

LICENCE

**GRANTED BY THE LESOTHO
TELECOMMUNICATIONS AUTHORITY**

TO

**VODACOM LESOTHO (PTY) LTD FOR THE
OPERATION
OF MOBILE SYSTEMS AND THE PROVISION OF
MOBILE SERVICES**

ON

2001-10-11

.....

**T. KHABELE
CEO - LTA**

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THE LICENCE

TERMS

1. The Lesotho Telecommunications Authority (the “Authority”), in accordance with sections, 27 and 52 of the Lesotho Telecommunications Authority Act 2000 (herein referred to as the “Act”), hereby authorises **VODA COM LESOTHO (PTY) LTD** (the “Licensee”) to operate the telecommunication systems described herein as (the “**Licensed Systems**”) to provide telecommunication services described herein as (the “**Licensed Services**”) and to connect the Licensed Systems to telecommunication systems and telecommunication apparatus as specified herein within and outside Lesotho in accordance with the Conditions set out hereunder.
2. The Licensed Systems are Mobile Radio-Communication Systems located in or operating anywhere within the Kingdom of Lesotho.
3. The Licensed Services are Mobile Radio-Communication Services as described in Annex [A] and any such other telecommunication service which the Licensee is under an obligation to provide or may provide under this Licence.
4. The Licensee is authorised to connect the Licensed Systems to:
 - a) Any other telecommunication system run under a Licence granted by the Authority in accordance with Sections 27 and 52 of the Act;
 - b) Any telecommunication apparatus, which is approved for connection by the Authority.
 - c) Any telecommunication system authorized to operate in international commerce by any other nation, country or territory, and which operates pursuant to international telecommunications standards; provided the licensee may so connect upon written approval of the Authority.
5. This Licence is issued for a period of fifteen (15) years with effect from 1st June 2001 (the “Licence term”), unless it is revoked earlier in accordance with the conditions set out below.
6. Notwithstanding paragraph [5] of these terms, the Authority may at any time revoke this Licence by giving sixty (60) days’ notice in writing in any of the following circumstances:
 - a) If the Licensee agrees in writing with the Authority that this Licence should be revoked;

- b) If any amount payable under Condition [26] is unpaid thirty (30) days after the Authority notifies the Licensee that the payment is overdue, provided that such notification shall not be given earlier than fourteen (14) days after the date on which the payment is due;
- c) If the Licensee has failed to comply with any notice issued by the Authority under the Act, Rules, or the Regulations or pursuant to the terms of this licence where the Authority has given the Licensee sixty (60) days in which to make representations in relation to the matters set out in the notice and has taken any representations into account before taking further action.
- d) If the Licensee is dissolved or enters liquidation, bankruptcy or equivalent proceedings or makes a general assignment for the benefit of creditors; or
- e) If the Licensee fails to notify the Authority of any of the events specified in Conditions [24] or [25].

After the end of the initial notice period, the Authority shall publish a notice in the Gazette stating that it intends to revoke this Licence and setting out the reasons on which this intention is based. Revocation shall take effect seven (7) days following publication of the notice in the Gazette.

- 7. The Authority shall renew this Licence for an additional period, on the same or amended terms and conditions, following the expiry of the Licence Term, provided that the Licensee has fulfilled the System Expansion Requirements set out in Condition [1] of this Licence and provided further that the Authority has carried out a formal review to determine whether it is in the public interest that the Licence should be renewed.
- 8. Any word, phrase or expression used in this Licence shall, unless the context requires otherwise, have the same meaning as it has in the Act.
- 9. Words importing the singular shall include the plural and vice versa, words denoting persons shall include bodies corporate and unincorporated associations of persons and vice versa.
- 10. This Licence shall be held subject to the terms and conditions set out herein, provisions of the Act, Rules and Regulations adopted pursuant to the Act .
- 11. The Licensee shall not assign, delegate, transfer or encumber in any manner the rights, interests or obligations under this Licence without the prior, express and written consent of the Authority.

The licensee shall, however, have the discretion to appoint agents and/or sub-contractors to construct, maintain, distribute and market its services to enable it to properly and effectively exercise its rights and carry out its obligations in terms of this licence.

12. In this Licence, unless the context otherwise requires, the following terms shall have the following meanings:

“Access Line” means the telecommunication link or any part thereof connecting Terminal Equipment with the Licensed System;

“Act” means the Lesotho Telecommunications Authority Act, 2000;

“Authority” or **“LTA”** means the Lesotho Telecommunications Authority established pursuant to the Act;

“Base Station” means a radio-telecommunication facility, including the site and any associated equipment, used for the reception and transmission of signals between a terminal equipment and the Licensed Systems;

“Cell” means a defined geographical area which is determined by the maximum radius specified in terms of applicable mobile radio-telecommunications standards for a Licensed Systems base station, using GSM or non-GSM radio propagation prediction plots;

“Cellular” means radio communications designed to use limited radio frequency spectrum between cellular terminal equipment and network transceivers for the provision of GSM bearer, telecommunications and supplementary services across the cellular network, by allocating a limited number of frequencies within each of a number of defined geographical areas or cells, and enabling users to maintain connections whilst moving through different geographical areas by making use of call handover between adjacent cells;

“Coverage Area” means the total geographical area covered by any one or more of the Licensed Systems’ base stations in which the Service is made available to Customers;

“Customer” means any person who has entered into an agreement, or who is attempting to enter into an agreement, with the Licensee, its agents, contractors, or licensed operators, for the provision of Services required or permitted under this Licence;

“Directory Information Service” means those services described in Condition [5] of this Licence;

“Emergency Organisation” means in respect of any locality the relevant public police, fire, and ambulance services for that locality;

“ETSI” means the European Telecommunications Standards Institute;

“Facility” means any telecommunications system used to provide telecommunications services as authorized by the Authority.

