

Disclaimer, waiver and limitation of liability

The purpose of the documents (preliminary rules, PPP contract and their exhibits) that the Ministry of Communications and Transportation (*Secretaría de Comunicaciones y Transportes – SCT*) publishes hereby, is to make the process that is being performed thereby more transparent in order to define the terms, modalities and requirements of the competitive bidding whereby the telecommunications *Red Compartida* project referred to in article sixteenth transitory of the Executive Order that amends and supplements several provisions of articles 6th, 7th, 27, 28, 73, 78, 94 and 105 of the Political Constitution of the United Mexican States, in telecommunication matters, published in the Federal Gazette on June 11, 2013, which includes the use of the radioelectric spectrum frequency band, which includes the segments of 703 to 748 MHz and of 758 to 803 MHz, with a total of 90 MHz nationwide, as well as a pair of dark fiber optic strands of the Backbone Network contemplated in article fifteenth transitory of the aforesaid Executive Order, shall be awarded. The preliminary rules, the PPP Contract and the exhibits that are hereby published, are preliminary documents and are the result of the analysis performed by the SCT and by the IFT, within their scope of their respective duties, therefore anyone who wishes to participate in the aforesaid competitive bidding, if the case may be, whether as a participant, bidder or with any other capacity, interest or desire, must not take such documents and information therein provided as final, whether in whole or in part, as specifications, definitions, terms, conditions or features applicable to the competitive bidding or to the *Red Compartida* project, since they may be amended in whole or in part, and therefore do not mean any commitment whatsoever for the SCT or for the IFT or have any binding content whatsoever. In such regard, neither the Federal Government, including the SCT and its other agencies or entities, nor whoever acts as the inviting entity to the *Red Compartida* project, nor the IFT, undertake any responsibility whatsoever regarding the accuracy of the information or the preliminary documentation that is being published; nor any liability of any kind regarding its interpretation, understanding, analysis or comment, or regarding the decision making of any person, with any capacity, based on such information or documentation. The information and values that are being published do not represent or constitute any offer, promise or commitment whatsoever of the Federal Government, including the SCT and its other agencies or entities, or of whoever acts as inviting entity of the competitive bidding of the *Red Compartida* project, if the case may be, nor of the IFT, and therefore rejects any obligation or indemnification that is claimed, imposed or derived from the information that is being published. No obligation, commitment, damage, lost profit or right to any indemnification shall be acknowledged, derived from the information referenced herein. The information contained in the documents that are being published is preliminary and for consultation and feedback purposes, and it is just a sample of some of the specifications of the *Red Compartida*. Likewise, the information contained in the documents that are being published does not imply any commitment by the Federal Government, including the SCT and its other agencies and entities, to carry out any proceeding under any modality, whether as a public tender, competitive bidding or any other that is determined. The people who wish to participate in the *Red Compartida* project competitive bidding, if the case may be, or who have an interest therein, shall be responsible for making their own analysis and calculations, based on the final information published for such purpose, and shall be fully responsible for the results, conclusion and information obtained therefrom and mainly the actions and decision making based thereon. This act of publication does not constitute the commencement of any stage of the public tender or competitive bidding of the *Red Compartida* project, or any invitation or request of expressions of interest or of requested or unrequested proposals. The delivery to the SCT or to any other agency or entity of the Federal Government, or to the IFT, of comments, opinions, proposals, requests or expressions of any kind, by any individual or entity, derived from the information provided in these documents, does not imply any commitment whatsoever nor in any way binds the SCT or any other agency or entity of the Federal Government or the IFT to respond to them affirmatively or to take them into consideration, adopt them or abide by them, in whole or in part; nor grants whoever delivers them any right, present or future, in the proceeding that is carried out for the award of the project.

This courtesy English translation is provided only for reference. It has no validity and in the event of any discrepancy, the Spanish version shall prevail and be considered as the correct version for all intents and purposes.

RULES OF THE INTERNATIONAL COMPETITIVE TENDER NO. ____ FOR THE AWARD OF A PUBLIC-PRIVATE PARTNERSHIP PROJECT IN ACCORDANCE WITH THE PUBLIC-PRIVATE PARTNERSHIP ACT (*LEY DE ASOCIACIONES PÚBLICO PRIVADAS*), FOR THE INSTALLATION AND OPERATION OF THE PUBLIC SHARED TELECOMMUNICATIONS NETWORK REFERRED TO IN ARTICLE SIXTEENTH TRANSITORY OF THE EXECUTIVE ORDER THAT AMENDS AND SUPPLEMENTS SEVERAL PROVISIONS OF ARTICLES 6TH, 7TH, 27, 28, 73, 78, 94 AND 105 OF THE POLITICAL CONSTITUTION OF THE UNITED MEXICAN STATES, IN TELECOMMUNICATION MATTERS, PUBLISHED IN THE FEDERAL OFFICIAL GAZETTE (*DIARIO OFICIAL DE LA FEDERACIÓN*) ON JUNE 11, 2013, CONSIDERING THE USE OF THE SPECTRUM BROADBAND THAT INCLUDES SEGMENTS OF 703 TO 748 MHz AND OF 758 TO 803 MHz, WITH A TOTAL OF 90 MHz NATIONWIDE UNDER A LEASE STRUCTURE AND A PAIR OF FIBER OPTIC STRANDS OF THE BACKBONE NETWORK REFERRED TO IN ARTICLE FIFTEENTH TRANSITORY OF THE SAME EXECUTIVE ORDER.

XXX _____ General Manager of the Agency for the Development of Investments in Telecommunications (*Organismo Promotor de Inversiones en Telecomunicaciones – OPRITEL*), pursuant to articles 6, 28 and 134 of the Political Constitution of the United Mexican States; sixteenth transitory of the Executive Order that amends and supplements several provisions of articles 6th, 7th, 27, 28, 73, 78, 94 and 105 of the Political Constitution of the United Mexican States, in telecommunication matters, published in the Federal Official Gazette on June 11, 2013; 1, 2, 4, 5, 9, section XVI, 140 to 144 of the Federal Telecommunications and Broadcasting Act (*Ley Federal de Telecomunicaciones y Radiodifusión*); thirteenth transitory of the Executive Order that enacted the Federal Telecommunications and Broadcasting Act, and the Broadcasting System Act of the Mexican State (*Ley del Sistema de Radiodifusión del Estado Mexicano*), and which amends, supplements and repeals several provisions in telecommunications and broadcasting matters, published in the Federal Official Gazette on July 14, 2014; 1, 2, 4, section I, 38, 45 of the Public-Private Partnership Act; and 67 to 69 of the Regulations of the Public-Private Partnership Act; and _____ of the “Executive Order that creates the decentralized entity, with its own legal capacity and estate, known as the Agency for the Development of Investments in Telecommunications, OPRITEL, published in the Federal Official Gazette on _____, 2015 and other legal regulatory and administrative applicable provisions, and

WHEREAS:

The Executive Order that amends and supplements several provisions of articles 6th, 7th, 27, 28, 73, 78, 94 and 105 of the Political Constitution of the United Mexican States, in telecommunication matters, was published on June 11, 2013, which sixteenth transitory article provides that the State, through the Executive Power, in coordination with the Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones*), shall guarantee the installation of a public shared telecommunications network that drives the effective access of the population to broadband communication and to telecommunication services.

Pursuant to the same transitory provision, the referred shared telecommunications network shall contemplate, among other things, the use of at least 90 MHz of the spectrum released by the transition to Ground Digital Television (700 MHz band) and the resources of the backbone fiber optic network of the Federal Electricity Commission (*Comisión Federal de Electricidad*).

Article fifteenth transitory of the executive order referred to in the above paragraphs, instructed the Federal Electricity Commission to assign to the decentralized entity *Telecomunicaciones de México* its concession (license) to install, operate and exploit a public telecommunications network, and to transfer thereto all resources and equipment

necessary for the operation and exploitation of such concession. As consequence, on _____, 2015, among other agreements that were executed, the Federal Electricity Commission assigned to *Telecomunicaciones de México* the aforesaid concession and granted thereto the unlimited right of use on three [3] pairs of dark fiber optic from its network.

On July 14, 2014, the executive order that enacted the Federal Telecommunications and Broadcasting Act and the Public Broadcasting System of the Mexican State Act was published in the Federal Official Gazette; also amending, supplementing and repealed several provisions in telecommunications and broadcasting matters, which article thirteenth transitory provides that the Federal Executive, through the Ministry of Communications and Transportation (*Secretaría de Comunicaciones y Transportes*), shall take all the necessary steps to install the shared public telecommunications network referred to in Article Sixteenth transitory of the Executive Order that amends and supplements several provisions of articles 6th, 7th, 27, 28, 73, 78, 94 and 105 of the Political Constitution of the United Mexican States, in telecommunication matters, published in the Federal Official Gazette on June 11, 2013.

The National Development Plan 2013-2018 includes as one of its goals to democratize the access to telecommunication services, contemplating for such purposes, among other actions, the promotion of a larger offer of telecommunication services, as well as private investment in the sector; encourage the optimal use of bands of 700 MHz and 2.5 GHz under universal non-discriminating, shared and continuous access principles; and the promotion of public-private participations in the deployment, development and efficient use of the connectivity infrastructure in the country.

The Sectorial Communications and Transport Program 2013-2018 includes as one of its goals to extend the coverage and access to better communication services, under competitive conditions, and to such end provided as a strategy to promote the development of new infrastructure in communications, as well as its optimal use, to improve its coverage, connectivity and accessibility, establishing as action points: to promote the creation of a wholesale shared network of wireless access that uses the 700 MHz band, as well as to promote public-private partnerships in the deployment, development and efficient use of the connectivity infrastructure, expand and operate the backbone network foreseen in the constitutional reform in telecommunication matters to offer better coverage, among others.

On October 9, 2014, the Ministry of Communications and Transportation and the Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones – autonomous regulatory agency*) entered into a master inter-institutional collaboration agreement and two specific agreements which purpose was the collaboration to attend to, in a coordinated manner, within the scope of their respective authority, the constitutional mandates provided in articles fifteenth, sixteenth and seventeenth transitory of the Executive Order that amends and supplements several provisions of articles 6th, 7th, 27, 28, 73, 78, 94 and

105 of the Political Constitution of the United Mexican States, in telecommunication matters.

On _____, 2015, *Telecomunicaciones de México* authorized the Agency for the Development of Investments in Telecommunications, OPRITEL, to include as part of the competitive bidding subject matter hereof, the contribution of a pair of dark fiber optic strands of the backbone network referred to in article fifteenth transitory of the Executive Order that amends and supplements several provisions of articles 6th, 7th, 27, 28, 73, 78, 94 and 105 of the Political Constitution of the United Mexican States, in telecommunication matters, and authorized it to carry out this competitive bidding as the sole inviting entity.

On _____, 2015, the Investment Unit of the Ministry of Finance (*Secretaría de Hacienda y Crédito Público*) rendered a favorable opinion on the feasibility of the shared network (Red Compartida) project, under a public-private partnership structure, without the need of contemplating the contribution of federal budgetary funds in accordance with articles 14 of the Public-Private Partnership Act and 3rd section III, and fifth paragraph, section C, and 37 of the Regulations of the Public-Private Partnership Act.

On _____, 2015, the Federal Telecommunications Institute issued recommendations to these rules and exhibits hereof, in antitrust matters, as instructed by articles 39 second paragraph and 47 of the Public-Private Partnership Act, with regards to articles 7 and 15, section XVIII, of the Federal Telecommunications and Broadcasting Act, 12 section XIX, and 99 section III, of the Federal Antitrust Law (*Ley Federal de Competencia Económica*), and 122 of the Regulatory Provisions of the Federal Antitrust Law for the telecommunications and broadcasting sectors, which were considered and included.

On _____, 2015, the Federal Telecommunications Institute submitted the template of the concession title to use, benefit from and exploit broadband of the radioelectric spectrum for commercial use; as well as the template of the wholesaler concession title for commercial use, to be granted by the Federal Telecommunications Institute in order to render the wholesale telecommunication service, in accordance with the terms and conditions provided in the Federal Telecommunications and Broadcasting Act and pursuant hereto.

On _____, 2015, the Agency for the Development of Investments in Telecommunications, OPRITEL, issued the invitation to the competitive bidding subject matter of these Rules, which was published in the internet website of said decentralized agency, in the Federal Official gazette, in CompraNet, in the website www.redcompartida.gob.mx and in the Mexican newspaper "_____", pursuant to articles 44 of the Public-Private Partnership Act and 66 of the Regulations of the Public-Private Partnership Act.

On _____, 2015, the Agency for the Development of Investments in Telecommunications, OPRITEL, and *Telecomunicaciones de México* entered into a

master inter-institutional collaboration agreement, which purpose was the collaboration to attend to, in a coordinated manner, within the scope of their respective authority, the constitutional mandates provided in articles fifteenth, sixteenth and seventeenth transitory of the Executive Order that amends and supplements several provisions of articles 6th, 7th, 27, 28, 73, 78, 94 and 105 of the Political Constitution of the United Mexican States, in telecommunication matters, and

That in order to comply with the constitutional and legal mandates set forth above, we issue the following:

RULES OF THE INTERNATIONAL COMPETITIVE TENDER NO. ____ FOR THE AWARD OF A PUBLIC-PRIVATE PARTNERSHIP PROJECT IN ACCORDANCE WITH THE PUBLIC-PRIVATE PARTNERSHIP ACT (*LEY DE ASOCIACIONES PÚBLICO PRIVADAS*), FOR THE INSTALLATION AND OPERATION OF THE PUBLIC TELECOMMUNICATIONS NETWORK REFERRED TO IN ARTICLE SIXTEENTH TRANSITORY OF THE EXECUTIVE ORDER THAT AMENDS AND SUPPLEMENTS SEVERAL PROVISIONS OF ARTICLES 6TH, 7TH, 27, 28, 73, 78, 94 AND 105 OF THE POLITICAL CONSTITUTION OF THE UNITED MEXICAN STATES, IN TELECOMMUNICATION MATTERS, PUBLISHED IN THE FEDERAL OFFICIAL GAZETTE (*DIARIO OFICIAL DE LA FEDERACIÓN*) ON JUNE 11, 2013, CONTEMPLATING THE USE OF THE SPECTRUM BROADBAND THAT INCLUDES SEGMENTS OF 703 TO 748 MHz AND OF 758 TO 803 MHz, WITH A TOTAL OF 90 MHz NATIONWIDE UNDER A LEASE STRUCTURE AND A PAIR OF FIBER OPTIC STRANDS OF THE BACKBONE NETWORK REFERRED TO IN ARTICLE FIFTEENTH TRANSITORY OF THE SAME EXECUTIVE ORDER.

1. Definitions.

Captioned words and terms both in the Invitation, these Rules and their exhibits, shall have the meanings assigned thereto in the Glossary of Terms that is herein enclosed as Exhibit 1 of these Rules, and may be used either in singular or plural forms, as required by the sense of the corresponding text.

