granted under Section 32 of the Act.

“Licensed Area”	The geographical territory specified in Schedule 2 hereto or as may be varied by the Commission thereafter.
“Licensed Fee”	The amount specified by the Commission and paid by the Licensee to the Commission in consideration of this Licence.
“Licensee's Group”	A body corporate in which the Licensee has equity/shareholding interests, or which has equity/shareholding interests in the Licensee.
“Message”	Any information sent, or to be sent, for conveyance by means of a licensee circuit.
“Metropolitan Area”	A designated urban area constituting a city, town or urban settlement, or a defined section of such city, town or urban settlement.
“Monopoly Situation”	<p>Subject to specific relevant legislation and/or Regulations, a monopoly situation shall be taken to exist in relation to the supply of telecommunications facilities and/or services of any description in the following cases, amongst others, that is to say:</p> <p>(a) If at least 50% (fifty percent) of all the telecommunications facilities and/or services of that description which are supplied in Nigeria are supplied by one and the same Operator, or are supplied to one and the same Operator; or</p> <p>(b) If at least 50% (fifty percent) of all the telecommunications facilities and/or services of that description which are supplied in Nigeria are supplied by members of one and the same group of associated bodies corporate, or are supplied to members of one and the same group of associated bodies corporate; or</p> <p>(c) If at least 50% (fifty percent) of all the telecommunications facilities and/or services of that description which are supplied in Nigeria are supplied by members of one and the same group consisting of two or more such Operators as are mentioned in paragraph (a) hereof, or are supplied to members of one and the same group consisting of two or more such Operators; or</p>

- (d) If one or more agreements are in operation, the result or collective result of which is that telecommunications facilities and/or services of that description are not supplied in Nigeria at all.

The two or more Operators referred to in paragraph (c) hereof, in relation to telecommunications facilities and/or services of any description, are any two or more Operators (not being a group of associated bodies corporate) who whether voluntarily or not, and whether by agreement or not, so conduct their respective affairs as in any way to prevent, restrict or distort competition in connection with the production or supply of telecommunications facilities of that description, whether or not they themselves are affected by the competition and whether the competition is between Operators interested as producers or suppliers or (in relation to telecommunications facilities) between Operators interested as Customers or Producers or Suppliers or (in regard to telecommunications services) between Operators interested as Operators by whom or as Operators for whom services are supplied.

“National Long Distance Network”

A network of transmission and switching elements connected to provide long distance services.

“National Long Distance Services” or “Service”

The carriage of information over a long distance.

“Net Revenue”

For any period, gross revenue less interconnect cost only. In this context, it is understood and agreed that; “Gross Revenue” shall mean total amount of sales earned during a specified period (usually a year), while “Interconnect Cost” shall refer only to costs incurred and payment made (or invoices payable) by an operator towards the settlement of interconnect obligations to other interconnecting partners.

“Nigeria”

The entire geographical area, the territorial waters, air limits of Nigeria and any area to which the provisions of the Act apply.

“Operator”

A Provider of a telecommunications service duly licensed by the Commission.

“Person”

Any individual, Firm, Corporation, Partnership, Trust, Limited Liability Company, Joint Venture, Government or other entity.

“Point of Presence”	A location designated by the Licensee where switching and transmission facilities are provided for the purpose of interfacing with operators.
“Private Network”	A telecommunications network that is not deployed for the provision of commercial services to the public.
“Regulations”	The Regulations enacted by the Commission or any other competent authority under the Act and/or WTA and such further Regulations relating to the Services as the Commission may adopt from time to time.
“Radio Regulations”	The publication of the International Telecommunications Union (ITU) that delineates radio frequencies into bands and stipulates the services applicable to each frequency band and the conditions of bringing into use of such frequencies.
“Subscriber”	See “Customer”
“Tariffs”	The charges by a Communications Service Provider to the customers.
“Telecommunications”	Any form of transmission, broadcast or reception of signs, signals, texts, images, sounds or data by wire, by optical means, microwave or other electromagnetic means.
“Telecommunications Network Infrastructure”	Any form of installation or group of installations which ensure either the transmission or the transmission and routing of telecommunications signals and the associated exchange of the control and operational information, between network termination points.
“Telecommunications Services”	Any service including the transmission and/or routing of signs, signals, texts, images, sounds or data or a combination of these functions, using telecommunication process.
“Telecommunications System”	A combination of telecommunications networks or network infrastructure for the purpose of providing telecommunications services.
“Territory”	Geographical area of the Federal Republic of Nigeria.
“Transmission”	The conveyance of traffic over a long distance.

“Wireless Telegraphy Act” or “WTA”

Wireless Telegraphy Act Cap 469 Laws of the Federation of Nigeria 1990 as amended by Wireless Telegraphy (Amendment) Act No. 31 of 1998.

2. The Interpretation Act Cap. 192 LAWS OF THE FEDERATION OF NIGERIA [“Interpretation Act”] shall apply for the purpose of interpreting these Conditions.
3. Any word or expression used in these Conditions shall unless the context otherwise require have the same meaning as it has in the Act.
4. For the purposes of interpreting these Conditions, headings and titles to any condition shall be disregarded.
5. Any reference in any of the Conditions, however expressed, to the Commission notifying the Licensee of any matter, consulting the Licensee about any matter, affording the Licensee an opportunity to make representation, taking representations made by the Licensee into account, or explaining, or giving reasons for, any matter to the Licensee, shall be without prejudice to any obligation of due process or similar obligation which the Commission is or may be under by virtue of any rule or principle of law or otherwise.
6. This Licence and the legal relations between the licensee and the Commission and any claim instituted by the Licensee or the Commission with respect to matters arising under or in connection with or in respect of this Licence shall be governed by and construed in accordance with the Laws of the Federal Republic of Nigeria.
7. This Licence constitutes the entire set of terms and conditions applicable to the Licence and supersedes all other prior understandings, both written and oral, between the Commission and the Licensee.
8. If any provision in or obligation under this Licence is considered invalid, illegal or unenforceable by a Court of competent Jurisdiction, such judicial decision must, as regards such invalidity, be strictly interpreted and shall not affect or impair the validity, legality or unenforceability of any other provision in or obligation under this Licence.