“Facility Operator” means any person licensed by the Authority to operate telecommunication systems or any person authorized to operate a telecommunication system and to provide telecommunication services under Section 27 of the Act;

“GSM” means Global System for Mobile communications, as defined in the ETSI structure of technical specifications, and operating in the appropriate frequency band;

“Interconnection Agreement” means an agreement concluded between the Licensee and any other person licensed or authorized to provide wireline, fixed wireless, or mobile radio-telecommunication services which defines the commercial and technical arrangements for:

- i. The transfer of messages in either direction between the parties, including the handover of connections involving roaming customers, and
- ii. The shared or leased usage of lines or facilities belonging to one part by the other party; and
- iii. The provision of related services by one party to the other party or to customers of the other party; and-for the transfer of messages, use of lines and facilities and the provision of services;

“ITU-T” means the International Telecommunication Union Telecommunications Standardization sector [previously known as CCITT];

“Leased Line Services” means the provision of an unswitched communications link across a part of a telecommunications system between two Network Termination Points, which link is reserved for the exclusive use of the Customer;

“Maintenance Services” means carrying out repairs and ensuring that terminal equipment, customer premises equipment, and other telecommunications systems, functions and facilities and apparatus perform in accordance with manufacturers’ specifications, with Authority-set benchmarks, or with international standards;

“Mandatory Coverage Area” means the minimum geographical area comprising the cells, each covered by at least one Base Station, in respect of which the Licensee is obliged to provide Service to its customers in accordance with the System Expansion Requirements as envisaged under Condition [1].

“Message” means any signal conveyed by means of an Access Line connected to the Licensed Systems, which imparts or is intended to impart discrete voice or data content, or communication of any kind, to or from a Customer, whether or not completed in a single operation;

“Mobile Radio-Communication Service” means a telecommunication service provided in accordance with the Master Frequency Plan, which consists in the conveyance of messages, by radio-communication whereby reception or transmission by the Licensee’s customer is by means of apparatus which is or may be used while in motion;

“Network Termination Point” means a point within the telecommunication system of a Facility Operator which enables telecommunications apparatus not comprised in that system to be connected to or disconnected from that system for the purpose of facilitating the transfer of messages in either direction from one system to the other;

“Non-GSM Mobile Telecommunication Service” includes any radio paging, radio trunking, mobile radio voice or data service, and any other form of terrestrial and satellite mobile telecommunications service that is provided by means other than GSM;

“Operator Assistance Service” means a telecommunication service by means of which a member of the public may, at any time, report maintenance problems in the licensed system, access emergency Organizations, or request to be connected to another person by means of telecommunication apparatus which is lawfully connected to the Licensed Systems and which is capable of receiving two-way telephone service;

“Public Emergency Call Service” means a telecommunication service by means of which any member of the public may, at any time and without incurring any charge, by means of any telecommunication apparatus which is lawfully connected to the Licensed Systems and which is capable of transmitting and receiving unrestricted two-way voice telephone services, communicate as quickly as practicable with any of the Emergency Organisations for the purpose of notifying them of an emergency;

“Public Pay Phone” means any kiosk, booth, acoustic hood, shelter or similar structure, together with a coin-or card-pay telephone apparatus, installed for the provision of Basic Voice Services to the public. Such apparatus may be designed or adapted for use for Mobile Radio-communications;

“Public Pay Phone Service” means the installation, repair and maintenance of Public Pay Phones, the provision, or ensuring the provision, of the Basic Voice Services to and from such Public Pay Phones and the provision of Directory Information Services, Operator Assistance Services and Public Emergency Call Services at such Public Pay Phones;

“Regulations” means any regulations made from time to time in accordance with the Act;

“Relevant Company” means the Licensee or parent undertaking of the Licensee;

“Requesting Facility Operator” means any Facility Operator requesting connecting services or facilities from the Licensee under Condition [15];

“Requesting Service Provider” means any person licensed by the Authority to provide telecommunication services under section 27 of the Act;

“Resale Services” means telecommunication services purchased from the Licensee and made available to a customer, together with such additional services as the Requesting Service Provider may provide;

“Roaming” means the ability of a mobile radio-communications customer to obtain or to maintain a connection while away from his normal home location, or while moving between geographical areas assigned for mobile radio-telecommunications purposes to different licensees;

“Rules” means any rules made by the Authority from time to time in accordance with the Act;

“Terminal Equipment” means customer premises equipment (CPE), or telecommunication equipment which is intended to be operated by a Customer in order to send and/or receive messages which are to be or have been conveyed by the Licensed Systems. Terminal Equipment shall, in the context of mobile radio-telecommunications, apply to equipment or apparatus which is or may be used while the customer is in motion or which may be removed from the range of a home, business or other premises with fixed phone stations;

“Unbundling” means access provided by a telecommunication service operator so that other service providers may buy or lease portions of its network elements to serve the customers.

“Universal Service” means the provision of telecommunication services so as to be easily accessible and affordable to the public at large without any limitation whatsoever.

CONDITIONS

1. CONDITION 1: EXPANSION OF THE LICENSED SYSTEMS

- 1.1 The Licensee shall fulfil the system expansion requirements as set out by the Authority in consultation with the Licensee.
- 1.2 The Licensee shall ensure that it maintains records, in a form to be approved by the Authority, sufficient to satisfy the Authority that the Licensee is meeting the System Expansion Requirements. The Licensee shall make periodic reports of its progress as required by the Authority.
- 1.3 In the event that the Licensee falls materially behind schedule in meeting the System Expansion Requirements, the Authority shall notify the Licensee of its delinquency and require it to remedy the failure within a specified time. If the Licensee fails to comply with requirements set out in the notice within the specified time, the Licensee shall pay to the Authority the financial penalties imposed by the Authority within thirty (30) days of receipt of a further notice from the Authority requiring such payment to be made.