2. Purpose of the Competitive Bidding.

The purpose of the competitive bidding referred to in these Rules is the award of a Public-Private Partnership Project for the design, installation, deployment, operation, maintenance and upgrade of the *Red Compartida* referred to in article sixteenth transitory of the Executive Order that amends and supplements several provisions of articles 6th, 7th, 27, 28, 73, 78, 94 and 105 of the Political Constitution of the United Mexican States, in telecommunication matters, published in the Federal Official Gazette on June 11, 2013, contemplating the use of spectrum broadband including the segments of 703 to 748 MHz and of 758 to 803 MHz, with a total of 90 MHz nationwide under a lease structure and a pair of fiber optic strands of the backbone network referred to in article fifteenth transitory

of the same executive order, as well as the marketing of the Wholesale Telecommunication Service.

3. Project Overview.

The Project consists in the design, installation, deployment, operation, maintenance and upgrade of the *Red Compartida* and in the marketing of the Wholesale Telecommunication Service thereby, in accordance with the specifications, timeframes, requirements, obligations and modalities set forth in these Rules, in the Spectrum Concession, in the Wholesale Concession and in the PPP Contract, which templates are herein enclosed as Exhibits 2, 3 and 4, respectively.

The Agency for the Development of Investments in Telecommunications, OPRITEL (the Inviting Entity) and Telecom shall execute with the Developer the PPP Contract, contributing the former entity the rights of use, profit and exploitation of the radioelectric spectrum broadband portions, under a lease structure, of the segments from 703 to 748 MHz and of 758 to 803 MHz, with a total of ninety (90) MHz nationwide, and contributing the latter entity the right of use, profit and exploitation of one (1) pair of dark fiber optic strands of the Backbone Network, in order to be used by the Developer for the installation and operation of the *Red Compartida*, without the foregoing being construed as conferring or transferring title to the Concession of Spectrum, or title to the fiber optic.

The Developer, in its capacity as lessee, shall be subject to the ongoing compliance with the terms and conditions set forth in the PPP Contract, in the Spectrum Concession Title, in the Wholesale Concession, in the provisions of the LFTR and any other provision established by the IFT.

The Developer shall pay to the Inviting Entity as from the execution of the PPP Contract, as consideration for the lease of the corresponding spectrum, an amount equivalent to the rights provided in the Federal Government Fees and Charges Act (*Ley Federal de Derechos*) as amended, for the use, profit and exploitation of the spectrum broadband including the segments from 703 to 748 MHz and from 758 to 803 MHz, with a total of 90 MHz nationwide, licensed to the Inviting Entity and which use, profit and exploitation shall be contributed through the PPP Contract, including its upgrades and the contributions generated under the applicable laws, adding to such amount any tax effect imposed to the Inviting Entity from the reception of said payment.

On the other hand, the Developer shall bear all costs and provide all the financial resources required for the design, installation, deployment, operation, maintenance and upgrading of the *Red Compartida* and to market the Wholesale Telecommunication Services thereby.

The Developer must obtain the Wholesale Concession from the IFT in order to render the Wholesale Telecommunication Service.

All real and personal property, rights, infrastructure, equipment, authorizations, licenses, permits, rights of way, payments and other physical, human, financial or any other kind of element required to install, deploy and operate the *Red Compartida* and to render the Wholesale Telecommunication Service, other than the right to use the spectrum and the fiber optic, which will be contributed by the Inviting Entity and Telecomm, must be contributed by the Developer.

The Developer shall also, among other things:

- Pay to the Inviting Entity the corresponding consideration for the lease of the spectrum that is formalized through the PPP Contract.
- Apply for and obtain any permit, authorization, right of way or use of passive infrastructure, environmental impact assessment, among others, required to design, deploy, maintain and upgrade the *Red Compartida*, and
- Comply with each and all of the obligations derived from the assignment of rights of the corresponding pair of dark fiber optic strands, including the payment for the maintenance of the dark fiber optic strands, executed between Telecomm and CFE.
- Comply with the other contributions and obligations set forth in these Rules and in the PPP Contract and
- Share with the Inviting Entity a portion of the profits generated by the Project in accordance with the mechanisms detailed in the PPP Contract.

The Inviting Entity shall authorize the Developer, based on the provisions of the Spectrum Concession, to sublease the spectrum to third parties, provided:

- The Developer is up to date in the performance of its obligations under the PPP Contract,
- Such sublease contributes to the compliance, development and implementation of the Project,
- The income received by the Developer as a result of the spectrum sublease are destined by the Developer to the Project,
- The Developer has obtained prior authorization from the IFT, in terms of article 104 of the LFTR.
- The sublessee has an enabling Concession (Concesión Única, in accordance with article 66 and 67(I)) for commercial use or has requested one to the IFT,

- The sublessee agrees to be joint obligor of the Agency and of the Developer, with regards to the obligations derived from the concession of the frequency band leased.
- The continuity in the service is not affected, and
- It does not generate concentration, hoarding or crossed ownership phenomena, and

The Developer agrees to create an irrevocable investment, administration and source of payment trust, in terms of the PPP Contract, which purpose will include but not be limited to: (i) receive all income resulting from the operation of the Project, from the rendering of Wholesale Telecommunication Service, from activities or contracts derived from or connected with the Project; as well as those accrued or resulting from the sublease of the radioelectric spectrum, and deliver to the Developer the corresponding amounts in terms of the provisions in the Trust Agreement; (ii) establish and manage a Reserve Fund which purpose shall be to guarantee the availability of funds to cover capital expenditures required to meet the Offered Population Coverage from the Minimum Required Coverage, and (iii) implement the sharing mechanism of profits.

The Inviting Entity shall monitor compliance with the obligations undertaken by the Developer applying the applicable penalties under the PPP Contract. On the other hand, the IFT shall monitor and sanction compliance with the obligations derived from the concession titles and the applicable standards.

4. Elements and information regarding the Project that Bidders must take into account for the submission of Proposals.

Notwithstanding the provisions in the other sections hereof, the following information is provided, based on the provisions in article 45 of the LAPP, to be taken into account by the Bidders for the submission of their Proposals:

4.1 Technical specifications and features, as well as minimum performance levels of the Wholesale Telecommunication Services to be rendered through the *Red Compartida*; and technical specifications and features for the construction and installation of the *Red Compartida*.

The Developer must render Wholesale Telecommunication Services, pursuant to the requirements, conditions, features, technical specifications and performance levels established in the Spectrum Concession, in the Wholesale Concession, in the PPP Contract and in the Telecomm Concession, which templates may be found in the Exhibits 2, 3, 4 and 6, respectively in these Rules and, if the case may be, those provisions issued by the IFT and which are applicable.

In addition to the above, when installing and operating the *Red Compartida*, the Developer must comply with the minimum technical specifications of the *Red Compartida*, which are provided in Exhibit 5 hereof.

4.2 Real estate, assets and rights needed for the installation and operation of the *Red Compartida* and responsibilities for their procurement.

Subject to the terms of the Spectrum Concession granted by the IFT, the Inviting Entity shall contribute to the Developer only the right of use, profit and exploitation of the spectrum broadband portions including the segments of 703 to 748 MHz and from 758 to 803 MHz, in accordance with the PPP Contract.

On the other hand, Telecomm shall contribute to the Developer, through the PPP Contract, only the right of use, profit and exploitation of one (1) pair of dark fiber optic strands on the Backbone Network.

The Developer must undertake the obligation under the PPP Contract to cover the maintenance costs and other obligations related to such dark fiber optic strands, in terms of the PPP Contract, that will be signed by the Inviting Entity, the Developer and Telecomm.

Neither the Inviting Entity nor Telecomm shall agree to make any additional contribution to the one indicated in the above paragraph, such as real estate, assets and rights for the development of the Project, nor shall they be responsible for their procurement, nor shall they agree to manage or grant for the benefit of the Winning Bidder or of the Developer, any type of permit, concession, authorization, right of way or use of passive infrastructure, environmental impact assessment, among others. Neither the Inviting Entity nor Telecomm shall make any financial or capital contribution whatsoever, or any commitment or promise for the purchase or engagement of services of the *Red Compartida*.

The Developer shall be responsible for contributing the economic resources required for the design, installation, deployment, operation, maintenance and upgrade of the *Red Compartida* and for the marketing of the Wholesale Telecommunication Services, among others that are necessary, in the terms and conditions detailed in the PPP contract. The Developer must obtain from the IFT the Wholesale Concession in order to render the Wholesale Telecommunication Services.

Among other obligations derived from the provisions in these Rules and in the PPP Contract.

4.3 Term for the provision of services and commencement dates.

The PPP Contract and the Wholesale Concession shall be granted for an initial term of (20) twenty years, subject to extension under the terms and conditions established in such documents.

During such term, the Developer must render Wholesale Telecommunication Services. The Developer must begin Commercial Operations before March 31, 2018 and comply on an annual basis with the Minimum Required Coverage and Offered Population Coverage commitments, pursuant the provisions in these Rules and in the PPP Contract.

The PPP Contract shall contemplate as an obligation of the Developer meeting the Minimum Required Coverage and the Offered Population Coverage in accordance with the deployment schedule submitted in their Technical Bid in terms of the provisions in these Rules.

4.4 Subcontracting.

In terms of the PPP Contract that is attached to these Competitive Bidding Rules, the Developer may subcontract the services for the installation, deployment and maintenance of the *Red Compartida*, in the understanding that the Developer shall always remain as the sole responsible before the Inviting Entity of the obligations under the PPP Contract.

Any subcontracting by the Developer shall be subject to the ongoing compliance with the condition that no telecommunication service provider may have any influence in the operation of the *Red Compartida*.

4.5 PPP Contract.

Exhibit 4 of these Rules includes a template of the PPP Contract that shall be awarded to the Winning Bidder, and which shall be executed with the corresponding Developer. The PPP Contract that is attached hereto shall not be subject to negotiation.

4.6 Authorizations required for the development of the Project.

4.6.1 Wholesale Concession. The Developer must obtain from the IFT the Wholesale Concession to render the Wholesale Telecommunication Services, in accordance with these Rules and with the terms and conditions provided by the " General Guidelines for Granting Concessions referred to in Title IV of the Federal Telecommunications and Broadcasting Act" published in the Official Gazette of July 24, 2015. .

4.6.2 Right of use on the radioelectric spectrum. The Spectrum Concession shall be granted by the IFT in favor of the Inviting Entity, who shall always remain as the concessionaire of the radioelectric spectrum. The Inviting Entity, in its capacity as

concessionaire, shall lease to the Developer the radioelectric spectrum under the PPP Contract, pursuant to the terms thereof, whereby the Developer shall undertake the obligations regarding the use, profit and exploitation of the spectrum that are detailed in the Spectrum Concession and in the PPP Contract. The Developer shall be bound to pay to the Inviting Entity the consideration for the use of the corresponding radioelectric spectrum, in accordance with the provisions in the PPP Contract.

4.6.3 Right of use, profit and exploitation on one (1) pair of dark fiber optic strands of the Backbone Network. The Developer shall obtain, through the execution of the PPP Contract, the right to use, profit from and exploit one (1) pair of dark fiber optic strands of the Backbone Network, undertaking the Developer, as consequence of the execution of such contract, the obligations regarding such pair of fiber optic strands, pursuant to the Telecomm Concession, which copy is herein enclosed as Exhibit 6. The features, routes, conditions of use and other terms and conditions applicable to the use of said assets are detailed in Exhibit 7 of these Rules.

For such purpose, Telecomm shall assign in favor of the Developer the rights connected to such pair of dark fiber optic strands, as obtained by the CFE, according to the features that are indicated in the aforesaid Exhibit 7.

4.6.4 Rights of way and of access to the infrastructure. The Developer shall be responsible for managing, on its own account and expense, the rights of way, of access and any other similar right required for the installation and operation of the *Red Compartida*, or for the use and exploitation of the rights and assets which use, profit and exploitation it acquires under the PPP Contract, including the right of use of one (1) pair of dark fiber optic strands of the Backbone Network.

The Inviting Entity shall only grant the right of use, profit and exploitation of parts of the radioelectric spectrum broadband, which include the segments from 703 to 748 MHz and from 758 to 803 MHz with a total of ninety (90) MHz nationwide, and Telecomm shall only assign the right of use and profit of one (1) pair of dark fiber optic strands of the Backbone Network.

4.6.5 Other assets required for the development of the Project and for the installation and operation of the *Red Compartida*. The Developer shall be responsible for acquiring, through the legal title or means it determines at its sole discretion, any other property, asset or right it may require for the installation and operation of the *Red Compartida*. Neither the Inviting Entity nor Telecomm shall make any additional contribution to the concepts indicated in the above section. All the capital investment requirements shall be contributed by the Developer.

4.6.6 Other authorizations, concessions and permits. The Developer shall be the sole responsible for managing and obtaining, on its own account and expense, any other authorization, permit, environmental and urban assessment, concession or license

required for the installation and operation of the *Red Compartida* and for the use of the pair of fiber optic strands of the Backbone Network.

4.7 Legal, management, administrative, economic, financial and technical capabilities. In order to evidence the legal, management, administrative, economic, financial and technical capabilities, Bidders must submit as part of their Technical Bid of their Proposal, the following documentation:

4.7.1 Legal Capacity. Bidders must evidence their legal capacity with the following documents:

4.7.1.1 In the event the Bidders are Joint Ventures conformed by individuals, they each need to submit an original and a copy of their Official Identification for comparison. This requirement must be met by each of the individuals that participate in the Joint Venture. Individuals may only participate as part of a Joint Venture.

4.7.1.2 In the event the Bidders are individual legal entities, they need to submit an original transcript or certified copy of the public deed that formalizes the incorporation of the company, duly recorded before the Public Registry of Commerce, which corporate purpose does not prevent or limit their participation in the Competitive Bidding or their creation of a Specific Purpose Entity, should they win the Competitive Bidding.

In the event of Joint Ventures conformed by legal entities, this requirement must be met by each of such legal entities.

If the corporate bylaws or similar documents has suffered reforms or amendments, an extract with the current bylaws formalized before notary public must also be submitted.

4.7.1.3 In the event of Bidders legal entities, they need to submit an original transcript or certified copy of the public deed that formalizes the powers of attorney of the person appearing to submit the Proposal, with sufficient authority, including but not limited to general powers of attorney for administration acts, as well as a copy of the Official Identification of the legal representative. In the event of a Joint Venture of individuals and/or entities, this requirement must be met by the common legal representative.

4.7.1.4 In the event of Bidders legal entities, they need to submit an original certificate issued by the Secretary of the Board of Directors of the company, which includes the amount of its capital stock, as well as its shareholding structure. This document must include the description of the partners or shareholders of the company and, if the case may be, of the companies that are partners of said legal entity, in all levels of shareholder ownership until the ultimate beneficial owner. In the event of a Joint Venture, this requirement must be met by each of the legal entities that participate therein.

4.7.1.5 In the event of Joint Ventures, the corresponding Joint Venture Agreement that complies with the provisions in article 6 of these Rules, duly notarized in public deed, must also be submitted.

4.7.1.6 Private document containing a statement under oath of whoever submits the Proposal, that his/her principal, the partners or shareholders of his/her principal, as well as the managers of the Bidder, do not fall into the scope of any of the assumptions provided in article 42 of the LAPP. In the event of a Joint Ventures, this requirement must be complied for each of the individuals and/or entities that participate in the Joint Venture.