SCHEDULE 1

General Conditions

Condition 1

Compliance with the Act, WTA and Regulations.

- 1.1 The Licensee shall comply with the provisions of the Act, WTA and Regulations made thereto and with any direction, determination or order that the Act and/or WTA provide for the Commission to give or make.
- 1.2 Neither the Licensee nor its officers, directors, employees, agents, or counsel shall in any response to the Commission or any inquiry or in any application, pleading, report or any other written statement submitted to the Commission, make any misrepresentation or wilful material omission bearing on any matter within the Commission's jurisdiction.
- 1.3 Unless otherwise provided in this Licence, any notifications, service of process, petitions, claims and other communications requested or permitted pursuant to this Licence shall be made in writing and shall be considered validly made when delivered by hand or by courier, telex or facsimile to the Licensee at the Licensee's address provided to the Commission for contact purposes and for the Commission at any of the offices of the Commission.

Condition 2

Emergency Situations

- 2.1 The Licensee shall take all reasonably practicable steps to maintain, to the greatest extent possible,
 - (a) The availability of its Services, having particular regard to the needs of Emergency Organisations, in the event of catastrophic network failure or in cases of Force Majeure such as flood, lightning, fire, or such other.
 - (b) The integrity of its Network, having particular regard to the needs of Emergency Organisations, that is to say, protection of the physical and functional operation of such systems and services against malfunctions or failure caused by electrical conditions, signalling protocols or traffic loads.
- 2.2 The Commission shall instruct the Licensee, in an emergency, to cooperate with the relevant Government entity that is responsible for managing that emergency.
- 2.3 Within nine (9) months from the Effective Date the Licensee shall submit to the Commission its procedural and operational plans that the Licensee would adopt in the event of any emergency.

Approval of Tariffs

- 3.1 The Licensee shall lodge with the Commission, a notice of tariffs and any variation thereto, which sets out in relation to each kind of service that the Licensee proposes to offer:
 - (a) a description of the service
 - (b) details of the nature and amounts of charges payable for the service; and
 - (c) the method adopted for determining the charges.
- 3.2 If the charges in the tariff plan vary, in nature, in their amounts or both, the notice must set out, why and how the charges vary. The notice must be precise and detailed enough to be used to work out the nature and amounts of charges payable for the supply of the particular service. The tariffs must be in a form approved by the Commission who, subject to Condition 3.5, will provide written reasons in the event of non-approval.
- 3.3 The notice of tariffs lodged with the Commission must state the period (i.e. the term) for which it is to be in force. Subject to Condition 3.5, the term must not begin until approval for the tariffs is given by the Commission and shall not operate simultaneously with any previously approved Licensee's tariff for the same service.
- 3.4 The Licensee shall provide the specified telecommunications service at the charges and upon the terms and conditions so approved by the Commission and shall not depart therefrom without prior written approval by the Commission of the proposed changes. Provided that the Licensee shall be at liberty to offer discount schemes to its customers without the prior approval of the Commission in a fully transparent manner. Such discount schemes and any revisions thereto shall be published in the same manner as is set out in Conditions 3.6 and 3.7.
- 3.5 The Commission shall communicate to the Licensee its decision on the notice of tariffs or any application for changes thereto within forty-five (45) days from the date of receipt of the notice by the Commission. A failure by the Commission to communicate its decision to the Licensee within the timeline herein specified shall be deemed to constitute an approval of the tariff or changes thereto and the Licensee shall, in that event, be at liberty upon the expiry of the said timeline to implement the tariff structure or the revisions thereto.
- 3.6 The Licensee shall publish in a manner and at the times indicated in Condition 3.7 the charges, terms and conditions, including subsequent revisions thereto, on which it offers to provide the specified telecommunications service in accordance with an obligation imposed by or under this Licence.
- 3.7 Publication shall be effected by:

- (a) Placing a copy thereof in a publicly accessible part of every office of the Licensee in such manner and in such place that is readily available for inspection free of charge by members of the general public during normal office hours on every working day.
- (b) Sending a copy thereof or such parts thereof as are appropriate to any person who may request such a copy.

3.8 Where the Licensee publishes a notice of amendment to a charge in the form of an extract from the Licensee's price list the new price shall be clearly identifiable and the operative date specified.

**Prohibition of Undue Preference
and Undue Discrimination**

- 4.1 The Licensee shall not (whether in respect of charges, application of discount schemes, or other terms or conditions applied or otherwise) show undue preference to or exercise undue discrimination against any particular person or persons of any class or description in respect of:
- (a) the provision of a service under this Licence; or
 - (b) the connection of any equipment approved by the Commission.
- 4.2 The Licensee shall be deemed to have shown such undue preference or to have exercised such discrimination if inter alia it unfairly favours to a material extent a business carried on by it or by its lawful telecommunications associates in relation to any of the matters mentioned in Condition 4.1 so as to place at a significant competitive disadvantage persons competing with that business.
- 4.3 Notwithstanding the provisions of Condition 4.1, the Licensee may provide the Service to a Customer on charges, terms and conditions that are preferential if the charge in question is in accordance with a tariff plan and terms and conditions that have been duly lodged with the Commission as required hereunder.
- 4.4 The sharing of infrastructure and facilities with other similarly licensed persons and the terms and conditions thereof shall be subject to the prior approval of the Commission.
- 4.5 Any question relating to whether any act done or course of conduct pursued by the Licensee amounts to such undue preference or such undue discrimination shall be determined by the Commission, but nothing done in any manner by the Licensee shall be regarded as undue preference or undue discrimination if and to the extent that the Licensee is required to do that thing in that manner by or under any provision of this Licence.