Continued failure to rectify the delinquency may lead to increased penalties, including, pursuant to Paragraph 6 of the terms, revocation of the Licence.

2. CONDITION 2: PROVISION OF SERVICES FOR RESALE

- 2.1 The Licensee shall be required to negotiate in good faith with persons making bona fide requests to purchase Licensed Services for resale. Subject to any Rules or Regulations on interconnection and to other provisions of this Licence, the Licensee shall, within three (3) months of a request by a Requesting Service Provider, enter into an agreement to provide to the Requesting Service Provider Licensed Services at wholesale or at such discount as is reasonable considering both the retail price and the actual cost of such requested services.
- 2.2 The obligation in [2.1] shall not apply in the event that, it is not, in the Authority's view, reasonable to require the Licensee to enter into such an agreement in the particular circumstances, including, but not limited to circumstances:
 - 2.2.1 Beyond the Licensee's control;
 - 2.2.2 Where the provision of the service would expose any person engaged in its provision to undue risk to health or safety;

2.2.3 Where it is not reasonably practicable;

2.3 The Licensee shall file each resale agreement with the Authority, certifying that resale service is offered on reasonable terms and conditions, including those relating to charges.

3. CONDITION 3: OTHER TELECOMMUNICATIONS SERVICE PROVIDERS

3.1 The Licensee shall permit any telecommunication operator to connect its telecommunication system to the Licensee's Systems so as to enable the provision of such operator's licensed services.

3.2 The obligation in [3.1] shall not apply in the event that, it is not, in the Authority's view, reasonable to require the Licensee to comply with such an obligation in particular circumstances, including, but not limited to circumstances:

3.2.1 Beyond the Licensee's control;

3.2.2 Where the provision of the service would expose any person engaged in its provision to undue risk to health or safety;

3.2.3 Where it is not reasonably practicable.

4. CONDITION 4: PROVISION OF PUBLIC EMERGENCY CALL SERVICES

4.1 The Licensee shall provide or ensure the provision of Public Emergency Call Services which shall be provided free of charge to the public.

4.2 The Licensee shall ensure that such number as is designated by the Authority as the Public Emergency Call Number is available as the emergency call number so that any member of the public is provided with Emergency Call Services by dialing that number.

4.3 The Licensee may restrict the telecommunication services provided under this Condition in respect of any Emergency Organisation to the extent to which such restriction is agreed by the authority responsible for that Emergency Organization or, in the absence of such agreement, to such extent as may be authorised by the Authority.

- 4.4 The obligation in [4.1] shall not apply in the event that, in the Authority's view, it is not reasonable to require the Licensee to provide the service requested by means of the Licensed Systems.

5. CONDITION 5: PROVISION OF DIRECTORY INFORMATION SERVICES

- 5.1 The Licensee shall ensure the provision, to its customers and at a reasonable charge to the public, of directory information in such a manner, at minimum, as to be understood by persons fluent in either Sesotho or English.

- 5.2 The obligations in this Condition shall not apply when the directory information requested relates to a person who has requested the Licensee not to provide such information in relation to him.

- 5.3 Any information which the Licensee (or any of its authorised representatives) holds in relation to a person for the purpose of providing directory enquiry services in accordance with this Condition shall be used by the Licensee

(or any of its authorised representatives) for those purposes only and may not be provided to any third party without the express consent of the person to whom the information relates.

- 5.4 The obligation in Condition [5.1] shall not apply in the event that it is not, in the Authority's view, reasonable to require the Licensee to provide the service requested by means of the Licensed Systems in the particular circumstances, including, but not limited to circumstances:

5.4.1 Beyond the Licensee's control;

5.4.2 Where the provision of the service would expose any person engaged in its provision to undue risk to health or safety;

5.4.3 Where is it not reasonably practicable.

6. CONDITION 6: PROVISION OF OPERATOR ASSISTANCE SERVICES

- 6.1 The Licensee shall provide or ensure the provision of Operator Assistance Services.

6.2 The obligation in Condition [6.1] shall not apply in the event that it is not, in the Authority's view, reasonable to require the Licensee to provide the service required by means of the Licensed Systems in the particular circumstances, including, but not limited to circumstances;

6.2.1 Beyond the Licensee's control;

6.2.2 Where the provision of the service would expose any person engaged in its provision to undue risk to health or safety;

6.2.3 Where it is not reasonably practicable.

7. CONDITION 7: PROVISION OF CUSTOMER INFORMATION SERVICES

7.1 The Licensee shall establish and maintain efficient information services to assist any person to whom it provides Licensed Services to answer questions regarding connection, charges, directory assistance and any other questions relating to the Licensed Services.

7.2 The obligation in Condition [7.1] shall not apply in the event that it is not, in the Authority's view, reasonable to require the Licensee to provide the service requested by means of the Licensed Systems in the particular circumstances, including, but not limited to circumstances:

7.2.1 Beyond the Licensee's control;

7.2.2 Where the provision of the service would expose any person engaged in its provision to undue risk to health or safety;

7.2.3 Where it is not reasonably practicable.

8. CONDITION 8: PROVISION OF MAINTENANCE SERVICES

8.1 The Licensee shall provide or ensure the provision of Maintenance Services, on the reasonable request of any person to whom it provides Licensed Services, in respect of any Licensed System or any approved apparatus.