4.7.1.7 For each legal entity who submits the Proposal, as well as for each of the individuals and/or entities conforming the Joint Venture, if the case may be, an opinion on the performance of tax obligations issued by the Tax Administration Service, pursuant to article 32-D of the Federal Tax Code, and the applicable rules of the Tax Omnibus Bill (*Resolución Miscelánea Fiscal*) in force must be submitted.

Residents abroad who are not bound to submit the registration request before the Federal Taxpayers' Registry, or any notice before said registry, and who are not bound to submit periodical returns in Mexico, must deliver a private document where they make these statements under oath and the Inviting Agency shall in time obtain the aforesaid opinion.

4.7.1.8 Getting the Wholesaler Concession. The Winning Bidder must appear before the IFT to apply for and obtain the Wholesaler Concession, in accordance with the requirements and terms established in the " General Guidelines for Granting Concessions referred to in Title IV of the Federal Telecommunications and Broadcasting Act" published in the Official Gazette of July 24, 2015.

4.7.1.9 Antitrust Opinion. Bidders must appear before the IFT to apply for and obtain the Antitrust Opinion, in accordance with the requirements and terms established by said Institute. Only the people who have obtained a favorable opinion or a favorable opinion subject to conditions, provided they comply with such conditions, may participate in the Competitive Bidding.

The IFT shall publish in [its Website (www.ift.org.mx)], as from [____], 2016, the reference elements to identify *ex ante* the economic agents who, although may participate in the Competitive Bidding as part of a Joint Venture, are prevented from having influence in the operation of the *Red Compartida*; and the guidelines for the Economic Agents to request the antitrust opinion to the Federal Telecommunications Institute to participate in this Competitive Bidding.

The reference elements to identify *ex ante* the economic agents preventing from having influence in the operation of the *Red Compartida*, shall be assessed by the Plenary Session of the IFT upon issuing the Antitrust Opinion corresponding to each Bidder.

Bidders must submit as part of their Technical Bid, the original of the favorable Antitrust Opinion obtained from the IFT, or of the favorable Antitrust Opinion subject to the fulfillment of certain conditions, as well as, if the case may be, the documentation issued by the IFT evidence the compliance with any condition to which such favorable opinion rendered by the IFT was subject.

Failure to obtain the Antitrust Opinion in the above-mentioned terms shall render the Bidder's Proposal insolvent.

4.7.1.10 Draft bylaws that the Bidder shall use to incorporate the Specific Purpose Entity, which shall include at least the following information:

- Corporate purpose that includes the design, installation, deployment, operation, maintenance and upgrade of the *Red Compartida*, as well as the marketing of the Wholesale Telecommunications Service, notwithstanding any other activity complementary to the Project, including the use and exploitation of the Backbone Network resources;
- To be a Mexican business corporation;
- To have a legal nature whereby its capital stock is exclusively destined to the performance of its corporate purpose, as a corporation (*anónima*), investment corporation (*anónima promotora de inversión*) or of limited liability (*responsabilidad limitada*);
- The minimum fixed capital without the right to withdrawal of the Specific Purpose Entity must be equal to or higher than [\$10,000,000.00], (Ten Million Pesos 00/100 Mexican Currency) and must be entirely subscribed and paid;
- The partners of the company and their share of equity in the company;
- The company may be incorporated as a variable capital company provided it establishes in its bylaws that no capital reductions of the company's variable capital may be performed until the coverage and deployment obligations detailed in the Bidding Rules and in the PPP Contract have been met;
- Shares/partnership interests may only be transferred with the prior approval of the Inviting Authority, notwithstanding the authorizations required by the IFT derived from the capacity as Concessionaire of the SPE, or which must be notified pursuant to the Federal Antitrust Law;
- Include the foreigner participation clause, whereby current or future foreign partners of the Specific Purpose Entity agree to be considered as Mexican and to waive the protection of their country of origin, in terms of article 14 of the Regulations of the Foreign Investment Law.

- The express provision that the prior authorization of the Inviting Entity must be obtained for the execution and/or amendment of contracts and agreements with the partners of the SPE;
- The provisions that ensure that no telecommunication service provider may have influence in the operation of the *Red Compartida*, pursuant to the criteria established by the IFT, and
- Duration of the company for at least the term of the Wholesale Concession and of the PPP Contract.

4.7.1.11 With regards to the aforesaid Specific Purpose Entity, a private document containing the following information:

- The partners and participations of each of them in the capital stock of the company; and
- The indication of who will conform the board of directors of the company, who will be its main officers, as well as roles and responsibilities of the organizational structure of the company.

4.7.1.12 Private document where the Bidder states under oath who are the individuals and/or entities who have acted as its advisors in this Competitive Bidding.

4.7.1.13 Each foreign Bidder must state under oath and in writing, duly signed by its legal representative with sufficient authority, that it waives the protection of its government and formally agrees with the Ministry of Foreign Affairs (*Secretaría de Relaciones Exteriores*) to be considered for that simple fact as Mexican, with regards to any interest or participation derived from the Competitive Bidding and, if the case may be, from the execution of the PPP Contract, and with regards to the assets, rights, concessions, participations or interest held thereby, or else of the rights and obligations derived from the contracts entered into with Mexican authorities and not to invoke, for the same reason, the protection of their government, under penalty of forfeiting such rights and assets acquired to the Mexican Nation. In the event of a Joint Venture, this requirement must be met by each of its foreign participants.

4.7.2 Ability to apply for and obtain all authorizations, permits, concessions and rights of way, among others, required for the development of the Project. Bidders must evidence their ability to apply for and obtain all authorizations, permits, concessions and rights of way, among others, required for the development of the Project, for which they must submit a private document containing a statement under oath, of whoever submits the Proposal, that in the event the Competitive Bidding is won, it has sufficient capacity and agrees to apply for and obtain, on its own account and expense, all authorizations, permits, concessions and rights of way, among others, required for the development of the

Project. In the event of a Joint Venture, this requirement shall be met with the submission and signature of the private document by the common representative thereof.

4.7.3 Administrative Capacity. Bidders must evidence their administrative capacity with the following documents:

4.7.3.1 Manuals of administrative procedures of the Bidder, or the documents that clearly describe its administrative procedures of attention to users, reception, processing and attention to complaints and, if the case may be, invoicing and other administrative procedures, signed by the Bidder, as well as by the head of the management team. In the event of a Joint Venture, this requirement shall be met with the submission and signature of the documents by the common representative thereof.

4.7.3.2 Organizational chart with the names and surnames of the main directors up to the second hierarchical level, including the Federal Taxpayers' Registries or tax identity numbers, dates of birth, Official Identifications and resumes of the people that are to be employed for the development of the Project.

4.7.4 Economic Capacity. Bidders must evidence their economic capacity with the following documents:

4.7.4.1 Financial statements audited by a renowned international independent firm, of the last fiscal years ended, which show a net worth with total assets of at least [\$15,000,000,000.00 M.N. (Fifteen Billion Pesos 00/100 Mexican Currency)]. In the event of a Joint Venture, this requirement can be met with the sum of the assets and capital of the members of the Joint Venture, averaged by the corresponding equity of each member of the Joint Venture in the SPE. Legal entities whose operation does not reach the five fiscal years requested must meet such requirement for the term that corresponds to the duration of their operation.

4.7.4.2 For asset managers, investment approval letter from their investment committee or government body, for resources equal to at least [\$15,000,000,000.00 M.N. (Fifteen Billion Pesos 00/100 Mexican Currency)]. In the event of a Joint Venture, this requirement can be met with the sum of the assets of the members of the Joint Venture, averaged by the corresponding equity of each member of the Joint Venture in the SPE.

4.7.4.3 Document issued by the Bidder describing the sources of financing for the deployment stage of the *Red Compartida*. Such document must include financing term sheets issued and signed by financial institutions of international standing. These term sheets must include at least the following information:

- Type of financing.
- Maximum amount of the foreseen financing.
- Interest rate (including, if applicable, reference rate and surcharge).

- Term and grace periods and amortization.
- Amortization schedule.
- Fees.
- Collateral ratio requirements and other relevant financial ratios.
- Reserve requirements.
- Affirmative and negative covenants and, if applicable, early termination events.
- Dividend payment policy.
- Level of commitment of the term sheet; authorized financing, authorized with restrictions, indicative.
- Any other relevant information for the evaluation of the financing.

The term sheet must include the statement of whoever grants it that it knows the Competitive Bidding Rules and its exhibits. The terms described by the aforesaid term sheets must be consistent with what is presented in the financial model submitted by the Bidders as part of their proposal.

In the event of the Joint Venture, this requirement shall be met with the submission and signature of this document by the common representative.

4.7.4.4 Federal Taxpayers' Registry of the Bidder and its last Annual Tax Return filed before the Tax Administration Service, and evidence of filing of the annual tax return. In the event of a Joint Venture, such information must be submitted for each of its members. Foreign Bidders must submit similar documents issued by their country of origin and, where appropriate, translated into Spanish and Apostille.

4.7.4.5 Private document containing a statement under oath that all of the funds destined to the project derive from legal sources, in the understanding that any information may be forwarded to the Financial Intelligence Unit of the Ministry of Finance for further analysis. This private document must include at least the following documents with regards to the Bidder and, in the event of a Joint Venture, to all of its members: financial statements; bank statements; letters issued by banking institutions where the applicant has open bank accounts, which identify that no irregular activities have been performed.

4.7.4.6 Document evidencing that, at the time of incorporation of the Special Purpose Entity, should they be awarded with the Project, such entity shall have a subscribed and paid capital of at least [\$1,000,000,000.00 M.N.] (One billion pesos 00/100 National Currency).

4.7.5 Financial Capacity. Bidders must evidence their financial capacity with a financial model of the Project, for the implementation and operation of the *Red Compartida*, projecting at least ten years. The financial model of the Project must include and comply with the requirements and guidelines provided in Exhibit 8 of these Rules, and be prepared based thereon.

The financial model must contemplate that the Developer may not exceed a maximum leverage of 70% (seventy percent) as indicated in Exhibit 8. Once the Minimum Required Coverage obligations have been met for the year 2023, maximum leverage can be of up to 80% (eighty percent).

In the event of a Joint Venture, this requirement shall be met with the submission and signature of the model by the common representative thereof.

4.7.6 Technical Capacity. Bidders must evidence their technical capacity with the following documents:

4.7.6.1 Private document containing the information and documentation evidencing that the Bidder and/or any of its partners have the experience and know-how to implement, design, finance, build, operate and maintain public or private telecommunication networks anywhere in the world. In the event of a Joint Venture, this requirement shall be met if any of the members of the Joint Venture, its partners, have the aforesaid experience and know-how. Or else, it may be evidenced by the Bidders through long term contracts to be executed with individuals or entities who shall render services and who have the technical capacity required to install and operate the *Red Compartida*. In this case, they must comply with the following:

- Letters of Intent must be executed with the individual or entities, clearly setting forth the obligation of executing the corresponding agreements with the Specific Purpose Entity, should the Bidder win the Competitive Bidding. These letters of intent must clearly describe the services to be rendered, and the terms and conditions to be included in the respective contracts, and
- Must include the documents evidencing the technical capacity of the individuals or entities who will render the corresponding services, including the information requested in the section 4.7.6.2 for Bidders.

If the technical capacity is evidenced with long term contracts, it is understood that such proof shall be subject to the ongoing compliance with the condition that no telecommunication service provider may have influence in the operation of the *Red Compartida*.

4.7.6.2 Detailed and clear description of the services and activities in telecommunication matters where the Bidder and/or any of its partners have participated, whether directly or indirectly. The areas of expertise and specialization may be:

- Mobile telecommunication services.
- Public telecommunication networks.
- Private telecommunication networks.

Bidders must attach to the above-mentioned description sufficient information and documents that evidence what is herein provided.

In the event of a Joint Venture, the referred services and activities shall be rendered regarding the members of the Joint Venture and/or its partners.

4.7.6.3 Contracts, maintenance logs, releases and/or payment of services for the design, deployment, maintenance and/or operation of public telecommunication networks.

4.7.6.4. In the event of a Joint Venture, the requirements set forth in paragraphs 4.7.6.1 to 4.7.6.3 shall be met with the submission and signature of such documents through the common representative thereof.

4.7.7 Document containing the deployment schedule of the *Red Compartida* agreed upon by the Bidder if the PPP Contract is awarded thereto, and which must comply at least with the information what is provided in Exhibit 9 of these Rules.

4.7.8 Document containing the technical design of the *Red Compartida* that will be implemented by the Bidder should the PPP Contract be awarded thereto, which complies with the provided in Exhibit 5 of these Rules.

4.7.9 Document containing the modernization and capacity increase plan of the access network of the *Red Compartida*.

4.7.10 Document containing the capacity increase plan of the transportation network of the *Red Compartida*.

4.7.11 Document containing the detailed spectrum plan for the current and future use of the radioelectric spectrum. It must consider the APT700 MHz segmentation from the 3GPP standardization as recommended by segmentation A5 ITU – RM.1036 and be compatible with the devices available worldwide for the APT700 segmentation of the band.

4.8 Specific Purpose Entity.

Pursuant to article 91 of the LAPP, the PPP Contract shall be executed with the Specific Purpose Entity incorporated by the Winning Bidder, which shall act as the Developer and which shall comply with the requirements provided in articles 104 and 105 of the RLAPP. The Winning Bidder must incorporate the Specific Purpose Entity in accordance with the Competitive Bidding schedule, in terms of these Rules.

4.9 Guarantees.

4.9.1 Commitment Guarantee. Pursuant to articles 45, section IX and 47 second paragraph of the LAPP, Bidders must deliver as part of their Proposal the commitment

guarantee (the “Commitment Guarantee”), in an amount equal to \$1,250,000,000.00 (One billion two hundred and fifty million pesos 00/100 Mexican Currency), which shall remain in force until, if the case may be, the PPP Contract is executed and the winning Bidder delivers to the Inviting Entity the Contract Performance Guarantee. In the event the Contract is not executed within the corresponding term, or the condition precedent to which it is subject is not met for causes imputable to the Winning Bidder, the Commitment Guarantee shall be enforced. In this case, the Project may be awarded to the second place, and should it not accept, to the subsequent places, provided they comply with all of the conditions provided in these Rules, including those provided in this section. In the event the Bidders in second and subsequent places, if the case may be, also refuse to execute the PPP Contract, the corresponding Commitment Guarantees shall be enforced.

In the event of the participation of a Joint Venture, it will suffice for one of its members to submit the above-mentioned Commitment Guarantee.

The Commitment Guarantee must be granted in the form of a bond or letter of credit and must be issued in pesos, considering the provisions in the “General Provisions to which guarantees granted in favor of the Federal Government for the performance of obligations other than tax created by agencies and entities in the acts and contracts they execute shall submit”, published in the DOF on September 8, 2015.

In the event a bond is submitted, it must be issued by a bonding company duly authorized to operate in the United Mexican State and must comply with and be governed by the provisions in article 151 of the RLAPP.