Prohibition of Cross-Subsidies

5.1 The Licensee shall ensure that his business under this Licence is not unfairly cross-subsidised from any other source, except in cases where the Licensee is under an obligation to provide service at a place in an area in which the demand or the prospective demand for the service is not sufficient, having regard to the revenue likely to be earned from the provision of the service in the area, to meet all the costs reasonably to be incurred by the Licensee in providing the service there, including;

- (i) the cost of equipment necessary for the provision of the service there;
- (ii) the cost of installing, maintaining and operating such equipment for the purpose of providing service there, and
- (iii) the cost of the trained manpower necessary to provide the service there;

in which case prior approval shall be obtained from the Commission.

5.2 Where it appears to the Commission that the Licensee's business is unfairly cross-subsidised from any other source whatsoever, it shall take such steps as the Commission shall deem necessary to remedy the situation.

5.3 For the purposes of determining cross-subsidy, the Licensee shall record at full cost in its accounting records any material transfer between it and any other member of the Licensee's Group or any other source whatsoever. For the purposes of this Condition:

(a) A transfer from one business to another business or company takes place when anything (including any service or money) produced or acquired by, normally used in, or otherwise at the disposal of, the first mentioned business is made available for the purposes of the other business or company; and

(b) "Full cost" in the case of money transferred includes the market rate of interest for that money.

Prohibition of anti-competitive conduct

- 6.1 The Licensee shall not engage in any conduct which in the opinion of the Commission has the purpose or effect of preventing or substantially limiting, restricting or distorting competition in the operation of the Service or in any market for the provision or acquisition of telecommunication installation, service or apparatus.
- 6.2 The conduct which the Commission may consider as the relevant purpose or effect referred to in Condition 6.1 includes but is not limited to:
- (i) Collusive agreements to fix the price of any apparatus or service.
 - (ii) Boycotting the supply of goods or services to competitors;
 - (iii) Entering into exclusive arrangements which prevent competitors from having access to supplies;
 - (iv) Agreements between Licensees to share the available market between them along geographic or customer lines;
 - (v) Agreements limiting production, markets, distribution of equipment or technical development to the prejudice of consumers;
 - (vi) Applying dissimilar conditions to equivalent transactions with different parties, thereby placing one or some of the parties at a competitive disadvantage.
- 6.3 In particular but without limiting the generality of the conduct referred to in Condition 6.1, the Licensee shall not:
- (i) Enter into any agreement, arrangement, or understanding, whether legally enforceable or not, which has or is likely to have the purpose or effect of preventing or substantially restricting competition in any market for the provision or acquisition of any telecommunication installations, services or apparatus.
 - (ii) Give an undue preference to, or receive an unfair advantage from a business carried on by it or by an associated or affiliated company, service or person, if in the opinion of the Commission, competitors would be placed at a significant competitive disadvantage or competition would be prevented or substantially restricted within the meaning of Condition 6.1.
 - (iii) Make it a condition of:
 - (a) Providing any telecommunication service;

(b) Supplying any telecommunication equipment;

that any person should acquire from the Licensee or from any other person specified or described by the Licensee:

- i. any telecommunication service other than the telecommunication service requested save where that service cannot be provided without the provision of that other telecommunication service; or
- ii. any telecommunication equipment (including in particular but not limited to terminal equipment) not incorporated in the Systems supplied save where the telecommunication service requested cannot otherwise be provided or the telecommunication equipment cannot otherwise be used.

6.4 Except where the Commission has agreed otherwise, the Licensee shall not do either of the things described in Condition 6.3(iii) (a) and (b) together with the other in a manner or for charges or on terms or conditions more favourable than would be available for doing one thing without that other.

6.5 Notwithstanding the provisions of Conditions 6.3(iii) and 6.4 the Licensee may where it supplies as part of the same transaction or interconnected series of transactions two or more items of telecommunications equipment, offer quantity discounts or more favourable terms and conditions in respect of quantity in relation to such equipment which it so supplies whether those items or equipment are of the same or different descriptions.

6.6 In the event of default by the Licensee in regard to any of the provisions of this Condition, the Commission shall, subject to specific prevailing legislation and/or regulations, take such steps as it deems necessary to remedy the situation including but not limited to issuance of directives to the Licensee and application of sanctions and/or fines against the Licensee.