8.2 Condition [8.1] shall not apply in relation to any relevant system or apparatus, which is beyond economic repair or the components for which are no longer available.

8.3 The obligation in Condition [8.1] shall not apply in the event that it is not, in the Authority's view, reasonable to require the Licensee to provide the service requested by means of the Licensed Systems in the particular circumstances, including, but not limited to circumstances:

8.3.1 Beyond the Licensee's control;

8.3.2 Where the provision of the service would expose any person engaged in its provision to undue risk of health or safety;

8.3.3 Where it is not reasonably practicable.

9. CONDITION 9: INTERRUPTIONS OF THE LICENSED SERVICES

9.1 Subject to Conditions [9.2] and [9.3] below, the Licensee shall not intentionally interrupt the operation of the Licensed Systems (or any part thereof), in the normal course of business, nor may it in the normal course of business suspend the provision of any type of Licensed Service without having first notified the Authority in writing and having provided reasonable advance notice to persons affected by such interruption or suspension.

9.2 The provision in Condition [9.1] shall not apply if, in the Authority's view, the interruption or suspension is due to an emergency, national security, or circumstances beyond the Licensee's control.

9.3 The provision in Condition [9.1] shall not apply if, in the Authority's view, the interruption or suspension is to a Licensed Service supplied by the Licensee to a person whose system is endangering the integrity of the Licensed Systems.

10. CONDITION 10: PUBLIC EMERGENCIES

10.1 In case of a situation of emergency or local, regional or national crisis such as earthquakes, floods, riots, or similar events which require special attention on the part of the Licensee, the Licensee shall provide the necessary services to the Government giving priority to the activities required to overcome the emergency.

10.2 For this purpose, the Licensee shall co-ordinate with and follow the instructions of the Authority in accordance with relevant laws.

Within three (3) months following the issue of this Licence, the Licensee shall submit to the Authority its plan for procedures and operations it will follow in the event of any such emergency and shall update such plan upon request from the Authority.

- 10.3 In case of emergency or crisis being related to aspects of national security, the Licensee shall co-ordinate with the competent entity indicated by the Authority and provide the necessary services in accordance with the instructions of the Authority or the competent entity indicated thereby in accordance with the relevant laws.
- 10.4 The Licensee shall be entitled to reimbursement by the Government of its direct costs for the provision of the services mentioned in Conditions [10.1] and [10.2] above if such costs are reasonable and are shown to have been incurred to the satisfaction of the Authority.

11. CONDITION 11: CHARGES

- 11.1 The charges made to any person for the provision of:
 - 11.1.1 Mobile Radio Communication Services as described in Annex [A];
and
 - 11.1.2 Any other service which may be specified from time to time by the Authority shall be based on the pricing model approved by the Authority or as otherwise required by the Rules.
- 11.2 The Licensed Services shall be provided on standard terms and conditions (which must include provision for an effective dispute resolution mechanism) to any person on request.
- 11.3 The licensee shall continue to provide the licensed services on the charges, terms and conditions applied by it immediately before the review of this licence, as outlined in Annex C, subject to approval by the Authority.
- 11.4 The Licensee shall file with the Authority for approval, whenever it makes changes to its rates, the charges and the terms and conditions upon which it proposes to offer the Licensed Services. Changes shall be filed at least thirty (30) days prior to the date of effectiveness.
- 11.5 The Authority shall approve or disapprove the charges, terms and conditions of the Regulated Service within thirty (30) days from the date on which they were filed with the Authority.

12. CONDITION 12: QUALITY OF SERVICE REQUIREMENTS

- 12.1 The Licensee shall meet the quality of service requirements which shall be provided under the Rules for Telecommunications Services Providers or as otherwise required by any Rules or Regulations which may be promulgated or amended from time to time. The Licensee shall pay such penalties as may be imposed for failure to meet the requirements.
- 12.2 The Licensee shall ensure that it maintains information records for the purpose of satisfying the Authority that the Licensee is meeting the Quality of Service Requirements. The Licensee shall make periodic reports of its performance as required by the Authority.
- 12.3 The information records shall include, but not limited to:
 - 12.3.1 Call failure rates which shall represent the number of failed call attempts due to congestion or faults expressed as percentage of calls attempted in relation to each specific Licensed Service provided by the Licensee (expressed as a percentage over a yearly period);
 - 12.3.2 Faults for each Licensed service provided by the Licensee in relation to specific categories of customers;
 - 12.3.3 Faults cleared in 24 hour, 72 hour, or 7 day periods in relation to specific categories; and
 - 12.3.4 Any other category as determined by the Authority.

13. CONDITION 13: BILLING ACCURACY

- 13.1 The Licensee shall, within four (4) weeks after the review of this licence, submit for approval by the Authority its proposed billing system. As soon as practicable after it has rendered customer bills for three billing cycles, the Licensee shall provide to the Authority an independent certification that the billing system does in fact capture true and correct customer charges, and request formal approval of the system, or indicate what changes need to be made in the system and request approval of such changes to the billing system.
- 13.2 The Licensee shall not render any bill in respect of any Licensed Service unless every amount stated in the bill is derived in accordance with the procedure approved by the Authority pursuant to Condition [13.1].