The Commitment Guarantee shall be enforced if any of the disqualification causes contained in sections 4.16.2, 4.16.3, 4.16.5, 4.16.6, last item of section 4.16.8, 4.16.9, 4.16.10, 4.16.12, 4.16.13, 4.16.14 and 4.16.15 of these Rules occurs.

4.9.2 Contract Performance Guarantee. Once the PPP Contract has been executed, the Developer must deliver to the Inviting Entity, within the term provided in the PPP Contract, the Contract Performance Guarantee in the terms set forth in the PPP Contract, in order to guarantee the performance of its obligations under the Contract.

The Contract Performance Guarantee shall be enforced if the Developer breaches any of its obligations under the PPP Contract, pursuant thereto.

4.10 Place, date and time for field test visits to the pair of dark fiber optic strands of the Backbone Network.

The pair of dark fiber optic strands shall be contributed by Telecomm, in the physical conditions and in the state of use, maintenance and operation at the time of execution of the PPP Contract. However, Bidders may perform field tests on a representative sample of routes, to know of the state of use, maintenance and operation of the pair of dark fiber optic threads that are contributed, in terms of Exhibit 7.

4.11 Places, dates and times for the clarification meetings, of the submission of Proposals, of the opening thereof, of the communication of the ruling and of the execution of the PPP Contract.

This Competitive Bidding shall occur in accordance with the procedure, dates, times and places established in the Competitive Bidding Schedule, which is herein enclosed as Exhibit 10.

If necessary, the date set for the submission and opening of Proposals may be extended, in which case the dates of award of the Competitive Bidding, the granting of the Concessions and the execution of the PPP Contract shall be extended for the corresponding number of days.

4.12 Language of the Competitive Bidding, of Proposals and documents to be submitted by the Bidders.

The language of the Competitive Bidding shall be Spanish. The Inviting Entity makes available to Bidders a courtesy English translation of these Rules, which is not official, and not binding and which is not part of these Rules. Such English translation has no validity and therefore this Competitive Bidding shall only be governed by and be carried out in accordance with these Rules in Spanish.

Proposals and other documents delivered by Bidders, as well as all communications from Bidders with the Inviting Entity, must be made in Spanish, except imminently technical documents which may be submitted in English, for which a full Spanish translation performed by an authorized expert translator must be attached.

In case of legal documents granted under foreign law, they must be apostilled or legalized and, when drafted in a language other than Spanish, they must include the corresponding translation prepared by an expert translator authorized by qualified authorities for such purpose. Documents containing powers of attorney granted abroad, in addition to being apostilled and legalized, as applicable, must be formalized before a Mexican notary public.

4.13 Currency in which Proposals may be submitted by the Bidders.

Any economic or monetary information submitted by the Bidders, including the Extra Compensation (*Guante*), must be expressed in pesos, in accordance with article 1st of the Monetary Act (*Ley Monetaria*) of the United Mexican States.

4.14 List of documents that Bidders must submit with their Proposals.

Documents that must be submitted by Bidders with their Proposals are described in each of the sections that set forth the requirements that must be met by the Bidders' Proposals.

4.15 Criteria for the objective evaluation of Bids and the award of the PPP Contract.

The evaluation of Bids shall be carried out pursuant to article 52 of the LAPP and the provisions in these Rules.

4.15.1 Technical Bid:

The Inviting Entity shall evaluate first of all the Technical Bids, which shall be deemed solvent as long as in accordance with the requirements provided in these Rules the Bidder:

- a) Evidences legal, management, administrative, economic, financial and technical capabilities in terms of these Rules.
- b) Has obtained the Suitability Opinion for the procurement of a Sole Concession by the IFT.
- c) Has obtained a favorable Antitrust Opinion by the IFT or a favorable Antitrust Opinion subject to conditions, provided such conditions have been met.
- d) Has submitted a Technical Bid meeting the requirements established in these Rules and specifically in section 11.1
- e) Does not fall into any of the disqualification causes established in the LAPP, the RAPP or in these Rules.

Proposals that are considered solvent pursuant to the above-mentioned criteria shall pass to the evaluation stage of the Economic Bid.

Proposals which Technical Bids are not deemed solvent shall be dismissed and shall not pass to the opening and evaluation stage of the Economic Bids, in which case the Inviting Entity shall proceed to the destruction of the electronic files of the envelopes containing the insolvent Technical Bids in a public session and before the Social Witness and a Public Attestor.

4.15.2 Economic Bid:

The solvent Proposal which Economic Bid constitutes the highest Offered Population Coverage shall be deemed the winner.

In case of a tie between two or more participants in the Offered Population Coverage, the tiebreaker criteria shall be whoever constitutes the higher Extra Compensation. The procedure in case of a tie is established in item 14.1 of these Rules.

4.16 Causes for disqualification of Bidders.

In addition to those provided in article 57 of the PPP Act and pursuant to the provisions in articles 68 section VI and 87 of the Regulations of the PPP Act, the following shall be causes for disqualification of the Bidders:

4.16.1 If the Technical Bid of the Proposal does not include the Commitment Guarantee or the acquisition receipt of the Rules of the Competitive Bidding;

4.16.2 If it is unquestionably evidenced that the information or documentation provided by the Bidder is false;

4.16.3 If any Bidder is counseled during any stage of the Competitive Bidding by the people engaged by the SCT or the Inviting Entity or who have in any way participated or counseled for the drafting of these Competitive Bidding Rules, structuring, analysis and implementation of the Project, including but not limited to advisory to its partners, employees, officers, advisors, subcontractors, parents, affiliates or subsidiaries;

4.16.4 If the envelopes containing the Technical and Economic Bids of the Proposal do not contain bids;

4.16.5 In the event a Bidder or any of the people conforming a Joint Venture (including affiliates, parents or subsidiaries), participate in more than one Proposal;

4.16.6 In the event the Bidder establishes any kind of communication with the SCT, the Inviting Entity, Telecomm, CFE, the Social Witness or the public notary who participates, their public officers and/or advisors, in order to request advisory or influence their decisions or obtain information that provides advantages with regards to the other Bidders;

4.16.7 If any of the documents that conform the Proposal which must be signed by the legal representative pursuant to these Competitive Bidding Rules, are not signed or are not consecutively numbered;

4.16.8 Submit a conditioned Proposal or in a different format than the one provided in these Rules, if the case may be, or not submit a firm Proposal or change the Proposal originally submitted;

4.16.9 If the Bidder receives the award and the corresponding contract is not executed for causes imputable to the Bidder within the term provided for such purpose, or if the Contract is not effective due to failure to comply with the conditions precedent to which it is subject, or if it is evidenced that the Bidder submitted false information as part of its Proposal or upon obtaining the opinions referred to in items 4.7.1.8 and 4.7.1.9 of these Rules;

4.16.10 Not paying directly the Financing Agent engaged by the SCT, its administrative units or by the Inviting Entity, for the development and implementation of this Competitive Bidding, the full amount of fees, costs and expenses disbursed, prior to granting the Wholesaler Concession and to the execution of the PPP Contract.

4.16.11 Not submitting the additional information required pursuant to the provisions in articles 51 and 53 of the LAPP;

4.16.12 In the event of incurring in absolute monopolistic practices against the Federal Antitrust Law during this Competitive Bidding;

4.16.13 In case of amending the capital structure of the Bidders and/or, if the case may be, the composition of the Joint Venture or its members, once the Antitrust Opinion has been obtained and until the execution of the Contract;

4.16.14 If any of the Bidder agrees with another any matter which purpose is to obtain an improper advantage over the other Bidders or to limit or misrepresent the competition in the Competitive Bidding;

4.16.15 Misrepresent the information provided to obtain the Antitrust Opinion or, if the case may be, to evaluate the compliance with the conditions, or else, to obtain an authorization by the IFT in antitrust matters.

5. People who may participate in the Competitive Bidding.

Except those prevented in terms of article 42 of the LAPP and pursuant to the provisions in these Rules, all interested individuals or entities of Mexican or foreign nationality may participate in the Competitive Bidding, whether individually or in a Joint Venture (in the understanding that individuals may not participate separately but only in a Joint Venture), provided they:

5.1 Acquire the Competitive Bidding Rules directly or through assignment and have proof of registration in their name or acquired by assignment, in accordance with these Rules. In the event of Joint Ventures, it will suffice for one of their members to have acquired the Bidding Rules and have the aforesaid proof, and

5.2 Comply with the requirements and conditions set forth in these Rules.

6. Joint Ventures.

Joint Ventures may be created to participate in the Competitive Bidding, provided they execute a Joint Venture Agreement, which must be submitted as part of the Technical Bid and which must contain, at least, the following:

6.1 The appointment of the common representative of the Joint Venture, who may be one of its members or a third party, who must be conferred with, as part of the clauses of the Joint Venture Agreement, by each of the members of the Joint Venture, sufficient authority to act and bind its principal in its name and on its behalf, in all acts regarding the Competitive Bidding.

6.2 Description of the participation of each member of the Joint Venture in the Project, its tasks and responsibilities.

6.3 The obligation of the members of the Joint Venture to incorporate the Specific Purpose Entity, in which they must participate as partners or shareholders, indicating the equity each of them will have in the capital stock, their participation in its management, or in any other function or position that is contemplated, should the Joint Venture be declared the Winning Bidder.

The Joint Venture Agreement must be formalized in a public deed and must be submitted as part of the Technical Bid.

7. Acquisition of the Rules and Bidder registration.

The proceedings of the Tender will be mixed, some events will be held through Compranet and others in person, as detailed in these Rules.

The Competitive Bidding Rules may be acquired at the domicile of the Inviting Entity within the timeframe established in the Competitive Bidding Schedule.

To acquire the Competitive Bidding Rules, the applicant must: a) provide in writing its name and domicile within the Federal District to hear and receive notices, the people authorized for such purposes, phone number, email and, if applicable, name, phone numbers and emails of the legal representatives of the applicant, enclosing the public deeds that evidence the authority of such representatives; and b) pay the amount of [\$_____ (_____)] including the value added tax, through certified or cashier's check issued by a banking institution in favor of the Federal Treasury.

Upon payment and submission of the above-mentioned private document, the Inviting Entity shall deliver a copy of the Competitive Bidding Rules, a copy of the acquisition receipt thereof and proof of registration of the Bidder in favor of the acquirer. This proof may be assigned to another person, together with a copy of the acquisition receipt of the Rules, which assignment must be evidenced through an assignment agreement executed between the parties.

8. Intervention and attendance to the acts of the Competitive Bidding and observers.

Only Bidders may intervene in the acts of the Competitive Bidding.

Any person may appear at the different public acts of the Competitive Bidding, as an observer, prior registration of its attendance before the Inviting Entity, who will issue the corresponding evidence. Observers must abstain from intervening in any way at the Competitive Bidding.

The person who wishes to register as an observer must request it in writing, at the domicile of the Inviting Entity, indicating its name and domicile in the Federal District to hear and receive notices, the people authorized for such purposes, phone number, email and, if applicable, name, phone numbers and emails of the legal representatives of the applicant, enclosing the public deeds that evidence the authority of such representatives.

The Inviting Entity shall grant the observer registration within five business days following the application date, in the understanding that it may participate in the events of the public bidding once it has proof of its registration.

9. Inquiries and Clarification Stage.

Bidders may submit inquiries and clarification requests in writing before the Inviting Entity through the CompraNet website, on the dates and times indicated in the Competitive Bidding Schedule that is herein enclosed as Exhibit 10, which shall be answered and addressed by the Inviting Entity through CompraNet. Inquiries and clarifications must be directly connected with the Invitation, these Competitive Bidding Rules and their Exhibits.

Once the period established to respond to and address the inquiries and clarifications referred to in the above paragraph has elapsed, Bidders may make inquiries and request additional clarifications, exclusively on the replies to the questions answered by the Inviting Entity, on the dates and times indicated for such purpose in the Competitive Bidding Schedule, through the CompraNet website. Inquiries and clarifications submitted on issues other than those set forth above shall be dismissed.

Responses from the Inviting Entity to the clarification requests additional to the answers made in the first round of questions shall be answered through CompraNet on the dates established in the Competitive Bidding schedule.

The Inviting Entity shall draft minutes of each of the inquiry and clarification events. Such minutes shall be published in CompraNet no later than on the business day following the conclusion of the events.

The above-mentioned minutes shall be signed by the Social Witness referred to in these Rules and by the representatives of the Inviting Entity, of Telecom and CFE, according to their intervention.

The content of the minutes referred to in the above paragraph shall be an integral part of these Rules and must be considered by the Bidders for the preparation of their Bids.

10. Amendment of the Competitive Bidding Rules.

Amendments to the Competitive Bidding Rules performed by the Inviting Entity, if the case may be, must comply with the following:

10.1 Have as sole purpose to facilitate the submission of Bids and the performance of the acts of the Competitive Bidding.

10.2 Must not imply a limitation in the number of participants in the Competitive Bidding.

10.3 Must be notified to each of the Bidders, no later than on the tenth Business Day prior to the submission of the Bids. If necessary, the date set forth for the submission and opening of the Bids may be deferred.

10.4 Bidders shall have the opportunity to withdraw from the Competitive Bidding, without such withdrawal implying a breach or the enforcement of any guarantee.

The amendments thus performed shall be part of the Competitive Bidding Invitation and Rules, and must therefore be considered by the Bidders in the preparation of their Bids.

11. Features and content of the Technical and Economic Bids.

The Technical and Economic Bids must comply with the requirements provided in these Rules and must be submitted in closed envelopes in the submission act, pursuant to numeral 12 below.

The presentation of the Proposals involve Bidders' unconditional acceptance of each and every one of the terms and conditions set out in these Rules.

Should the Proposal be submitted in a Joint Venture, a common representative thereof must be appointed, with ample and sufficient powers to address all that concerns the Proposal and the Competitive Bidding process. The common representative must sign and submit the Proposal.

In accordance with the above, in the event of submitting legal documents issued under foreign laws, they must be apostilled or legalized and, when drafted in a language other than Spanish, they must include the corresponding translation performed by an expert translator authorized by the qualified authorities for such purpose.

In the case of powers of attorney granted abroad, they must be apostilled or legalized and notarized before a Mexican Notary Public.

11.1 Technical Bid. The Technical Bid of the Bidders must include, in addition to the provisions in article 73 of the RLAPP, the following information and documentation:

11.1.1 The documents evidencing their legal capacity, identified in item 4.7.1 of these Rules.

11.1.2 The document evidencing their capacity to apply for and obtain all authorizations, permits, concessions and rights of way, among others, which are required for the development of the Project, identified in item 4.7.2 of these Rules.

11.1.3 The documents evidencing their administrative capacity, identified in item 4.7.3 of these Rules.

11.1.4 The documents evidencing their economic capacity, identified in item 4.7.4 of these Rules.

11.1.5 The documents evidencing their financial capacity, identified in item 4.7.5 of these Rules.

11.1.6 The documents evidencing their technical capacity, identified in item 4.7.6 of these Rules.

11.1.7 Private document containing an express statement that the Proposal is formally submitted, binds its issuer and shall not be subject to negotiation.