Condition 7

Code of Practice for Consumer Affair

- 7.1 The Licensee shall in consultation with the Commission prepare and publish in accordance with Condition 3.6 and 3.7 not later than three months after the Commercial Launch Date a Code of Practice including:
- (a) Guidance to their customers and employees in respect of disputes or complaints relating to the provision of service by them and the time frame for handling complaints through this procedure;
 - (b) Further recourse available to a customer who is dissatisfied with the Licensee's complaints handling procedure;
 - (c) Advice to such customers on charging, billing and enquiries in relation thereof;
 - (d) Advise and procedures on the proper use of the service by such customers;
 - (e) Procedures adopted by the Licensee to check the accuracy of a customer's account;
 - (f) Procedures adopted by the Licensee to assist customers in emergency situations; and
 - (g) Availability to customers of quality of service information relating to the Licensee's network services.
- 7.2 The Licensee shall consult the Commission once every year about the operation of the Code of Practice.
- 7.3 The Licensee must keep and maintain all information on the complaints made to the Licensee by the Licensee's Customers and shall provide such information to the Commission at least once in each year. The Commission may, after consultation with the Licensee publish the information, provided that such publication shall relate to a period of not less than three months range calculated on the basis of the date of complaint.
- 7.4 The Licensee shall establish and maintain efficient information and assistance to assist the Customers in resolving questions relating to the installation and all other relevant issues relating to the Services. In the provision of such services the Licensee shall not discriminate between the Customers.
- 7.5 The Licensee shall have available copies of any forms that may be issued by the Commission for the filing of formal or informal complaints, and shall make such forms available to the Customers promptly upon request. The Licensee will train its

personnel responsible for interfacing with the Customers to inform the Customers that they have a right to lodge formal or informal complaints with the Commission, and that the Licensee can make any issued forms available.

Condition 8

Arbitration of Disputes with Customers

- 8.1 The Licensee shall include in the standard terms and conditions on which it provides telecommunication services, provisions giving persons who have entered into contracts with it for the provision of telecommunication services the opportunity to refer to an inexpensive independent arbitration procedure, instead of to a court of law, any dispute relating to the provision of these services which does not involve a complicated issue of law or a sum greater than such sum as the Commission may from time to time determine. The arbitration procedures and the method of appointment of the arbitrators shall be subject to consultation with the Commission.
- 8.2 The Commission shall settle;
- (a) Any dispute between the Licensee and the customer relating to the provision of the Services which the Commission is capable of resolving in accordance with the established procedure for redressing grievances of customers, and
 - (b) Any other dispute between the Licensees and the customers within the scope of the powers given under the Act.

Separate Accounts for all Activities

- 9.1 This Condition applies for the purpose of ensuring that a Licensee establishes as soon as reasonably practicable, not later than twelve (12) months from the Effective Date, accounting and reporting arrangements sufficient to enable the Licensee's finances in relation to a Telecommunication Services provided pursuant to this Licence to be assessed and reported separately from its other Telecommunications Services and from the other commercial activities of the Licensee.
- 9.2 The Licensee shall:
- (a) Maintain accounting records in such a form that the activities of one commercial telecommunications services and another Licensed undertaking and/or other commercial activities (collectively referred to in this Condition as "Businesses") are separately identifiable or separately attributable in the books of the Licensee, being records sufficient to show and explain the transactions of each of those Businesses;
 - (b) Prepare in respect of each complete financial year of the Licensee, or of such lesser periods as the Commission may specify, accounting statements setting out costs (including capital costs), revenue and financial position of each of the Businesses and including a reasonable assessment of the assets employed in and liabilities attributable to each of them and showing separately, in the case of yearly accounting statements, the amount of any material item of revenue, cost, asset or liability which has been either:
 - (i) Charged from or allocated to any other business of the Licensee together with a description of the basis of the value on which the charge or allocation was made; or
 - (ii) Determined by apportionment or attribution from an activity common to the Businesses and if not otherwise disclosed, the basis of the apportionment or attribution.
 - (c) Procure in respect of each of those accounting statements prepared in respect of a complete financial year of the Licensee a report by the Licensee's Auditor stating whether in his opinion that statement is adequate for the purposes of this Condition; and
 - (d) Deliver to the Commission a copy of each of the accounting statements and of the reports relating thereto required under (a) and (b) above as soon as reasonably practicable and in any event not later than six (6) months after the end of the period to which they relate.

- 9.3 Accounting statements prepared under Condition 9.2(b) in respect of each financial year shall so far as reasonably practicable, be prepared in the formats and in accordance with the accounting principles and rules which apply to the annual accounts of the Licensee and shall state the accounting policies used.
- 9.4 The Licensee shall establish and maintain adequate records to permit the effective supervision and enforcement of the terms of this licence by the Commission. By March 1st of each year, the Licensee shall submit to the Commission a financial statement together with requisite documents showing the Licensee's Net Revenues, including the balance sheet of Licensee as at the end of the Licensee's fiscal year preceding the said March 1st. The Licensee shall in addition submit to the Commission all its related statements of operations, equity and cash flows. The statements and documents shall in each case be accompanied by a report thereon prepared by independent accountants stating that such financial statements fairly represent the financial position of the Licensee at the dates indicated therein and were prepared in accordance with accounting principles generally acceptable internationally.
- 9.5 In addition to the foregoing, the Commission may request the Licensee to submit other periodic reports, financial statements, statistics and other data regarding the Licensee's operations and activities. The Commission may publish such information with the exception of confidential information, privileged information and trade secrets. The Commission shall have the right to inspect or to instruct an auditor or other personnel to (at the expense of the Licensee) review the files, records and other data of the Licensee with a view to monitoring and enforcing the terms of this licence effectively. In giving such instructions however the Commission shall be mindful of the attendant costs which must be fair and reasonable and must not present an undue burden on the Licensee.

Condition 10

Code of Practice on the Confidentiality Of Customer Information

- 10.1 The Licensee shall take all reasonable steps to ensure that its employees observe the provisions of a Code of Practice which:
 - (a) Specifies the persons to whom they may not disclose information which has been acquired in the course of the Licensee's Business about a customer of the Licensee or that customers' business without the prior consent of that customer;
 - (b) Regulates the information about any such customer or his business that may be disclosed without his consent.
- 10.2 The Licensee shall within three months of the Effective Date submit a draft of the code of practice to the Commission for its approval. In the event of a disagreement between the Licensee and the Commission on the contents of the code of practice or any portion thereof, the Commission's ruling shall prevail.
- 10.3 This condition is without prejudice to the general duties at law of the Licensee towards its customers.