- 13.3 The Licensee shall keep such records of customer accounts as the Authority from time to time prescribe for the purpose of satisfying the Authority that the billing process has the characteristics required. The Licensee shall retain the records for at least three (3) years from the date on which they came into being.
- 13.4 In order for the Authority to be satisfied that the billing process has the characteristics required as set out above, the Authority (or an independent auditor appointed by the Authority at its own discretion) may require the Licensee to:
- 13.4.1 Furnish the Authority with any information it requires;
- 13.4.2 On reasonable notice, allow the Authority (or any person authorized by the Authority) access to any relevant premises of the Licensee; and
- 13.4.3 On reasonable notice, allow the Authority (or any person authorized by the Authority) to examine or test the whole or any part of the billing process.

14 CONDITION 14: CUSTOMER SERVICE STANDARDS

- 14.1 The Licensee shall develop, publish and enforce guidelines for use by its personnel for handling enquiries and complaints from customers to whom it supplies telecommunications services.
- 14.2 The guidelines relating to enquiries and complaints shall be published and be made available to customers at the commencement of service to such customers.
- 14.3 The guidelines shall at least, address the following areas of the provision of customer services:
- 14.3.1 the licensees' procedures for the handling of customers complaints;
- 14.3.2 the time-frame for handling complaints through this procedure;
- 14.3.3 further recourse available to a customer who is dissatisfied with the licensee's complaints handling procedure;
- 14.3.4 procedures adopted by the licensee to check the accuracy of a customer's telephone account;
- 14.3.5 procedures to be adopted by the licensee to assist customers in disaster situation;

14.3.6 availability to customers of quality of service information relating to the licensee's network services.

14.4 The Licensee shall keep and maintain statistics on enquiries and complaints made to the licensee's network services.

14.5 The Licensee shall submit the statistics kept in terms of Condition [22.1] to the Authority at least once in each period of twelve months.

15. CONDITION 15: INTERCONNECTION, CO-LOCATION AND SHARING OF FACILITIES

This condition shall be read so as to further the general principles set out in the Act, Lesotho Telecommunications Authority (Administrative, Procedural and Service Provision) Rules 2000, Rules for Telecommunication Services Providers, and any other Rules on interconnection which the Authority may from time to time adopt.

15.1 The Licensee shall, within three (3) months of a request by a Requesting Facility Operator, enter into an agreement with the Requesting Facility Operator to:

15.1.1 Connect and keep connected to the Licensed System, at any technically feasible point of connection as requested, the telecommunication systems run by the Requesting Facility Operator;

15.1.2 Provide for termination of calls made in either direction between the Requesting Facility Operator's system and the Licensed Systems, and for completion and/or continuation of calls to or from customers of the Requesting Facility Operator's system who have "roamed" into the territory covered by the Licensed Systems;

15.1.3 Provide by lease (subject to approval by the Authority) or purchase such other telecommunication services and facilities, including but not limited to, loops, environmental conditioning, subscriber databases, trunks and switching facilities and services, as are reasonably necessary in order for the Requesting Facility Operator to provide telecommunication services to its customers;

15.1.4 Provide the Requesting Facility Operator upon request with access to network information necessary to order, install, provide, and maintain its own network facilities and services in conformity with the Licensed Systems, or to efficiently and economically purchase or lease network facilities and services from the Licensee, and/or to efficiently and economically interconnect its systems and facilities with the Licensed System.

The Requesting Facility Operator shall be responsible for additional system costs of acquiring or maintaining network information which the Licensee does not and would not normally maintain for its own use in the normal course of its operations;

- 15.1.5 The agreement shall make arrangements for access at any reasonable time, and for any reasonable purpose, by the Requesting Facility Operator to its own or leased facilities at any Interconnection Points with the Licensed Systems. The Licensee may only place further limitations on access pursuant to prior written approval by the Authority.
- 15.2 The Licensee shall not be required to enter into an agreement under this Condition where to do so would, in the Authority's opinion:
 - 15.2.2 Cause or would be likely to cause danger, damage or injury to any person or to any property;
 - 15.2.3 Cause damage to or otherwise interfere with the running of the Licensed System or the provision over the Licensed System of telecommunication services;
 - 15.2.4 Not be reasonably practicable in the light of the System Expansion Requirements or would be inappropriate on a technical or economic basis.
- 15.3 The Licensee shall ensure that any agreement offered in response to a request referred to in Condition [15.1] shall be:
 - 15.3.2 Transparent, non-discriminatory and objective; and
 - 15.3.3 Subject to reasonable terms and conditions.
- 15.4 Subject to any default charges which may be approved by the Authority, the Licensee shall ensure that the charges to be made for the provision by it of telecommunication facilities and services in accordance with Condition [15.3] above, shall be cost-based and fully justified, such charges shall be calculated based on a reasonable assessment of the costs of providing the telecommunication services requested by the Requesting Facility Operator.
- 15.5 In the event of a failure to reach agreement, it shall be for the Authority to determine whether the terms and conditions offered by the Licensee are reasonable and whether the charges offered are cost-based.

15.6 If an agreement cannot be reached within three (3) months, either the Licensee or the Requesting Facility Operator may refer the matter to the Authority in accordance with Rule 25 of The LTA (Administrative, Procedural, and Service Provision) Rules 2000.

The Authority shall make such determination, including the imposition of reasonable terms and conditions, as it considers to be necessary in the light of all the circumstances, within three (3) months of the reference. The Licensee shall do whatever is necessary to give effect to the determination.

15.7 Unless the Authority has imposed on the Licensee the terms and conditions on which it is required to provide to the Requesting Facility Operator interconnection in accordance with Condition [15.6] above, the Licensee shall, at least thirty (30) days before it has intended the agreement to come into force, refer the agreement to the Authority. If the Authority does not approve the agreement it shall, within thirty (30) days, inform the Licensee of its disapproval, giving the reasons for its decisions and, within a further thirty (30) days, provide the Licensee with a more detailed explanation of the reasons for its disapproval and of any adjustments that are required to the Agreement. The parties shall make necessary adjustments to the agreement in order to comply with the Authority's decision.