11.1.8 The Commitment Guarantee referred to in item 4.9.1 of these Rules.

11.1.9 The acquisition receipt of the Bidding Rules.

The Technical Bid must be consecutively numbered and countersigned in each of its pages by the Bidder and signed electronically thereby.

11.2 Economic Bid.

The Economic Bid must contain:

11.2.1 A closed envelope containing the percentage amount of the Offered Population Coverage, expressed with two decimals and included the deployment schedule corresponding figures, all of which shall not be less than the Minimum Coverage Required

11.2.2 A closed envelope containing the amount of the Extra Compensation, to be opened and used as an award criteria only in case of a tie between two or more Bidders.

11.2.3 The express statement that the bid is final, binds its issuer and is not subject to negotiation.

The Economic Bid must be consecutively numbered and countersigned in each of its pages by the Bidder and signed electronically thereby.

12. Submission and Opening of Bids.

Bidders must submit their Proposals in person, in the act that will take place for such purpose, on the dates, times and places indicated in the Competitive Bidding Schedule that is herein enclosed as Exhibit 10. The act of submitting the Proposals shall be presided by the General Manager of the Inviting Entity, with the appearance of the Social Witness and of a public attester.

Bidders may only submit one Proposal, which must include their Technical Bid and their Economic Bid, submitted simultaneously in separate closed envelopes, one for the Technical Bid and another for the Economic Bid, one that contains the Offered Population Coverage and the other the Extra Compensation.

Once the submission act has begun, the submitted Proposals may not be withdrawn or rescinded by the Bidders and shall be considered effective within the Competitive Bidding procedure until its conclusion with the execution of the PPP Contract.

Envelopes containing the Technical Bids shall be opened in a public session and their content shall be verified without further assessment before the Social Witness and the Public Attestor.

Technical Bids shall be delivered to the General Manager of the Inviting Entity to proceed to their evaluation.

Envelopes containing the Economic Bids, including the Extra Compensation, shall be sealed by the public attester, the Social Witness and the General Manager of the Inviting Entity and shall be delivered for safekeeping to the public attester.

Economic Bids shall only be opened in the public session that renders the Award of the Competitive Bidding, only with regards to the Bidders whose Technical Bids have been considered solvent pursuant to these Rules.

Minutes of the act of submission and opening of the Proposals shall be drafted, which shall include the relevant facts occurred, and the second minute shall state the date, time and place in which the award of the Competitive Bidding is rendered pursuant to the Competitive Bidding Schedule.

The minutes shall be signed by the Bidders, the General Manager of the Inviting Entity, the Social Witness and the public attester, delivering to each of them a copy thereof. The lack of signature from any Bidder shall not invalidate its contents and effects. Minutes shall serve as proof of the execution of the act and shall be published no later than on the following business day on the websites of the Inviting Entity and in CompraNet.

13. Evaluation of Bids.

After the submission of the Proposals, the Inviting Entity shall evaluate the same in accordance with the following:

First of all the Technical Bids shall be evaluated in accordance with the provisions in articles 52 to 56 of the LAPP and the provisions in these Rules.

The Inviting Entity shall issue an evaluation opinion of the Technical Bids, which shall state the reasons for considering them solvent or insolvent.

The following Proposals shall not be deemed solvent:

1. Incomplete Proposals in which the lack of information or documents prevents their proper evaluation and determination of solvency.
2. Those that do not comply with the legal, technical or economic conditions expressly provided in the Bidding Rules as relevant for the solvency of the Proposal.
3. Those that incur in any of the disqualification causes provided in these Rules.

The envelopes containing the Offered Population Coverage of the Economic Bids shall only be opened after having evaluated the Technical Bids. Inviting Entity will evaluate only the economic bids containing the Offered Population Coverage of those Bidders whose Technical Bids comply with the requirements provided in the Competitive Bidding Rules and are therefore deemed solvent.

14. Competitive Bidding Award.

Having evaluated the Proposals, the project shall be awarded to the participant who has submitted a solvent Technical Bid and the Economic Bid with the highest Offered Population Coverage, pursuant to the criteria set forth herein.

14.1 The ruling shall award the Project or shall declare the Competitive Bidding abandoned.

In case of a tie between two or more Bidders in the Offered Population Coverage of the Economic Bids, the criteria that will be used as tiebreaker shall be whoever offers the highest Extra Compensation. Therefore, only in such case shall they proceed to open the envelope containing the Extra Compensation, in order to determine the winner of the Competitive Bidding.

The Inviting Entity may choose to award the Project, even when there is only one Bidder, provided such Bidder complies with the requirements of the Competitive Bidding and its proposal is acceptable to the Inviting Entity.

The Competitive Bidding shall be declared abandoned when:

1. No applicant acquires the Competitive Bidding Rules.
2. No Proposals are submitted.
3. The submitted Proposals do not comply with the applicable requirements.
4. The economic bids of the Proposals are not acceptable, in accordance with item 11.2 of these Rules.
5. All Bidders are disqualified.

The Inviting Entity shall prepare a report that will serve as grounds for the ruling, which shall describe the analysis of the Proposals, the reasons for admitting or dismissing them, the comparison thereof and, if applicable, the elements for which the winning Proposal is the one that offers the best conditions for the State. It shall not include privileged or confidential information in terms of the applicable provisions.

The award shall be rendered in a public meeting on the date, time and place set forth for such purposes in the Competitive Bidding Schedule that is herein enclosed as Exhibit 10. In addition to the foregoing, the award shall be published in the websites indicated in item 20 of these Rules and in CompraNet no later than on the business day following the public meeting where the award is made known.

When an arithmetic, typographical or any other type of mistake is found in the award, which does not affect the result of the evaluation performed, the Inviting Entity shall proceed to its correction, through a private document that shall notify all Bidders. If the mistake is not subject to correction pursuant to the foregoing, the correction – duly grounded- must be authorized by the head of the Inviting Entity, in which case it shall notify its corresponding internal control department.

In the case the Offered Population Coverage is presented with more than two decimal places, it will be truncated to two decimal places without rounding.

14.2 Public meeting to render the award.

The public meeting for the rendering of the award of the Competitive Bidding shall be presided by the General Manager of the Inviting Entity with the presence of the Social Witness and the notary public, and shall be held on the dates, times and places indicated in the Competitive Bidding Schedule that is herein enclosed as Exhibit 10.

First of all, the Technical Bids that have been deemed solvent in accordance with these rules shall be made known through the Technical Bid opinion. The reasons for such determination shall be provided in the opinion and in the corresponding award.

Once the solvent Technical Bids have been determined, the public attestor shall submit the envelopes containing the Economic Bids and shall separate those corresponding to the Technical Bids that were not conserved solvent, in order to proceed at that time to their destruction. Once destroyed, the public attestor shall deliver to the General Manager of the Inviting Entity the envelopes containing the Economic Bids corresponding to the Technical Bids considered solvent.

The General Manager of the Inviting Entity shall organize the Economic Bids in alphabetical order and shall proceed to open the envelopes containing the Offered Population Coverage, mentioning one by one.

In case of a tie between two or more bidders, the notary public shall provide the Director General of the Inviting Entity, the envelopes containing the Extra Compensation corresponding to the Economic Bids tied, to proceed with their opening, mentioning one to one the Extra Compensation contained therein.

Having done this, the General Manager shall proceed to render the corresponding award, which shall be publicly read in such session.

Minutes of such act shall be drafted, which shall state the relevant facts occurred and shall be signed by the Bidders, by the General Manager of the Inviting Entity, the Social Witness and the Public Attestor, providing each with a copy thereof. Failure to sign by any Bidder shall not nullify its content and effects. The minutes shall evidence the act and shall be published no later than on the following business day on the websites www.sct.gob.mx, www.compranet.gob.mx, www.redcompartida.gob.mx. and (www._____.gob.mx).

14.3 Dismissed Proposals.

The insolvent Proposals shall be dismissed and destroyed in accordance with these Rules, unless there is any pending proceeding, in which case they shall be destroyed after final conclusion thereof.

15. Post-Award Acts

15.1 Incorporation of the SPE

The Winning Bidder shall have the obligation to evidence to the Inviting Entity, within 30 (thirty) Business Days after the award, the incorporation of the Special Purpose Entity, with the specifications requested to such end by these Rules, with whom the Inviting Authority

will execute the PPP Contract. Likewise, within the same term, the Winning Bidder must provide to the Inviting Entity the information and documentation regarding such entity, including a certified copy of the corresponding articles of incorporation.

15.2 Notification of the award to the IFT and application of concession titles.

15.2.1 Notification of the award of the Competitive Bidding to the IFT. The Inviting Entity shall notify the IFT on the rendering of the award of the Competitive Bidding, within 10 (ten) Business Days following its issuance, including in such notice the information regarding the Winning Bidder, and any other information that the Inviting Entity deems necessary to notify to the IFT.

15.2.2 Submission of documents and information by the Winning Bidder to the IFT. The Winning Bidder must submit to the IFT the application for the Wholesaler Concession, within 10 (ten) Business Days following the constitution of the SPE, and must file the application in accordance with the "General Guidelines for Granting Concessions to terms title Four of the Federal Telecommunications and Broadcasting Act" published in the Official Gazette on July 24, 2015. Once the IFT having reviewed such documentation and deeming it admissible, it shall grant the Winning Bidder the Wholesaler Concession Title.

15.2.3 Delivery of the Concession Title for the use of the Spectrum. Within [] Business Days following the rendering of the award, the IFT shall grant to the Inviting Entity the Spectrum Concession title.

16 Execution of the PPP Contract and Related Documents.

The PPP Contract shall be executed on the date, time and place indicated in the Competitive Bidding Schedule that is herein enclosed as Exhibit 10. Likewise, on the same date of execution of the PPP Contract, Telecom shall provide to the Winning Bidder and shall execute therewith, the corresponding documentation regarding the assignment of rights of use of the pair of fiber optic strands on the Backbone Network, pursuant to the provisions in these Rules and in the PPP Contract.

The SPE incorporated by the Winning Bidder shall be the one to execute the PPP Contract and shall comply with the concepts and information with which it obtained the Antitrust Opinion, whether favorable or favorable subject to conditions, provided such provisions were met.

In the event the PPP Contract is not executed within the aforesaid term, for unjustified causes imputable to the Winning Bidder, the corresponding guarantees shall be enforced. In this case, the Project may be awarded to the Bidder whose Economic Bid was granted second place and, should such Bidder not accept, to subsequent Bidders, provided the new awardee complies with all of the conditions herein provided and the difference with the Economic Bid that initially wins is not greater than the equivalent to ten percent, calculated over the basic Economic Bid that initially won.

If after the Competitive Bidding the Inviting Entity decides not to execute the PPP Contract, it shall pay upon written request of the Winning Bidder the unrecoverable costs incurred thereby. Reimbursements shall only proceed with regards to unrecoverable expenses effectively performed, which are reasonable and properly documented, indispensable and directly connected to the submission of the winning Proposal in the Competitive Bidding, and which amount falls within market prices.

In any event, they shall be limited to the following concepts: the acquisition cost of the Competitive Bidding Rules, the cost incurred for the granting of the Commitment Guarantee requested to participate in the Competitive Bidding and the cost of preparing and integrating the winning Proposal, among others. In no event may such cost exceed the equivalent of five million Investment Units. The winner may request reimbursement within a maximum term of 20 (twenty) Business Days from the date set in the Rules for the execution of the PPP Contract. The reimbursement shall be made within ninety (90) Business Days following the receipt of the request.

16.1 Payment of fees or costs and expenses of the Financing Agent (investment bank).

The Developer must have paid within 5 (five) Business Days after the signing of the contract, directly and in full, the fees or costs and expenses disbursed by the Financing Agent, and must display proof of such payment in accordance with the provisions of the PPP contract.

The Winning Bidder must pay directly to the Financing Agent engaged by the SCT, its administrative units or by the Inviting Agency for the development and implementation of this Competitive Bidding, the sum which corresponds to the full amount of fees, costs and expenses disbursed and specified at the signing of the PPP contract, in accordance with the provisions in article 100, section IV of the LAPP.

The studies, deliverables, products and services derived from the agreement with the Financing Agent shall be for the benefit and property of the SCT, its administrative units or the Inviting Agency that entered into such engagement.

The contact details of the Financing Agent are the following:

Name: _____.

Address: _____.

Email: _____.

Phone No.: _____.

The PPP contract will be subject to a terminating condition dependant upon the payment described in this paragraph, in the terms established.

17. Granting of the Contract Performance Guarantee. Once the PPP Contract has been executed, the Developer must deliver the Contract Performance Guarantee within the terms and pursuant to the conditions that are set forth in the PPP Contract.

Once the Contract Performance Guarantee has been delivered by the Developer, the Inviting Entity shall proceed to the release of the Commitment Guarantees of the other Bidders referred to in item 4.9.1 of these Rules.

18. Nature of the Information.

Pursuant to the provisions in the Federal Transparency and Access to Public Government Information Act (*Ley Federal de Transparencia y Acceso a la Información Pública Gubernamental*), all documentation provided by the participants in the Competitive Bidding is public, unless any of the reservations identified in the aforesaid law is submitted, including if the Bidders deliver information duly identified as confidential, privileged or reserved, provided they have the right to reserve the information, pursuant to the applicable provisions and in terms of articles 18 and 19 of the aforesaid Law. For purposes of the foregoing, Bidders may deliver a letter executed by the applicant or its legal representative, identifying the parts of the Proposal that, if the case may be, are considered as confidential, privileged or reserved.

Failure to deliver such letter does not limit the Bidder's participation but it will be assumed that the information provided shall be of a public nature.

19. Notices.

Notices that the Inviting Agency needs to make to the Bidders under the Competitive Bidding Rules shall be performed through the CompraNet system or through personal notice at the domicile provided by each of the Bidders.

20. Electronic Broadcasting Websites –Internet- where the information regarding the Competitive Bidding may be consulted.

The websites where the invitation and other data and information regarding the competitive bidding may be consulted are: www.sct.gob.mx, www.compranet.gob.mx, www.redcompartida.gob.mx. and (www._____gob.mx)

21. Cancellation of the Competitive Bidding.

The Inviting Entity may cancel the Competitive Bidding:

1. Due to an act of God or force majeure.
2. When the conditions for the development of the Project are substantially modified.

3. When the need to execute the Project ceases to exist.
4. When duly justified circumstances occur which, should the Competitive Bidding continue, could harm or damage the Inviting Agency.

Unless the cancellation is due to an act of God or force majeure, the Inviting Entity shall pay to the Bidders the unrecoverable expenses which are admissible in accordance with the following:

1. It shall cover unrecoverable expenses effectively performed, documented, indispensable and directly connected with the submission of the Proposals in the cancelled Competitive Bidding, and which amount falls within market. In any event, they shall be limited to the following concepts:
 - a) The acquisition cost of the Competitive Bidding Rules;
 - b) The cost to issue the Commitment Guarantee requested to participate in the Competitive Bidding;
 - c) The cost of preparing and integrating the Proposals.
2. In no event may such costs exceed, per participant, the equivalent to five million Investment Units.
3. If the cancellation is made on the date of filing and opening of the Proposals or afterwards, the reimbursement shall only proceed to whoever filed a Proposal.