Condition 11

Transfer of Licences

- 11.1 The Licensee shall not transfer or assign its Licence to another party without the prior written approval of the Commission.
- 11.2 For the avoidance of doubt, this Licence is personal to the Licensee and shall not without the prior express consent of the Commission in the manner specified in Condition 11.1 be operated by any third party Organisation or person whomsoever, including but not limited to the Licensee's subsidiary and/or associated companies.
- 11.3 A person to whom a Licence is to be transferred shall apply to the Commission for a Licence to carry on the relevant telecommunications undertakings on the prescribed application form and shall satisfy the conditions set down by the Commission before any transfer of Licence may be considered.
- 11.4 Where the Licensee seeks to transfer its Licence to another person, it shall comply with all terms and conditions of its Licence as at the date of transfer and shall have paid all outstanding fees to the Commission.
- 11.5 The Commission may decline any application for transfer of Licence and provide reasons in the event of non-approval.

Approval of Joint Ventures

- 12.1 The Licensee shall give particulars of any of the agreements or arrangements to which this Condition applies for approval of the Commission before the coming into effect of such agreements or arrangements.
- 12.2 These agreements are Agreements or arrangements between the Licensee and any person:
- (a) For the establishment or control of any body corporate for the purpose of:
 - (i) Providing telecommunications services in Nigeria which requires a Licence; or
 - (ii) The production of telecommunications equipment for supply in Nigeria where that production would lead to a monopoly situation which would not otherwise exist in relation to the supply of telecommunications equipment of any description in Nigeria;
 - (b) For the establishment of a partnership for any of the purposes and in any of the circumstances specified in (a) above;
 - (c) In the nature of a joint venture for the purpose of providing telecommunications services that require a Licence.

Members of Licensee's Group and/or Associates

13.1 Where, without prejudice to the Licensee's obligations under these Conditions in respect in particular to anything done on its behalf:

- (a) Any Associate of the Licensee or member of the Licensee's Group does anything which the Licensee is prohibited from doing under these Conditions or fails to do anything which the Licensee is in the circumstances required to do; or
- (b) Any Associate or Member of the Licensee's Group has done something which would, if it had been done by the Licensee, require the Licensee to take or refrain from taking a particular action under this Licence and neither the Licensee nor the Associate or Member has met that further requirement; and
- (c) The Commission is of the opinion:
 - (i) That in consequence the Licensee is seeking to or is in a material and substantial way avoiding obligations which would apply under these Conditions if the thing had been done or not done by the Licensee; and
 - (ii) That having regards to the duty imposed on it by Section 4 of the Act it ought to make a direction under this Condition,

then the Commission may direct the Licensee to take such steps as the Commission deems appropriate for the purpose of remedying the matter, including but not limited to restraining the Associate or Member of the Licensee's Group from continuing with the act or refraining from carrying on with that member or Associate such commercial activities connected with the Licensee's Businesses as the Commission may determine.

13.2 For the purposes of this Condition a person is an Associate of the Licensee if he is a subsidiary of or another body corporate controlled by it.

Pre-notification of Changes in Shareholding

- 14.1 Except as specified in Condition 14.2 the Licensee shall notify and obtain the prior approval of the Commission in respect of any change in the control of any of the shares in the Licensee to which this Condition applies and any such notification shall be given as soon as practicable prior to the proposed change in structure.
- 14.2 The Licensee shall not be obliged to notify and/or obtain the prior approval of the Commission in respect of any such change where the number of such shares the control of which it is proposed to change when aggregated to the number of such shares the control of which has been changed at any time after the granting of this licence (whether or not the change has previously been notified to the Commission in accordance with this Condition) does not exceed 10% of the total number of shares in the Licensee to which this Condition applies.
- 14.3 In particular, the Licensee shall notify the Commission not later than thirty (30) days before the taking effect of any of the arrangements of the description mentioned in Condition 14.4.
- 14.4 Those descriptions of arrangements are:
- (a) Any arrangement for obtaining a listing of any shares in the Licensee on any Stock Exchange in any part of the world provided that such listing shall not have the effect of vesting greater than 50% (fifty per centum) of the issued voting share capital of the Licensee in a manufacturer or supplier of telecommunications equipment; and
 - (b) Any arrangement for dealing in any shares in the Licensee on an unlisted market in Nigeria.
- 14.5 This Condition applies to all shares in the Licensee the holder of which for the time being is entitled to vote on any matter at a general meeting of the Licensee.
- 14.6 Not later than March 1st of each year, the Licensee shall deliver to the Commission a report on the current ownership of the Licensee. The report shall contain the following information: i) in the case of an individual owner, the name of that individual; ii) in the case of a partnership as owner, the name of each partner and the interest of each partner; iii) in the case of a company or other organisation as owner, the name, residence, citizenship, and stockholding of every officer, director, trustee, executor, administrator, receiver and member of the organisation, and of any stockholder holding stock amounting to five (5) per cent or more of the votes of the company.
- 14.7 If, in the Commission's opinion, any change in the Licensee's shareholding structure, (whether or not notified to the Commission pursuant to this Condition), creates or

has the potential of creating a monopoly or cross-ownership situation, the Commission shall, subject to specific prevailing legislation and/or regulations, take such steps as it deems necessary to prevent the situation including but not limited to issuance of directives to the Licensee and application of sanctions and/or fines against the Licensee in the event of default.