The Licensee shall ensure that a copy of the final agreement, after conformance with all orders and decisions of the Authority, is filed with the Authority.

15.8 No amendment to any interconnection agreement shall become effective unless it shall have received approval from the Authority. The Authority shall notify the parties in writing within a period of thirty (30) days in the event that it does not approve of proposed amendments and shall indicate what adjustments are required. The parties shall make whatever adjustments are necessary in order to comply with the Authority's decision.

15.9 While having regard to network integrity, the Licensee shall provide physical or virtual co-location and sharing of its facilities to any requesting telecommunications Facility Operator.

15.10 While having regard to network integrity, the Licensee shall provide, on an unbundled basis, any requesting licensed telecommunication Facility Operator or licensed Resale Provider, access to elements of its network on rates, terms and conditions that are just, reasonable and non-discriminatory.

15.11 Where a dispute arises between the parties under the agreement or in relation to a related matter, either party may refer the matter to the Authority for determination. The parties may agree on provisions that address the circumstances in which references may be made to the Authority; however, such provisions may not be more limited than the provisions in this Condition.

15.12 The Licensee shall provide the Authority with such technical, operational and accounting information as the Authority may reasonably require in order to ensure that the requirements of this Condition are met.

15.13 The Authority shall ensure that any information which either party claims to be confidential, where the Authority finds the claim to be justified, is maintained as such.

16 CONDITION 16: NUMBERING AND NUMBER PORTABILITY

16.1 The Licensee shall continue to operate under and be bound by any numbering plan approved by the Authority prior to the issue of this Licence (the "Initial Numbering Plan"), unless and until the Authority has prescribed a new numbering plan amending or replacing the Initial Numbering Plan.

16.2 Prior to the prescription of a new Numbering Plan by the Authority, the Licensee together with all other Facility Operators, including those operating fixed networks, mobile radio-communications systems, and any other interested parties, shall consult from time to time with representative from the Authority in relation to the most efficient and effective long-range numbering system for the running of the Licensed Systems and the provision of the Licensed Services. In particular the consultations shall cover:

16.2.1 The agreement for the allocation and re-allocation of numbers within the Initial Numbering Plan;

16.2.2 Changes in technology and international standards affecting the cost and feasibility of porting numbers from a customer's former provider to its new provider; and

16.2.3 Changes in technology and/or international standards or potential changes in operation within the foreseeable future which affect the potential for number exhaustion;

16.2.4 Any suggestions for changes in, or additions to, or replacements of the Initial Numbering Plan.

16.3 The Licensee may where necessary levy reasonable charges in relation to allocation of numbers with the Authority's prior approval.

16.4 The Licensee shall fulfill any requirements which the Authority imposes from time to time in relation to number portability.

17 **CONDITION 17: RADIO-COMMUNICATIONS**

- 17.1 The Licensee shall use stations described using the format set out in Annex [B] (Location and Specifications for Mobile Radio-Communications Facilities) for transmitting and receiving mobile radio-communication messages for the purposes of providing the Licensed Services.
- 17.2 The Licensee shall install its own network or lease facilities from other network operators.
- 17.3 Prior to using any radio-communication apparatus in the running of telecommunication networks or the provision of telecommunication services, the Licensee must obtain type approval from the Authority of such radio-communication apparatus.
- 17.4 The Licensee shall ensure that the radio-communication apparatus constituting the Facilities is designed and constructed, maintained and used, so that its use does not cause any undue interference.
- 17.5 Except as provided for in Condition [17.6], the Licensee shall not permit or suffer any person to use any Licensed Systems Facility or part thereof unless the person is under the control of, and authorized by, the Licensee.
- 17.6 Except in an emergency, when no written authority is required, the Licensee may authorize a person who is not under the control of the Licensee to use any Licensed System Facility by providing written authority to that person.
- 17.7 The Licensee shall ensure that all persons using any Facility are made aware of the terms of this Licence and comply with them.
- 17.8 The Licensee shall permit a person authorized by the Authority to have access to any station and to inspect or test any Licensed System Radio-Communication Apparatus at any reasonable time or when an emergency situation exists, for the purpose of verifying compliance with the terms of the Licence, or investigating sources of radio-interference.
- 17.9 The Licensee shall restrict the operation of, or close down and cease to operate, the Station or any Radio-communication Apparatus immediately upon receipt of and in accordance with the order of the Authority to that effect.

18 CONDITION 18: PRIVACY AND CONFIDENTIALITY

- 18.1 The Licensee shall use all reasonable endeavours to ensure the privacy and confidentiality of information and business secrets obtained in the course of its business from any person to whom it provides Licensed Services and any person with whom it has an interconnection agreement by establishing and implementing reasonable procedures for maintaining confidentiality of such information.
- 18.2 The Licensee shall maintain confidentiality procedures to ensure that the requirements of Condition [18.1] are being met.
- 18.3 The Licensee shall not use or allow use of any apparatus constituting the Licensed Systems (except for the purpose of law enforcement or as required by law in the national security) which is capable of recording, silently monitoring, or intruding into transmission of any messages unless the licensee complies with Condition [18.4] and 18.5] below.
- 18.4 Except as directed by the Authority or the courts in pursuance of national security, the Licensee shall make every reasonable effort to inform the parties to whom or by whom a live speech telephone call is transmitted before recording, silently monitoring or intrusion into such call has begun that the call is to be or may be recorded, silently monitored or intruded into.
- 18.5 The Licensee shall maintain a record of the means by which the parties to whom or by whom a live speech telephone call is transmitted have been informed that the call is to be or may be recorded, silently monitored or intruded into. The Licensee shall furnish to the Authority such information on request.