Bidders may request the reimbursement within a maximum term of 20 (twenty) Business Days after the date of cancellation of the Competitive Bidding. The reimbursement shall be made within a term of 90 (ninety) Business Days from the date originally set in the Competitive Bidding Schedule for the execution of the Contract.

22. Rules of Interpretation.

22.1 In case of a contradiction or difference between the Invitation and the Rules, the Rules shall govern.

22.2 Between the terms and conditions provided in the Competitive Bidding rules and those provided in the Exhibits of the Rules, on one hand, and the minutes of the clarification event meetings, on the other, the minutes of the clarification event meetings shall govern.

22.3 Between the electronic versions issued by the Inviting Agency and any physical copy of the Rules, the electronic versions published in CompraNet shall govern.

22.4 Between two versions of the same document, the most recent version shall govern.

22.5 Between an original and its copies, the original shall govern.

22.6 Between the original document and its translation, the translated document shall govern, provided the Spanish translation has been prepared by an authorized expert for such purpose.

22.7 Between amounts in letters and amounts in numbers, those in letters shall govern.

22.8 Between two monetary amounts (of a certain price or cost) that refer to the same concept, the amount that favors the State shall govern.

22.9 In the event of a discrepancy between the number of services, infrastructure elements, equipment, capacity or any similar concept that the Bidder offers to provide, the reference to the higher number shall govern.

22.10 Between the original print and the electronic files, if both have been filed as part of the Proposal, the original printed version shall govern.

23. Means of Appeal.

Against the ruling that awards the Project, the Bidder may choose to file:

23.1 The administrative motion for review, pursuant to the Federal Administrative-Law Procedural Rules Act (*Ley Federal del Procedimiento Administrativo*); or

23.2 The motion for annulment before the Federal Tax and Administrative-Law Court (*Tribunal Federal de Justicia Fiscal y Administrativa*).

Against the other rulings of the Inviting Entity rendered during the Competitive Bidding, no other ordinary instance or motion shall be admitted and, if any Bidder considers that an irregularity has occurred in such rulings, it may appeal them.

24. Public Officers responsible for the Competitive Bidding.

Public officers responsible for the Competitive Bidding are:

1. Name, address and email.
2. Name, address and email.

24. Social Witness.

This Competitive Bidding shall have a social witness, whose participation shall comply with the provisions in article 64 of the RLAPP.

The contact details of the social witness selected by the Secretary of Public Administration (Secretaría de la Función Pública) are as follows:

Name: Transparencia Mexicana , A.C.

Address : Dulce Olivia 73 , Colonia Villa Coyoacan. Coyoacán . Mexico DF. C.P. 04000 .

Email : gramirez@tm.org.mx .

Phone No.: 14 565 947 ext. 104 or 105 .

26. Public Attestor (Notary Public).

The Inviting Entity shall request the appearance and participation of a public attestor for the acts of public opening of the Technical Bids and of the Economic Bids that are part of the Proposals, the rendering of the public award of the competitive bidding and the execution of the PPP Contract. The Inviting Entity may request that such public attestor participates in any other act of the Competitive Bidding.

27. Anti-bribery information.

Taking into account that the "Informative Note for participants of member countries of the Organization for Economic Co-operation and Development (OECD) and parties to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions", which is attached to the Official Circular Letter No. SACN/300/148/2003 dated September 3, 2003, issued by the Office of the Undersecretary of Citizenship and Statutory Law (*Subsecretaría de Atención Ciudadana y Normatividad*) of the Secretary of Public Administration, for its relevance in this Competitive Bidding let it be known:

Exhibit to the Official Circular Letter No. SACN/300/148/2003

Informative Note for participants of member countries of the Organization for Economic Co-operation and Development (OECD).

Mexico's commitment in the fight against corruption has transcended our borders and the scope of action of the federal government. In an international scale and as member of the Organization for Economic Co-operation and Development (OECD) and party to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, we have undertaken responsibilities involving the public and private sectors. This Convention seeks to establish measures to prevent and sanction people and companies that promise or give facilitation payments to foreign public officials who participate in international business transactions. Its purpose is to eliminate unfair trade and to create equal opportunities for companies who compete for government contracts.

The OECD has established clear mechanisms for countries party to the Convention to comply with the recommendations issued thereby and in the case of Mexico, it will begin in November 2003 a second evaluation stage – the first has already been approved – where a group of experts will verify, among other matters:

The compatibility of our legal framework with the provisions of the Convention.

The knowledge of the public and private sectors of the Convention's recommendations.

The outcome of this evaluation will impact the level of investment granted to Mexico by rating agencies and bringing foreign investment.

The responsibilities of the public sector are focused on:

Elaborating the legal reforms that began in 1999.

Broadcast the recommendations of the Convention and the obligations of each of the parties engaged in its fulfillment.

Submit cases of bribery in process and concluded (including those regarding money laundering and extradition).

The responsibilities of the private sector include:

Companies: adopt preventive measures such as the establishment of codes of conduct, of best corporate practices (internal controls, monitoring, public financial information, external audits) and mechanisms that prevent the offering and granting of funds or assets to public officials, to obtain benefits in particular or for the company.

Public accountants: perform audits; abstain from covering illicit activities (double accounting and improper transactions, such as false accounting records, fraudulent financial reports, unauthorized transfers, access to assets without management consent); using accurate accounting records; inform management of illegal behaviors.

Lawyers: promote the compliance with and review of the Convention (stress the mandatory nature between the convention and Mexican law): promote preventive measures that must be adopted by the companies.

Sanctions imposed to individuals or (private) entities and to public officials who breach the recommendations of the Convention, imply, among others, imprisonment, extradition, confiscation and/or seizure of money or assets.

Likewise, it is important to understand that the payment made to foreign public officials is prosecuted and punished notwithstanding if the official is accused or not. Investigations may be commenced upon accusation, but also by other means, such as the review of the estate of public officials or the identification of illicit transactions, in the case of companies."

The accused may be prosecuted in any member country of the Convention notwithstanding the place where the act of bribery has been committed.

As these guidelines are known by the companies and public officials of the country, we will be contributing to the construction of preventive measures that prevent us from breaching the recommendations of the convention and therefore incurring in acts of corruption.

On the other hand, it is important to mention that the Federal Criminal Code sanctions bribery in the following terms:

“Article 222

An act of bribery is committed by:

I. The public official who, on its own account or through a third party unduly requests or receives for itself or for another, money or any other gift, or accepts a promise, to perform or cease performing anything fair or unfair regarding its duties, and

II. Whoever gives or offers spontaneously money or any other gift to any of the people mentioned in the above paragraph, so that any public official performs or omits a fair or unfair act regarding its duties.

Whoever commits the crime of bribery shall be subject to the following sanctions:

When the amount or value of the gift or promise does not exceed the equivalent to five hundred times the minimum daily wage in force in the Federal District at the time the crime is committed, or is not valuable, a penalty of three months to two years of prison, a fine of thirty to three hundred times the minimum daily wage in force in the Federal District at the time the crime is committed and destitution and banning of three months to two years to occupy another job, title or public office shall be imposed.

When the amount or the value of the gift, promise or benefit exceeds five hundred times the minimum daily wage in force in the Federal District at the time the crime is committed, a penalty of two years to fourteen years of prison, a fine of three hundred to five hundred times the minimum daily wage in force in the Federal District at the time the crime is committed and destitution and banning of two years to fourteen years to occupy another job, title or public office shall be imposed.

In no event shall the money or gifts delivered be returned to the parties responsible for the crime of bribery, which shall be applied for the benefit of the State.

Chapter XI.

Bribery to foreign public officials

Article 222 bis

The penalties set forth in the previous article shall be imposed to whoever offers, promises or gives, on its own account or through third parties, money or any other gift, whether in assets or in services, with the purpose of obtaining or retaining for itself or for another person undue advantages in the development or performance of international business transactions:

I. To a foreign public official to apply for or abstain from requesting the processing or resolution of matters related to tasks inherent to its employment, title or commission;

II. To a foreign public official to carry out the processing or resolution of any matter that is outside the scope of the duties inherent to its employment, title or commission, or

III. To any person to appear before a foreign public official and request or propose to carry out the processing or resolution of any matter regarding the duties inherent to the employment, title or commission of the latter.

For purposes of this article, a foreign public official shall be understood as any person who occupies a public position considered as such by the applicable laws, in the legislative, executive or judicial branches of a foreign State, including agencies or autonomous, independent or state-owned companies, in any government order or level, as well as any international public agency or organization.

When any of the crimes contemplated in this article is committed under any of the assumptions referred to in article 11 of this Code, the judge shall impose to the legal entity a fine of up to five hundred days and may rule its suspension or dissolution, taking into account the level of knowledge of management with regards to the bribe in the international transaction and the damage caused or the benefit obtained by the legal entity.

Mexico City, Federal District, on _____, 2015.

MANAGER OF THE AGENCY
AGENCY FOR THE DEVELOPMENT OF INVESTMENTS IN TELECOMMUNICATIONS,
OPRITEL

C. _____

EXHIBIT 1
GLOSSARY OF TERMS

1. Financing Agent: Means the advisor in financing and economic matters hired by the SCT, its administrative units or by the Inviting Agency, during the development and implementation of this Competitive Bidding.
2. Rules: Means the Rules of the Competitive Bidding that are set forth herein.
3. Competitive Bidding Schedule: Means the schedule of the Competitive Bidding that is herein enclosed as Exhibit 10.
4. CFE: Means the Federal Electricity Commission.
5. Client: Concessionaire or Vendor of telecommunication services that engages Wholesale Telecommunication Services of the *Red Compartida*.
6. Coverage: The geographical zone where the *Red Compartida* offers Wholesale Telecommunication Services and in which limits an up-link data transfer speed of at least one (1) megabit per second and a down-link speed of at least four (4) megabits per second can be measured in peak hours.
7. Minimum Required Coverage: Means a nationwide Coverage of at least 25% (twenty five percent) of the Aggregate Population as of March 31, 2018; of at least 40% (forty percent) of the Aggregate Population as of March 31, 2019; of at least 55% (fifty five percent) of the Aggregate Population as of March 31, 2020; of at least 65% (sixty five percent) of the Aggregate Population as of March 31, 2021; of at least 75% (seventy five percent) of the Aggregate Population as of March 31, 2022; and of at least 85% (eighty five percent) of the Aggregate Population as of March 31, 2023.

In order to calculate the compliance of the Minimum Required Coverage, per each 1% (one percent) of the Aggregate Population within the Major Cities, the Developer must evidence at least 0.29% (zero point twenty nine percent) of the Aggregate Population within the Coverage in Minor Locations.

The calculation of the Aggregate Population within the Coverage shall be performed based on the last National Population and Housing Census published by the National Geography and Statistics Institute (*Instituto Nacional de Geografía y Estadística* – INEGI) for each of the performance dates.

8. Offered Population

Coverage: It is the percentage expressed with two decimals of the Aggregate Population nationwide regarding the Minimum Required Coverage at the Time of Measurement.

9. Vendor: Any person who provides telecommunication services to End Users through the use of the capacity of one or several public telecommunication networks without acting as a Concessionaire.

10. CompraNet: The electronic public government information system on acquisitions, leases and services of the federal public sector, as well as of public works and related services thereof, managed by the Ministry of Government Affairs, published in the following website: www.compranet.gob.mx.

11. Spectrum

Concession: Means the concession title for commercial use granted by the IFT in favor of the Inviting Entity for commercial use, which grants the right to use, profit from and exploit the spectrum broadband including the segments of 703 to 748 MHz and of 758 to 803 MHz with a total of 90 MHz nationwide, which template is herein enclosed as Exhibit 2.

12. Telecomm

Concession: Means the Wholesale Concession granted by the IFT in favor of Telecomm, derived from the assignment of the public telecommunication network concession rights mandated by article fifteenth transitory of the Executive Order of Constitutional Reform.

13. Wholesale Concession: Means the concession title for commercial use which grants the right to commercialize Wholesale Telecommunication Services granted by the IFT to the SPE, which template is herein enclosed as Exhibit 3.

14. Concessionaire: The individual or entity that holds one of the concessions provided in the LFTR.

15. Bidder: The legal entity or Joint Venture that has acquired the Competitive Bidding Rules and has the proof of registration granted by the Inviting Entity pursuant to these Rules.
16. Winning Bidder: The Bidder who is awarded the Project in terms of the Competitive Bidding Rules, who must incorporate a Mexican Specific Purpose Entity to act as the Developer.
17. Competitive Bidding: The international competitive bidding no. _____ which is governed by and shall be developed in accordance with the provisions in these Rules.
18. Joint Venture: The group of Mexican and/or foreign individuals or entities acting as a sole Bidder through a common representative, and who have executed, for such purposes, a Joint Venture Agreement.
19. PPP Contract: A Public-Private Partnership Contract to be entered into by and between the Inviting Entity and the Developer or the SPE, which shall establish the terms and conditions to carry out the Project. The PPP Contract template is herein enclosed as Exhibit 4.
20. Joint Venture Agreement: The agreement entered into by the members of a Joint Venture in order to participate in the Competitive Bidder, which must contained the requirements provided in item 7 of these Rules.
21. Invitation: The Invitation to the Competitive Bidding dated _____, 2015, published in the Internet website of the Inviting Entity, in the DOF, in CompraNet and in the national newspaper "_____", on _____.
22. Executive Order of Constitutional Reform: Executive order that amends and supplements several provisions of articles 6th, 7th, 27, 28, 73, 78, 94 and 105 of the Political Constitution of the United Mexican States, in telecommunication matters, published in the Federal Official Gazette on June 11, 2013.
23. Executive Order that Enacts the LFTR: Executive Order that enacts the Federal Telecommunications and Broadcasting Act and the Public Broadcasting Systems Act of the Mexican State; and amends, supplements and repeals several

provisions in telecommunications and broadcasting matters, published in the Federal Official Gazette on July 14, 2014.

24. Developer: The Mexican Specific Purpose Entity that must be incorporated by the Winning Bidder pursuant to the provisions in article 91 of the Public-Private Partnership Act and 104 of the Regulations of the Public-Private Partnership Act, with whom the Inviting Entity shall execute the PPP Contract and to whom the IFT shall grant the Wholesale Concession.
25. Business Day: Any day except those considered a non-business day pursuant to article 28 of the Federal Administrative-Law Procedural Rules Act and those contemplated in the Holiday Schedule of the IFT, regarding the acts of the Competitive Bidding where such entity intervenes.
26. DOF: The Federal Official Gazette.
27. Domicile of the Inviting Entity: The one located at Avenida Xola y Universidad s/n, Centro Nacional SCT, Cuerpo "C", piso 1, oficina _____, Colonia Narvarte, Delegación Benito Juárez, Código Postal 03020, in Mexico City, Federal District.
28. Inviting Entity: The Agency for the Development of Investments in Telecommunications, OPRITEL, created through the executive order published in the DOF on [____], 2015.
29. Administration Trust: Means the irrevocable investment, administration and source of payment trust, to be created by the Developer in terms of the provisions of the PPP Contract.
30. Reserve Fund: Means the Reserve Fund that will be created in terms of the provisions in the PPP Contract and in accordance with the purposes of the Administration Trust.
31. Commitment Guarantee: Shall have the meaning assigned to such term in Section 4.9.1 of these Rules.
32. Contract Performance Guarantee: Shall have the meaning assigned to such term in Section 4.9.2 of these Rules.