Interconnection Arrangements

- 15.1 If the Licensee receives a request for interconnection from another Operator duly licensed by the Commission, the Licensee shall have an obligation to interconnect its telecommunications system with the other Operator's network in accordance with the principles of neutrality, non-discrimination and equality of access pursuant to terms and conditions negotiated in good faith between them. Technical and commercial arrangements for interconnection are a matter for agreement between the parties involved, subject to the provisions of this Condition.
- 15.2 The Licensee shall be excused from any obligation to negotiate or enter into an interconnection agreement with a requesting Operator if, as determined by the Commission:
- (a) such an agreement is prohibited by law;
 - (b) the Licence issued to the other Operator does not authorise the services for which interconnection is requested;
 - (c) any equipment of the other Operator which interfaces with the network of the Licensee has not been type approved by the Commission;
 - (d) the requested interconnection is rendered impossible as a result of technical limitations; or
 - (e) such interconnection would endanger life or safety or result in injury or harm to the Licensee's property or hinder the quality of the services provided by the Licensee.
- 15.3 All interconnection agreements between the Licensee and any other Operator shall be in writing and shall comply with:
- (a) the Act, the Regulations, and the Interconnection Guidelines laid down by the Commission; and
 - (b) the principles of neutrality, transparency, non-discrimination, fair competition, universal coverage, access to information, equality of access and equal terms and conditions.
- 15.4 The Licensee shall file with the Commission all Interconnection Agreement entered into pursuant to Condition 15.1, not later than ten (10) days from the date of execution of the Agreement. The Licensee shall furnish to the Commission any additional information that the Commission requires in respect of such Interconnection Agreement and on evaluating the Terms and Conditions and the charges set out in the proposed Interconnection Agreement, the Commission may

require the Licensee and the interconnecting party to revise the Agreement if interconnection as contemplated therein is inconsistent with the Act, the Regulations and the Interconnection Guidelines laid down by the Commission or the integrity of the public network.

- 15.5 The Licensee may at any time request the Commission to make a direction in order:
- (a) to specify issues which must be covered in an interconnection agreement;
 - (b) to lay down specific conditions to be observed in an interconnection agreements; or
 - (c) as the case may be, to set time limits within which negotiations are to be completed
- 15.6 The Licensee shall comply with the requirements of any directions given to the Licensee under the provisions of this Condition and under the regulations and provisions of the Interconnection Guidelines laid down by the Commission.
- 15.7 Where:
- (a) An operator establishes a prima facie case that the Licensee is unreasonably not performing an obligation which he is required to perform under an interconnection agreement; and
 - (b) the Commission considers that:
 - (i) the obligation to interconnection ought to be performed; and
 - (ii) the Operator is not able satisfactorily to enforce the agreement so that the obligation is performed within such time as the Commission considers necessary;

the Commission may require the Licensee to perform the obligation subject to such conditions as are reasonable in the circumstances having regard, in particular, to the terms and conditions which apply and to anything which the Operator may reasonably be expected to do in order to mitigate the effects of the Licensee's failure to perform its obligation.

- 15.8 Before making a requirement under Condition 15.7, the Commission shall notify the Licensee of the prima facie case established by the Operator, its conclusions thereon and the direction of the Commission on the matter. The Licensee shall be afforded adequate time in which to make representations.
- 15.9 Where the Licensee has the right under the national legislation to install facilities on, over or within public or private land, or may take advantage of a procedure for the expropriation or use of property, the Commission shall encourage the sharing of

such facilities or property or both with other Operators, in particular where essential requirements deprive other Operators of access to viable alternatives. The agreements for collocation or facility sharing are a matter for commercial and technical agreements between the parties concerned. The Commission may intervene to resolve disputes concerning collocation or facility sharing at the request of either party.

- 15.10 Where there is a dispute concerning interconnection between the Licensee and other Operators the Commission shall, at the request of either party, take steps to resolve the dispute within 6 months of the date of the request and shall invite both parties for consultation before taking a decision on the matter. Such decision taken shall be final and conclusive and shall represent what is in the opinion of the Commission, a fair balance between the legitimate interests of both parties. The Directions made pursuant to the decision shall be notified to the parties and published. The parties shall be given a full statement of the reasons on which it is based.

Payment of Fees

- 16.1 In consideration for granting the Licensee the right to construct, establish, maintain and operate the service, the Licensee shall pay to the Commission in full and without any deductions whatsoever:
- (a) The Licence Fee;
 - (b) The prescribed fees for each approved location of service.
 - (c) The prescribed fees for other supplementary Authorisations;
 - (d) An Annual Operating Levy which shall represent two and a half (2.5%) per cent of the Licensee's audited net revenue payable within three (3) months after the end of the first year of the Licence and thereafter quarterly on the Licensee's assessed net revenue within thirty (30) days of the end of such quarter to be adjusted immediately on the receipt of the audited annual financial statements of the Licensee.
- 16.2 The most recent audited account or where this not available, the management account or any other account or projection of the Licensee's operations will be admitted for the purpose of calculating the net revenue for the year under consideration and may be duly adjusted when the year's audited account becomes available.
- 16.3 The Commission shall determine the Licence fee payable for and in respect of any renewal of the Licence.
- 16.4 The Licence fee as determined by the Commission shall be exclusive of all taxes.