19 CONDITION 19: FAIR COMPETITION

- 19.1 Without prejudice to other obligations imposed on the Licensee under this Licence, the Licensee shall not engage in any activities, whether by act or omission, which have, or are intended to or likely to have, the effect of unfairly preventing, restricting or distorting competition in relation to any business activity relating to the Licensed Services. Without limiting the generality of the foregoing, any such act or omission shall include:
- 19.1.1 Any abuse by the Licensee, either independently or with others, of a dominant position which unfairly excludes or limits competition between the Licensee and any other party;

- 19.1.2 Entering into any contract or engaging in any concerted practice with any other party, which unfairly prevents, restricts or distorts competition; or
- 19.1.3 Effecting anti-competitive changes in the market structure, and in particular anti-competitive mergers and acquisitions in the telecommunications sector.
- 19.2 The Licensee shall maintain such records as are necessary in order to evidence significant transfers between itself and any other Businesses.
- 19.3 In considering whether any cross-subsidy of any Business is unfair, the Authority shall have regard to the extent to which the Licensee cross-subsidised that Business for the purpose of satisfying any obligation imposed upon it under this Licence.

20 CONDITION 20: PROHIBITION OF UNDUE DISCRIMINATION

- 20.1 Without prejudice to the obligations imposed on the Licensee under this Licence, the Licensee shall not (whether in respect of the rates or other terms and conditions applied or otherwise) show undue preference to, or exercise undue discrimination against, particular persons or persons of any class or description regarding the provision of the licensed Services.
- 20.2 The Licensee may be deemed to have shown undue discrimination if it unfairly favours to a material extent a business carried on by it in relation to the provision of the Licensed Services so as to place at a significant competitive disadvantage persons competing with that business.
- 20.3 The Authority shall determine any question relating to whether any act done or course of conduct by the Licensee amounts to undue preference or undue discrimination.

21 CONDITION 21: ACCOUNTING REQUIREMENTS

- 21.1 Within six (6) months after the issue of this Licence, the Licensee shall submit to the Authority a proposal for an accounting system. The system shall allow the licensee to keep records in accordance with generally accepted accounting principles.
- 21.2 Within three (3) months after its submission, the Authority shall approve or disapprove of the proposed accounting system.

In case of disapproval, the Authority shall propose modifications or order the Licensee to adopt a prescribed accounting system within reasonable time period but in no event later than two (2) years after the issue of this Licence.

- 21.3 Within ninety (90) days of the end of the Licensee's financial year, the Licensee shall deliver to the Authority its balance sheet, profit and loss statements, cash flows and other related statements as of the end of such financial year. The submission shall include certification by independent auditors stating that such financial statements fairly present the financial position of the Licensee as at the dates indicated and were prepared in accordance with International Accounting Standards.
- 21.4 The Authority may request the Licensee to submit other accounting information it may require in order to effectively supervise and enforce the terms of this Licence.

22 CONDITION 22: REQUIREMENT TO PROVIDE INFORMATION

- 22.1 The Licensee is required to maintain such information as will enable the Authority to carry out its functions under the Act. The Licensee shall submit to the Authority such periodic reports, statistics, statement of operations and other data, as the Authority may from time to time prescribe by Rules or directives. The Authority shall have the right to request additional specific information necessary to effectively supervise and enforce the terms of this Licence and the Licensee shall provide such information.
- 22.2 In making a request for information, the Authority shall balance its regulatory and enforcement obligations under the Act against the burden imposed on the Licensee in procuring and furnishing such information.
- 22.3 The Authority shall have the right to publish information which it received under this Condition unless, following representations by the Licensee, it is satisfied that the information is of such confidential nature that its disclosure would have a material adverse effect on the Licensee's business.

23 CONDITION 23: INSPECTION

- 23.1 The Licensee shall grant, at all reasonable times, unhindered access to all its premises, facilities, installations, files and records to all officers authorized by the Authority for inspection purposes.

- 23.2 The Licensee shall provide details of its premises, facilities, installations, and networks in such format and at such times as may reasonably be requested by the Authority from time to time.

24 CONDITION 24: NOTIFICATION OF CHANGE IN SHAREHOLDING

- 24.1 The Licensee shall notify the Authority if any entity becomes a parent undertaking or controlling entity in relation to the Licensee.
- 24.2 The Licensee shall notify the Authority of any change in the proportion of shares held in a Relevant Company by any person, the acquisition of any shares in a Relevant Company by a person not already holding shares, and the proportion of such shares held by that person immediately before acquisition if, by reason of that acquisition or change, the total number of shares in that Relevant Company held by that person together with any shares held by any nominee or trustee for that person immediately after the change or acquisition exceeds fifteen percent (15%) of the total number of voting shares in that company.
- 24.3 In any case referred to in Condition [24.1] or [24.2] above, notification shall be given by a date which is thirty (30) days prior to the taking effect of such change or acquisition, as the case may be, or as soon as practicable.
- 24.4 In the event that the Authority disapproves of the change in shareholding, it shall notify the Licensee within thirty (30) days of receipt of notification. The Authority may within sixty (60) days of notifying the Licensee of its disapproval, having taken into account representations made by interested parties, and giving reasons for its decision, prohibit the change in shareholding where it believes it is in the public interest to do so.