33. Extra Compensation: Means the contribution of an amount of money offered as a tiebreaker criteria between two or more Bidders.
34. Capital Expenditures: Means the capital expenditures – CAPEX, needed for the installation and deployment of the *Red Compartida*, including the cost of rent of the main equipment and infrastructure for the provision of services through such network, or the prorated cost of the other contracts related to the cost of such main equipment or infrastructure.
35. Peak Hour: Means between 08:00 (eight o'clock a.m.) and 20:00 (eight o'clock p.m.) hours, local time, Monday through Friday. The Inviting Entity may establish specific hours, according to the traffic information provided by the Developer.
36. Business Hours: Those between 8:00 and 18:00 hours pursuant to article 30 of the Federal Administrative-Law Procedural Rules Act.
37. Official Identification: The voting card issued by the National Voting Institute (formerly the Federal Voting Institute), the passport, professional license or military card issued by the National Military Service, in force in any of the aforesaid cases.
38. IFT: The Federal Telecommunications Institute.
39. LAPP: The Public-Private Partnership Act.
40. LFTR: The Federal Telecommunications and Broadcasting Act.
41. Major Cities: Means the cities of 10,000 or more inhabitants according to the last National Population and Housing Census published by the National Geography and Statistics Institute.
42. Minor Locations: Means the locations of less than 10,000 inhabitants according to the last National Population and Housing Census published by the National Geography and Statistics Institute.
43. Time of Measurement: Means the peak hour of the Business Day following the date corresponding to the seventh anniversary of the execution of the PPP Contract.

44. Economic Bid: Means the part of the Proposal that must be submitted by the Bidders, which must include the information referred to in item 11.2 of these Rules.
45. Technical Bid: Means the part of the Proposal that must be submitted by the Bidders, which must include the information referred to in item 11.1 of these Rules.
46. Business Transactions: Means having executed at least one contract with a Client to whom Wholesale Telecommunication Services have been rendered through the *Red Compartida*.
47. Antitrust Opinion: Resolution issued by the IFT in terms of articles 98 of the Federal Antitrust Act and 123 of the Regulatory Provisions of the Federal Antitrust Act for the telecommunications and broadcasting sectors.
- The Antitrust Opinion rendered by the Plenary Session of the IFT must have one of the following outcomes: favorable, favorable subject to condition precedents, or unfavorable.
48. Country: Means the United Mexican States.
49. Aggregate Population: Means the aggregate population based on the most recent National Population and Housing Census published by the National Geography and Statistics Institute (INEGI) at the Time of Measurement.
50. Competition Neutrality Principles: [The general administrative provisions] to be issued by the Plenary Session of the Federal Telecommunications Institute, prior private consultation, pursuant to articles 141 and 3, section XXXVIII, of the Federal Telecommunications and Broadcasting Act, applicable to concessionaires with public participation, with business purposes. These provisions shall set forth [the criteria and methodology] for concessionaires to have separate accounts of their provision of Wholesale Telecommunication Services.
- Having received its corresponding title, the Developer shall act as concessionaire of telecommunication services with business purposes and public participation, and shall thus be subject to comply with the Competition Neutrality Principles that shall include

but not be limited to the separation of accounts of its wholesale telecommunication service rendering activities.

51. Proposal: Means the Technical Bid and the Economic Bid of the Bidder, which must be filed in the corresponding stage pursuant to these Rules.
52. Project: The public-private partnership project that shall be awarded through the Competitive Bidding, for the design, installation, deployment, operation, maintenance and upgrading of the *Red Compartida* and the marketing of the Wholesale Telecommunication Service through such network.
53. Red Compartida: The public telecommunication network exclusively destined to market the capacity, infrastructure or wholesale telecommunication services to other concessionaires or vendors referred to in article sixteenth transitory of the Executive Order that amends and supplements several provisions of articles 6th, 7th, 27, 28, 73, 78, 94 and 105 of the Political Constitution of the United Mexican States, in telecommunication matters.
54. Backbone Network: The fiber optic network owned by the CFE that runs over the national electric high voltage network referred to by article fifteenth transitory of the Executive Order of Constitutional Reform.
55. RLAPP: The Regulations of the Public-Private Partnership Act.
56. SCT: The Ministry of Communications and Transportation.
57. Wholesale Telecommunication Service: Telecommunication service consisting in the supply of access to individual elements, capacities or services of the *Red Compartida*, including interconnection services, which are used by Concessionaires or Vendors to render telecommunication services to End Users.
58. Special Purpose Entity or SPE: The Mexican business company that must be incorporated to execute the PPP Contract and to develop the Project, pursuant to the provisions in articles 91 of the LAPP and 104, 105 and 106 of the RLAPP.

59. Telecomm: The decentralized entity known as *Telecomunicaciones de México*.
60. End User: The individual or entity using a telecommunication service as end user.

PRELIMINARY

EXHIBIT 2
SPECTRUM CONCESSION TEMPLATE

THIS MODEL IS IN AN ATTACHMENT

PRELIMINARY

EXHIBIT 3
WHOLESALE CONCESSION TEMPLATE

THIS MODEL IS IN AN ATTACHMENT

PRELIMINARY

EXHIBIT 4
PPP CONTRACT TEMPLATE

THIS MODEL IS IN AN ATTACHMENT

PRELIMINARY

EXHIBIT 5
MINIMUM TECHNICAL SPECIFICATIONS OF THE RED COMPARTIDA

The Developer must ensure the compliance with at least the set of technical requirements herein provided for the design, implementation, operation and expansion of the *Red Compartida*, notwithstanding the general provisions that it must observe as a telecommunication service provider in terms of the LFTR and other applicable provisions.

1. *Minimum Features.*

The *Red Compartida* must operate under principles of sharing all of its infrastructure and the disaggregated sale of all of its services and capacities. It must be designed and deployed based on 4G mobile technology and must provide advanced voice, data and other possible services through the 4G technology. Moreover, the *Red Compartida* must have the necessary configurations to provide voice interface services for existing mobile networks.

The *Red Compartida* must support applications such as multicast transmission services, services based on geographic location, services requiring traffic priority policies from their Clients, short messaging services (SMS), multimedia messaging services (MMS), emergency and security services, transfer and reception of videos, videoconferences and other common applications for mobile networks. It must support at all times the latest commercial versions of fixed and mobile wireless devices.

It must have functionalities and capacities to render the services offered by the networks of its own Clients and guarantee compliance with the level of quality of the services to End Users. All agreements needed to maintain the quality of the services shall be managed by the Developer and its Clients. The Developer shall comply with the guidelines set by the IFT on quality of mobile and fixed services, at any time.

The Developer shall, at all times during its operation, comply with, among other provisions, the following:

- The Federal Telecommunications and Broadcasting Act, published in the DOF on July 14, 2014 and any further amendment thereof.
- The Main Numbering Technical Plan (*Plan Técnico Fundamental de Numeración*), published in the DOF on June 21, 1996, and any further amendment or supplement thereof.
- The Main Signaling Technical Plan (*Plan Técnico Fundamental de Señalización*), published in the DOF on June 21, 1996, and any further amendment or supplement thereof.
- Local Service Rules, published in the DOF on October 23, 1997, and any further amendment or supplement thereof.

- Main Interconnection and Interoperability Technical Plan (*Plan Técnico Fundamental de Interconexión e Interoperabilidad*), published in the DOF on February 10, 2009, and any further amendment or supplement thereof.
- Decree whereby the Plenary Session of the IFT issued the Technical Standard IFT-006-2015: Telecommunications-Interface-Part of signaling system message transfer through common channels, and its subsequent amendments or supplements.
- DECREE whereby the Plenary Session of the Federal Telecommunications Institute issued the Numeric Portability Rules and amends the Main Numbering Technical Plan, the Main Signaling Technical Plan and the operational specifications for the portability implantation of geographical and non-geographical numbers published in the DOF on November 12, 2014, and its subsequent amendments or supplements.
- DECREE whereby the Plenary Session of the Federal Telecommunications Institute established the provisions that must be complied with by concessionaires rendering public telecommunication services through public telecommunication networks, derived from the obligation to abstain from making National long distance call charges to users for calls made to any national destination as from January 1st, 2015, published in the DOF on December 24, 2014.
- Decree whereby the Plenary Session of the Federal Telecommunications Institute establishes the minimum technical conditions for Interconnection between concessionaires who operate public telecommunication networks, published in the DOF on December 31, 2014, and its subsequent amendments or supplements.
- Decree whereby the Plenary Session of the Federal Telecommunications Institute defines the interconnection points to the public telecommunication network of the Preponderant Economic Agent, published in the DOF on February 17, 2015, and its subsequent amendments or supplements.
- Any other legal standard, whether regulatory or administrative, that apply to concessionaires of public telecommunication networks, radioelectric spectrum broadband concessionaires or concessionaires who operate public wholesale telecommunication networks, issued by the Federal Telecommunications Institute, the Ministry of Communications and Transportation or any other authority with regards to the provision of telecommunication services.

2. Access network and transportation network.

The Developer shall be responsible for providing and procuring the means of transfer and the access network required for the Provision of Services. Likewise, it must ensure the transportation capacity, towers and equipment, whether with its own means or subleased to other vendors to support trustworthy connections among all the components of the network, including links between radio-bases and fixed or mobile terminals.

3 Central network services management.

The Developer shall be responsible for providing all core network equipment necessary to guarantee reliability of the services as well as interconnection with other public telecommunication services.

4 Installation of radio-bases and sites.

The Developer shall be responsible for the acquisition, lease and deployment of all sites, network planning and equipment and installation costs. This includes, among others, civil works, installation of towers, equipment and installation of transmission links between the radio-bases or presence sites and the operation, energy and energy backup system center(s).

Space sharing schemes in existing towers, as well as other infrastructure sharing options shall be accepted, in order to reduce costs and optimize the business plan and the deployment schedule of the *Red Compartida*.

5. Use of the radioelectric spectrum.

The *Red Compartida* shall use the APT700 MHz segmentation from the 3GPP standardization as recommended by segmentation A5 ITU - RM1036 and ensure compatibility with the other current and future devices available worldwide for such segmentation.

6. Traffic and service quality management.

The *Red Compartida* shall be a platform that provides broadband services to other concessionaires and licensees in terms of the LFTR to render telecommunication services, some of which could focus on specialized vertical markets such as public safety, civil protection, health, transportation, etc.

The *Red Compartida* must submit to the quality guidelines issued by the IFT and to any other general provision regarding the quality of telecommunication services issued from time to time by said Institute.

The design of the *Red Compartida* must incorporate the facilities and functionalities of service quality and dynamic traffic prioritization that must be available independently to attend to the needs of services that due to their nature require specific functionalities (public safety, disaster prevention, etc.).

7. Minimum up-link and down-link speed.

The minimum up-link and down-link speed, at the edge of the Coverage, which must be offered by the *Red Compartida* both in Major Locations as well as in Minor Locations is of 1 megabit per second (Mbps) and 4 Mbps respectively.

8. Interconnection and Interoperability of the Red Compartida.

The Developer of the *Red Compartida* must ensure that it will adopt an open network architecture design to guarantee interconnection and interoperability of the network with the other Concessionaires.

The Developer of the *Red Compartida* must guarantee that all fixed or mobile wireless terminals that make use of the services provided by the network may be fully and unequivocally identified through the IMSI and/or PLMN codes. To such end, it procure those codes on its own account and offer them to the Clients.

The *Red Compartida* must have its own numbering to provide it as Wholesale Telecommunication Services to Clients. However, the latter shall not be bound to hire such service from the Developer. To such end, it must procure such numbering on its own account and offer it to the Clients.

The Developer of the *Red Compartida* shall commit to offer the roaming service to users of other concessionaires and operators, both national and foreign, for which it must enter into the commercial and service quality agreements required.

9. Reliability and recovery.

The Core equipment must have total redundancy, including geographical, in order to guarantee the operational capacity in the event of failure of any of the Cores and must be located in safe facilities.

The *Red Compartida* must be equipped with energy support systems capable of maintaining the operational systems for at least 72 hours without feed from the electrical network.

10. Safety and security.

The Developer of the *Red Compartida* shall be responsible for establishing, implementing, operating, monitoring, reviewing, maintaining and permanently upgrading an information security management system (ISMS), as defined, at least within the following standards ISO/IEC currently in force or any replacement standard:

- ISO/IEC 27001:2013, Information Technologies – Safety techniques – Information security management systems – Requirements;
- ISO/IEC 27001:2013, Information Technologies – Safety techniques – Code of practices for information safety controls;
- ISO/IEC 27001:2013 Information Technologies – Safety techniques – Information safety management guidelines for telecommunication entities, based on standard ISO/IEC 27002.

- ISO/IEC 15408:2009 Information Technologies – Safety techniques – Guidelines – Evaluation criteria for information safety for the evaluation of information safety products, including components of the telecommunication network.

Moreover, the *Red Compartida* must at least comply with the safety requirements E.408, E.409, X.805 and X.1051 of the Telecommunication Standardization Sector of the International Telecommunications Unit (ITU-T).

11. Operation support systems and business support systems (OSS/BSS).

The *Red Compartida* must have business support systems (BSS), redundant and reliable to generate detailed information on the operations, use, collection records and other business requirements of the network. Likewise, it must have operation support systems (OSS), redundant and reliable that may operate with all equipment used by the Developer of the *Red Compartida*, notwithstanding its manufacturer.

The Developer must offer in a disaggregate manner the capacity of its OSS and BSS systems to any client that requires it.

12. Technological upgrade

The Developer must implement and offer his Customers the next generation of mobile service technology (5G) in the *Red Compartida* pursuant to the following conditions:

- In all of the Major Cities *in the Coverage of Shared Network*: Within a maximum term of 3 (three) years after any other mobile operator commercially offers services through said 5G technology to 50% of the Country's aggregate population.
- In all of the Minor Locations *in the Coverage of Shared Network*: Within a maximum term of 5 (five) years after any other mobile operator commercially offers services through said 5G technology to 50% of the Country's aggregate population.

13. Monitoring and Verification.

The Inviting Entity, on its own behalf or through third parties, withholds the right to monitor and approve the execution and developing of the Project.

The foregoing, notwithstanding the verification authority that correspond to the IFT in accordance with its powers.

EXHIBIT 6
TELECOMM CONCESSION

PLACEHOLDER FOR THE WHOLESALE CONCESSION GRANTED BY THE IFT
TO TELECOMM

PRELIMINARY

EXHIBIT 7
FEATURES, ROUTES, TERMS OF USE AND OTHER TERMS AND CONDITIONS
APPLICABLE TO THE USE AND MAINTENANCE OF ONE (1) PAIR OF DARK FIBER
OPTIC STRANDS OF THE BACKBONE NETWORK

The pair of dark fiber optic strands referred to in this exhibit, has an aggregate length of approximately 30,000 kilometers installed throughout Mexico, interconnecting the "Points of Presence" listed below.