Requirement to furnish Information to the Commission

- 17.1 The Licensee shall permit the Commission to inspect and if required to make copies of records, documents and accounts relating to the Licensee's business for the purpose of enabling the Commission to perform its functions under the Act and the Conditions of this Licence.
- 17.2 Without prejudice to any other provision of this Licence, the Licensee shall furnish or procure to be furnished to the Commission, in such manner and at such times as the Commission may request, such information in the form of documents, accounts, estimates, returns and without prejudice to the generality of the foregoing, such other information as the Commission may reasonably require for the purposes of (i) exercising the functions assigned to it by or under the Act; (ii) verifying that the Licensee is complying with the Licence Conditions; and (iii) keeping statistical records.
- 17.3 In making any such request the Commission shall ensure that no undue burden is imposed on the Licensee in procuring and furnishing such information and, in particular, that the Licensee is not required to procure or furnish a report which would not normally be available to it unless the Commission considers the particular report essential for the purposes specified in Condition 17.2.
- 17.4 Without prejudice to the generality of Condition 17.2 and notwithstanding the provisions of Condition 17.3, the Licensee shall, furnish to the Commission within six (6) months of its financial year end a "Financial Statement". If the Commission so requests, there will be appended to the Statement a report from the Licensee's Auditor stating whether in his opinion the methods of allocation of costs, assets and liabilities are reasonable and whether the Statement has been properly prepared applying those methods and is adequate for the purposes specified in Condition 17.5.
- 17.5 In this Condition, "Financial Statement" means an accounting statement the purposes of which are to set out and fairly present the costs (including capital costs), revenue and financial position of the Licensee's services including a reasonable assessment of the assets employed in and liabilities attributable to those services. The level of desegregation as between services specified in, and in relation to the financial information contained in the Statement shall be of such level as the Commission may require from time to time, after consultation with the Licensee.
- 17.6 From time to time, the Commission may require specific details to be included in the Licensee's Financial Statement for the purpose specified in Condition 17.2 and the Licensee shall promptly comply with such requirements.

17.7 In this Condition "documents" includes, without prejudice to the generality thereof, drawings, designs, plans, or specifications.

Amendment of the Licence

- 18.1 Subject to Conditions 18.2 and 18.3, the Commission may amend this Licence from time to time where objectively justifiable if the Commission determines that such modification or amendment is necessary to achieve the objectives of the Act or any relevant regulations, or is in the public interest, taking into consideration the reasonable interest and contractual rights of the Licensee.
- 18.2 Before modifying or amending this Licence, the Commission shall give the licensee written notice of its intention to do so together with a draft copy of the intended modification or amendment, and the Licensee may make submissions to the Commission by submitting them to the Commission within the time period specified by the Commission but not less than thirty (30) days from the date of the written notice.
- 18.3 After expiry of the notice specified in Condition 18.2, the Commission shall decide on the next course of action, taking into consideration any submission made by the Licensee and the principles of fair competition and equality of treatment, amongst others.
- 18.4 Any modification or amendment to this Licence shall be made in accordance with the procedures laid down for such purposes and shall be published by the Commission.

Expiration and Renewal of the Licence

- 19.1 This Licence shall expire and all operating authorisations under it terminate:
- (i) Upon the expiration of the Licence term, unless renewed in accordance with the provisions of this Licence, or
 - (ii) By mutual agreement between the Commission and the Licensee provided that the Commission shall have full discretion to determine whether the Licence fees paid or any portion thereof shall be refunded.
- 19.2 This Licence shall be automatically renewed upon the expiry of the tenure hereof and remain valid for a further period of Five (5) Years unless the Licensee has given written notice to the Commission, at least Six (6) Months before the expiry date hereof, of its intention not to renew the Licence.
- 19.3 The automatic renewal of the Licence in the manner provided in Condition 19.2 shall be subject to the payment, within six (6) months before the expiry date of the Licence, of such Licence fees as the Commission shall specify and the fulfilment of all the terms, conditions and provisions of the Licence, Act, WTA and Regulations.

Revocation

- 20.1 Notwithstanding any contrary provision in this Licence contained, the Commission may at any time revoke this Licence by Twelve (12) Months' notice in writing given to the Licensee at its registered office where the Licensee is in breach of any of the Conditions attached to this Licence and the breach has not been rectified within twenty-one (21), or such further period as the Commission may specify, after the Commission had notified the Licensee of the breach.
- 20.2 Notwithstanding any contrary provision in this Licence contained, the Commission may at any time revoke this Licence by Three (3) Months notice in writing given to the Licensee at its registered office in any of the following circumstances:
- (a) If the Licensee agrees in writing with the Commission that this Licence be revoked;
 - (b) If the Licensee ceases to carry on its Business for which this Licence is granted;
 - (c) If any amount payable under Condition 16 is unpaid after it became due and remains unpaid for a period of twenty-one (21) days after the Commission notified the Licensee in writing that the payment is due;
 - (d) If within six months of the Effective Date of this Licence, the Licensee has not commenced full operation to the satisfaction of the Commission provided that the Commission would have given a prior notice to the Licensee specifying the details of the Licensee's default and requiring that remedial steps be taken within thirty (30) days of the notice;
 - (e) If the Licensee fails to ensure that its equipment is type approved by the Commission or a body approved by or accredited to the Commission;
 - (f) If the Licensee:
 - (i) is unable to pay its debts,
 - (ii) enters into receivership or liquidation,
 - (iii) takes any action for voluntary winding-up, or dissolution or such action is taken by any other person or enters into any scheme of arrangement (other than in any such case for the purpose of reconstruction or amalgamation) upon terms and within such period as may previously have been approved in writing by the Commission or if a receiver or trustee is appointed or if any order is made for its compulsory winding up or dissolution.

- (g) If the Licensee does not fulfill the Network roll out implementation plan as set out in this Licence.
- (h) If the Licensee has made false statements, representations or warranties in applying for the Licence.

20.3 The Licence fees paid in respect of a revoked Licence shall not be refunded in part or whole consequent upon such revocation except at the absolute discretion of the Commission.