25 CONDITION 25: PRE-NOTIFICATION OF JOINT VENTURES

- 25.1 The Licensee shall notify the Authority not later than sixty (60) days before the taking effect of any of the agreements or arrangements to which this Condition applies, giving particulars of the agreements or arrangements.
- 25.2 The agreements and arrangements are:
- 25.2.1 An agreement with any person for the establishment or control of any body corporate for the purpose of:

- 25.2.1.1 The running of a telecommunication system which requires a Licence under the Act;
 - 25.2.1.2 Providing telecommunication services in Lesotho which necessarily involves control over all or a portion of such a system;
 - 25.2.1.3 The production of telecommunication apparatus for supply in Lesotho where that production could lead, in the Authority's view, to a monopoly situation, which would not otherwise exist in relation to the supply of telecommunication apparatus of any description in Lesotho.
- 25.2.2 An agreement for the establishment of a partnership for any of the purposes and circumstances mentioned in 25.2.1 above.
- 25.2.3 Any other agreement or arrangement in the nature of a joint venture for the purpose of running a telecommunication system which requires a Licence under the Act or for the purpose of providing telecommunication services in Lesotho which necessarily involves controlling all or a portion of such a system.
- 25.3 Conditions [25.2.1] and [25.2.2] apply in relation to an agreement or arrangement for the establishment or control of any body corporate or partnership where the Licensee has or is to have not less than 20 percent of the voting power in an organ controlling that body.
- 25.4 In the event that the Authority disapproves of the arrangements referred to above, the Authority shall inform the Licensee in writing within thirty (30) days after such notification. The Authority may, within sixty (60) days of giving notice of its disapproval, having taken into account representations made by interested parties and giving reasons for its decision, prohibit the parties from entering into such arrangements where it believes it is in the public interest to do so.

26 CONDITION 26 : LICENCE FEES

- 26.1 The Licensee shall pay to the Authority:
- a) Annual Licence fee
 - b) Annual Spectrum fee
 - c) Annual Usage fee

- d) Annual Royalty fee
- e) Any other fees as may be determined by the Authority from time to time.

26.2 The amounts in respect of the fees mentioned in [26.1] above shall be determined on the basis of the Licensing fees prescribed by the Authority.

27 CONDITION 27: PROVISION OF SERVICES THROUGH CONTRACTORS OR AGENTS

27.1 In addition to the obligation to Resale set out in Condition 2, and the obligations regarding Interconnection set out in Condition 3 and Condition 15, the Licensee may exercise any rights permitted in this License or pursuant to the Act through agents, dealers, subcontractors, or licensed service providers acting under and for the Licensee.

27.2 A copy of each agreement between the Licensee and any agent, dealer, subcontractor and licensed service provider shall be placed on file with the Authority.

27.3 Nothing in this condition shall be construed or understood to relieve the Licensee or any other party of any obligation found otherwise in this License, in any rule promulgated by the Authority, or in the Act.

27.4 The Licensee shall be responsible for the acts and omissions of its agents, dealers, subcontractors and licensed service providers in relation to acts or omissions done within the authority of the agreement mentioned in Condition [25.2] above.

28 CONDITION 28: UNIVERSAL SERVICE/ACCESS OBLIGATIONS

28.1 The Authority may establish a fund for universal access development for the expansion of access to telecommunications services in the rural and high cost areas of the country. The Licensee shall pay fees into the fund as prescribed by the Authority. The contributions into the Fund shall be in the order of 2% of gross annual turnover per annum.

28.2 The licensee shall meet any other Universal Service/Access obligations as required by the Authority from time to time subject to reasonable compensation from the above-mentioned fund.

29 CONDITION 29: INTERNATIONAL OBLIGATIONS

- 29.1 The Authority may designate the Licensee to participate in and be signatory to operating agreements relating to international telecommunication organizations to which Lesotho is a party.
- 29.2 The Licensee may on its own accord participate in international telecommunication organizations as a Sector Member, Private Sector Member, or Associate Member subject to the approval by the Authority.

30. CONDITION 30: ROAMING AGREEMENTS

- 30.1 Subject to approval by the Authority, the Licensee is authorized to enter into roaming agreements with mobile Telecommunication Service Operators in Lesotho and other countries for the provision of mobile telecommunication Services.
- 30.2 In entering into roaming agreements with mobile Telecommunication Service Operators in other countries, the Licensee shall comply with all applicable international treaties and bilateral agreements now or hereafter binding upon the Government of Lesotho as well as any rules which may be adopted by the Regulatory Authority from time to time concerning roaming

ANNEX A: SPECIFICATIONS OF LICENSED SERVICES

- 1.0 The Mobile Radio-Communication Services authorized are provision of:
 - 1.1 GSM national mobile radio-communications service utilizing a total spectrum of 24.8 MHz of paired frequencies, i.e. 62 transmit channels in the frequency band 890.2-902.4 MHz and 62 receive channels in the frequency band 935.2-947.4 MHz.
 - 1.2 Non-GSM national mobile radio-communications service operating in frequency bands allocated by the Authority, and
 - 1.3 Any other service which, pursuant to the Act, The Licensee may be authorised by the Authority to provide from time to time.
- 2.0 The licensee and any similarly licenced person shall be allowed, on such terms and conditions as may be prescribed by the Authority, to connect customer PABX systems to its licensed Systems by means of Leased Lines or its own fixed links.

ANNEX [B]: LOCATION AND SPECIFICATIONS FOR MOBILE RADIO-COMMUNICATIONS FACILITIES

Station Name	[COMPLETE]
Location	[COMPLETE]
Aerial Height	[COMPLETE]
Class of Emission	[COMPLETE]
Maximum Power	[COMPLETE]
Polarisation	[COMPLETE]
Frequency	[COMPLETE]
Suppression	[COMPLETE]
Type of service to be provided	[COMPLETE]