Exceptions and Limitations on Obligations in Schedule 1

Unless the context otherwise requires the Licensee's obligations under these Conditions shall have effect subject to the following exceptions and limitations:

- 21.1 The Licensee shall not be held to have failed to comply with an obligation imposed upon it by or under this Licence if and to the extent that the Licensee is prevented from complying with that obligation by any physical, topographical or other natural obstacle, or as a result of fire, explosion, accident, emergency, riot, war, civil commotion or insurrection.
- 21.2 In the event that any of the circumstances specified in Condition 21.1 causes damage to the Licensee's network, the Licensee shall be obligated to repair or rebuild the network pursuant to a timetable and work plan to be established by the Licensee and approved by the Commission, and subject to adequate changes in the provisions of this Licence at the instance and discretion of the Commission.

SCHEDULE 2:

CONDITIONS OF LICENCE FOR THE PROVISION OF VALUE ADDED SERVICES (CALL DIRECTORY)

Condition 22

Scope of Operation

- 22.1 This Licence shall be for the provision and operation of Value Added Services (Call Directory) within Nigeria.
- 22.2 The Licensee is authorised to interconnect with private Network and the Network Access Providers.
- 22.3 The Operation of the service shall be based on facilities provided by licensed Network Operators in Nigeria only.
- 22.4 The Licensee shall submit, within three (3) months of operation, all relevant service requirements with network operators.

Technical Requirements

23. The Licensee's Network shall throughout the terms of the Licence conform to the Commission's Technical Specifications. The Licensee shall introduce measures and at all times use its resources to ensure that apparatus in the Network including the Terminal Equipment operated by the Licensee shall comply with
- (i) The requirements for electro-magnetic compatibility, and
 - (ii) The requirement for network interface, both as prescribed in accordance with international specifications and by the Commission's standards.
- 23.2 The Licensee shall not alter any of these specifications except with the prior written approval of the Commission.
- 23.3 Subject to the Commission's periodic directives, the Licensee shall at all times fully comply with the recommendations of the International Telecommunications Union and its associated organisations as they apply to Nigeria from time to time.
- 23.4 The Licensee shall ensure that its network equipment is Type Approved by the Commission or a body approved by or accredited to the Commission prior to the commissioning or commercial use (whichever is the earlier) of such equipment and shall obtain any necessary compliance certificates or licences in accordance with the respective Regulations.
- 23.5 The Licensee shall further ensure that it complies with the provisions of Condition 23.4 above in respect of all new network equipment procured by it after the Effective Date of this Licence.

Approval of Equipment/Site

- 24.1 The Licensee shall ensure that all its Network Equipment and Sites are approved by the Commission or a body approved by or accredited to the Commission prior to the commissioning or commercial use (whichever is earlier) of such equipment and shall obtain all necessary compliance certificates in accordance with the relevant Rules, and Regulations.
- 24.2 The Licensee shall further ensure that it complies with the provisions of Condition 24.1 in respect of all new Network Equipment and Sites procured or constructed by it after the Effective Date of this Licence.
- 24.3 (a) The Licensee shall ensure that all sites at which he installs equipment and network infrastructure conform to the site approval guidelines stipulated by the Commission from time to time.
- (b) All towers and masts must comply with the Commission's regulations on towers as may be published from time to time.

Connection Arrangement

- 25.1 The Licensee shall lease telephone lines from a Carrier or Network Operator for the purpose of providing the service for which this licence is granted, it shall enter into a Connection Agreement with such Carrier or Network Operator and shall furnish the Commission with a copy of such Agreement.

- 25.2 If after a period which appears to the Commission to be reasonable for such purpose, the Licensee and the Carrier or Network Operator have failed to enter into the Agreement referred to in Condition 25.1 above, the Commission shall on the application of either the Licensee or the Carrier or Network Operator, determine the terms and conditions of such Agreement which have not been so agreed between the Licensee and the Carrier or Network Operator.

Privacy

- 26.1 The Licensee shall take all reasonable steps to safeguard the privacy and confidentiality of any messages conveyed by means of its equipment and any information acquired by it in relation to such conveyance.

Licence Limitations

- 27.1 The Service platform shall not be used for the origination, transmission, routing and/or termination of telecommunications traffic (voice and data).
- 27.2 This Licence does not permit the Licensee to operate as an Access Provider.
- 27.3 The Licensee is prohibited from providing or operating any other telecommunications service:
 - (a) which is not expressly included within the scope of this licence; or
 - (b) for which a separate Licence has not been issued by the Commission.
- 27.4 The Licensee shall not by virtue of this licence, establish a separate Network for the provision of the service for which this licence is granted by implementing its own Wire or Radio Link, other than such Links provided by a Carrier or any other Operator.
- 27.5 The service must not be used for activities not in compliance with the conditions of licence nor in contravention of the provisions of the Act or any successive legislation thereto.

Penalties for Non-compliance Generally

- 28.1 Subject to Condition 28.2 but without prejudice to any other provision of this Condition and except where specific penalties have been prescribed hereunder, the Commission shall have the discretion to impose such suitable penalties as the Act or Regulations permit on the Licensee consequent upon the Licensee's breach of or failure to comply with any of the provisions of this Licence.
- 28.2 Before imposing the penalties that are stipulated by Condition 28.1, the Commission shall:
- (a) Notify the licensee of its specific breach of the Licence terms and demand that the breach or non-compliance be rectified within a specified period failing which the penalty shall impose on it, and
 - (b) Take into consideration any written submissions that the Licensee may make to the Commission on the circumstances of its breach or non-compliance with the specific Licence terms.