The Developer will have access to 115 "Points of Presence" in order to establish interconnection points or nodes for the housing of telecommunications equipment owned by the Developer or by a third party.

The Developer may agree with the CFE different or additional demarcation points from the "Points of Presence ", to deploy the necessary infrastructure to illuminate the two strands of dark fiber.

The list of the localities where the 115 "Points of Presence" of the CFE are located is presented in the following table:

	Hotel	Latitude	Longitude	City	Federal States
1	HOTEL LA PAZ	24º 9'	110º 18'	LA PAZ	BAJA CALIFORNIA SUR
2	HOTEL CABO SAN LUCAS	22º 54'	109º 55'	LOS CABOS	BAJA CALIFORNIA SUR
3	HOTEL ROSARITO	32º 22'	117º 3'	ROSARITO	BAJA CALIFORNIA
4	HOTEL ENSENADA	31º 52'	116º 36'	ENSENADA	BAJA CALIFORNIA
5	HOTEL TIJUANA	32º 30'	117º 2'	TIJUANA	BAJA CALIFORNIA
6	HOTEL TECATE	32º 34'	116º 36'	TIJUANA	BAJA CALIFORNIA
7	HOTEL NOGALES	31º 18'	110º 57'	NOGALES	SONORA
8	HOTEL AGUAPRIETA	31º 18'	109º 33'	AUGA PRIETA	SONORA
9	HOTEL CABORCA	30º 43'	112º 9'	CABORCA	SONORA
10	HOTEL HERMOSILLO	29º 4'	111º 1'	HERMOSILLO	SONORA
11	HOTEL NACOSARI	30º 22'	109º 40'	NACOSARI	SONORA

	Hotel	Latitude	Longitude	City	Federal States
12	HOTEL GUAYMAS	27º 55'	110º 53'	GUAYMAS	SONORA
13	HOTEL NAVOJOA	27º 4'	109º 26'	NAVOJOA	SONORA
14	HOTEL OBREGON	27º 29'	109º 55'	OBREGON	SONORA
15	HOTEL LOS MOCHIS	25º 47'	108º 59'	AHOME	SINALOA
16	HOTEL TOPOLOBAMPO	25º 31'	109º 3'	AHOME	SINALOA
17	HOTEL CULIACAN	24º 48'	107º 24'	CULIACAN	SINALOA
18	HOTEL GUAMUCHIL	25º 26'	108º 4'	SALVADOR ALVARADO	SINALOA
19	HOTEL MAZATLAN	23º 14'	106º 25'	MAZATLAN	SINALOA
20	HOTEL JUÁREZ	31º 43'	106º 28'	JUAREZ	CHIHUAHUA
21	HOTEL NUEVO CASAS GRANDES	30º 25'	107º 54'	NUEVO CASAS GRANDES	CHIHUAHUA
22	HOTEL CHIHUAHUA	28º 38'	106º 3'	CHIHUAHUA	CHIHUAHUA
23	HOTEL CUAUHTÉMOC	28º 24'	106º 50'	CUAUHTÉMOC	CHIHUAHUA
24	HOTEL TORREÓN	25º 33'	103º 28'	GÓMEZ PALACIO	DURANGO
25	HOTEL DURANGO	24º 2'	104º 38'	DURANGO	DURANGO
26	HOTEL MONTERREY	25º 36'	100º 16'	MONTERREY	NUEVO LEON
27	HOTEL CIUDAD ACUÑA	29º 19'	100º 58'	CIUDAD ACUÑA	COAHUILA
28	HOTEL CADEREYTA	25º 35'	100º 0'	CADEREYTA JIMENEZ	NUEVO LEON
29	HOTEL LINARES	24º 50'	99º 34'	LINARES	NUEVO LEON
30	HOTEL MONTEMORELOS	25º 11'	99º 49'	MONTEMORELOS	NUEVO LEON
31	HOTEL MATAMOROS	25º 52'	97º 29'	MATAMOROS	TAMAULIPAS
32	HOTEL MONCLOVA	26º 55'	101º 25'	MONCLOVA	COAHUILA
33	HOTEL NUEVO LAREDO	27º 27'	99º 29'	NUEVO LAREDO	TAMAULIPAS

	Hotel	Latitude	Longitude	City	Federal States
34	HOTEL PIEDRAS NEGRAS	28° 41'	100° 32'	PIEDRAS NEGRAS	COAHUILA
35	HOTEL REYNOSA	26° 5'	98° 17'	REYNOSA	TAMAULIPAS
36	HOTEL SALTILLO	25° 27'	100° 55'	SALTILLO	COAHUILA
37	HOTEL VICTORIA	23° 45'	99° 7'	VICTORIA	TAMAULIPAS
38	HOTEL SABINAS	27° 50'	101° 7'	SABINAS	COAHUILA
39	HOTEL MONTERREY (CASETA CONF.)	25° 36'	100° 16'	MONTERREY	NUEVO LEON
40	HOTEL AGUASCALIENTES	21° 53'	102° 16'	AGUASCALIENTES	AGUASCALIENTES
41	HOTEL SAN JUAN DE LOS LAGOS	21° 15'	102° 18'	SAN JUAN DE LOS LAGOS	JALISCO
42	HOTEL LEON	21° 4'	101° 40'	LEON	GUANAJUATO
43	HOTEL SAN FRANCISCO DEL RINCON	21° 1'	101° 52'	SAN FRANCISCO DEL RINCON	GUANAJUATO
44	HOTEL FRESNILLO	23° 9'	102° 51'	FRESNILLO	ZACATECAS
45	HOTEL ZACATECAS	22° 46'	102° 34'	ZACATECAS	ZACATECAS
46	HOTEL GUANAJUATO	21° 0'	101° 14'	GUANAJUATO	GUANAJUATO
47	HOTEL COLIMA	19° 16'	103° 46'	VILLA DE ALVAREZ	COLIMA
48	HOTEL MANZANILLO	19° 4'	104° 16'	MANZANILLO	COLIMA
49	HOTEL SALAHUA	19° 7'	104° 20'	MANZANILLO	COLIMA
50	HOTEL OCOTLAN	20° 20'	102° 47'	PONCITLAN	JALISCO
51	HOTEL TEPATITLAN	20° 48'	102° 47'	TEPATITLAN	JALISCO
52	HOTEL TELECOM GUADALAJARA	20° 36'	103° 25'	ZAPOPAN	JALISCO
53	HOTEL TELECOM CIUDAD GUZMAN	19° 42'	103° 29'	CIUDAD GUZMAN	JALISCO
54	HOTEL LAZARO CARDENAS	17° 58'	102° 12'	LAZARO	MICHOACAN

	Hotel	Latitude	Longitude	City	Federal States
				CARDENAS	
55	HOTEL CIUDAD HIDALGO	19º 41'	100º 31'	CIUDAD HIDALGO	MICHOACAN
56	HOTEL URUAPAN	19º 23'	102º 3'	URUAPAN	MICHOACAN
57	HOTEL ZAMORA	19º 58'	102º 17'	ZAMORA	MICHOACAN
58	HOTEL ZITACUARO	19º 25'	100º 20'	ZITACUARO	MICHOACAN
59	HOTEL MORELIA	19º 43'	101º 11'	MORELIA	MICHOACAN
60	HOTEL ZINAPECUARO	19º 51'	100º 49'	ZINAPECUARO	MICHOACAN
61	HOTEL TANGANCICUARO	19º 52'	102º 11'	TANGANCICUARO	MICHOACAN
62	HOTEL PUREPERO	19º 55'	102º 1'	PUREPERO	MICHOACAN
63	HOTEL TEPIC	21º 30'	104º 52'	TEPIC	NAYARIT
64	HOTEL PUERTO VALLARTA	20º 37'	105º 13'	PUERTO VALLARTA	JALISCO
65	HOTEL SAN LUIS POTOSI	22º 8'	100º 59'	SAN LUIS POTOSI	SAN LUIS POTOSI
66	HOTEL CUAUTLA	18º 50'	98º 55'	CUAUTLA	MORELOS
67	HOTEL YAUTEPEC	18º 50'	98º 59'	CUAUTLA	MORELOS
68	HOTEL CUERNAVACA	18º 50'	99º 12'	TEMIXCO	MORELOS
69	HOTEL QUERÉTARO	20º 38'	100º 26'	QUERÉTARO	QUERETARO
70	HOTEL SAN MIGUEL DE ALLENDE	20º 55'	100º 44'	SAN MIGUEL DE ALLENDE	GUANAJUATO
71	HOTEL SAN LUIS DE LA PAZ	21º 17'	100º 38'	SAN LUIS DE LA PAZ	GUANAJUATO
72	HOTEL CELAYA	20º 31'	100º 48'	CELAYA	GUANAJUATO
73	HOTEL SALAMANCA	20º 32'	101º 13'	SALAMANCA	GUANAJUATO
74	HOTEL SAN JUAN DEL RIO	20º 23'	99º 59'	SAN JUAN DEL RÍO	QUERETARO

	Hotel	Latitude	Longitude	City	Federal States
75	HOTEL PEDRO ESCOBEDO	20º 27'	100º 7'	PEDRO ESCOBEDO	QUERETARO
76	HOTEL SALVATIERRA	20º 12'	100º 53'	SALVATIERRA	GUANAJUATO
77	HOTEL IXTAPALUCA	19º 32'	98º 50'	TEXCOCO	ESTADO DE MEXICO
78	HOTEL VALLE DE BRAVO	19º 13'	100º 8'	VALLE DE BRAVO	ESTADO DE MEXICO
79	HOTEL TOLUCA	19º 16'	99º 37'	TOLUCA	ESTADO DE MEXICO
80	HOTEL PUEBLA	19º 1'	98º 14'	PUEBLA	PUEBLA
81	HOTEL TLAXCALA	19º 21'	98º 11'	YAUHQUEMEHCAN	TLAXCALA
82	HOTEL ZOCAC	19º 29'	98º 2'	TETLA DE LA SOLIDARIDAD	TLAXCALA
83	HOTEL TECAMACHALCO	18º 52'	97º 42'	TECAMACHALCO	PUEBLA
84	HOTEL ACAPULCO	16º 51''	99º 54''	ACAPULCO	GUERRERO
85	HOTEL CHILPANCINGO	17º 32''	99º 30''	CHILPANCINGO	GUERRERO
86	HOTEL TULA	20º 2'	99º 16'	TULA	HIDALGO
87	HOTEL TELECOM MÉXICO	19º 20'	99º 8'	COYOACAN	D.F.
88	HOTEL COLORINES	19º 10'	100º 13'	VALLE DE BRAVO	ESTADO DE MEXICO
89	TAMUIN	22º 2'	98º 50'	TAMUÍN	SAN LUIS POTOSI
90	TAMPICO	22º 15'	97º 52'	TAMPICO	TAMAULIPAS
91	VALLES	21º 58'	98º 59'	CIUDAD VALLES	SAN LUIS POTOSI
92	TAMAZUNCHALE	21º 15'	98º 46'	TAMAZUNCHALE	SAN LUIS POTOSI
93	CORDOBA	18º 53'	96º 57'	CORDOBA	VERACRUZ
94	XALAPA	19º 34'	96º 55'	XALAPA	VERACRUZ
95	TEZIUTLAN	19º 48'	97º 21'	TEZIUTLAN	PUEBLA

	Hotel	Latitude	Longitude	City	Federal States
96	TEMASCAL	18º 14'	96º 24'	SAN MIGUEL SOYALTEPEC	OAXACA
97	TUXTEPEC	18º 4'	96º 8'	TUXTEPEC	OAXACA
98	TIERRA BLANCA	18º 27'	96º 21'	TIERRA BLANCA	VERACRUZ
99	VERACRUZ	19º 9'	96º 14'	VERACRUZ	VERACRUZ
100	MINATITLAN	17º 59'	94º 34'	MINATITLAN	VERACRUZ
101	COATZACOALCOS	18º 8'	94º 28'	COATZACOALCOS	VERACRUZ
102	HOTEL TAPACHULA	14º 52'	92º 17'	TAPACHULA	CHIAPAS
103	HOTEL TUXTLA	16º 45'	93º 11'	TUXTLA GUTIERREZ	CHIAPAS
104	HOTEL JUCHITAN	16º 26'	95º 1'	CARRETERA PANAMERICANA KM 821 C.P. 70000	OAXACA
105	HOTEL SALINA CRUZ	16º 11'	95º 11'	CALLE LA VENTOSA S/N ESQUINA MANUEL AVILA CAMACHO BARRIO BENITO JUAREZ	OAXACA
106	HOTEL OAXACA	17º 3'	96º 43'	OAXACA	OAXACA
107	HOTEL VILLAHERMOSA	18º 0'	92º 55'	CENTRO	TABASCO
108	HOTEL MÉRIDA	21º 0'	-89º 38'	Mérida	Yucatán
109	HOTEL CANCUN	21º 9'	-86º 49'	Benito Juárez	Quintana Roo
110	HOTEL PLAYA DEL CARMEN	20º 37'	-87º 4'	Solidaridad	Quintana Roo
111	HOTEL COZUMEL	20º 30'	-86º 57'	Cozumel	Quintana Roo
112	HOTEL CHETUMAL	18º 31'	-88º 19'	Othón P. Blanco	Quintana Roo
113	HOTEL CAMPECHE	19º 49'	-90º 32'	Campeche	Campeche
114	HOTEL CALKINÍ	17º 59'	-92º 57'	Calkiní	Campeche

	Hotel	Latitude	Longitude	City	Federal States
115	HOTEL CHAMPOTÓN	19º 19'	-90º 43'	Champotón	Campeche

PRELIMINARY

EXHIBIT 8
FINANCIAL MODEL – GUIDELINES FOR ITS PREPARATION

The financial model must at least include:

- Pro forma financial statements projected to a minimum of ten years at current and constant prices as of December 2015, including at least (i) statement of income, (ii) general balance sheet, (iii) cash flow statement, and (iv) net worth variations statement.
- Estimated income for the *Red Compartida*. As part of the estimated income for the *Red Compartida*, the disaggregation thereof in the different services and/or capacities marketed by the *Red Compartida* must be submitted. Specifically, estimates of demand, including supply, for such services and/or capacities, must be provided.
- Pricing strategy.
- Annual investment requirements. Such requirements must include the initial investment, reinvestments, major maintenance and other upgrading costs. As part of these requirements it must be possible to identify the different components such as costs of the sites and their connection, among others. For clarification purposes, the corresponding filing must at least include the following:
 - Number of sites per year, divided between coverage sites and capacity and between new and shared sites. It must include unitary costs of the aforesaid types of sites, preparing them per each concept.
- National deployment plan and monthly planned coverage.
- Annual operational expenses, divided between those specifically referenced to the Network and others.
- Other expenses and considerations.
- Payable taxes.
- Estimate cost of debt. May include different credit agreements.
- Estimate cost of capital. May include different types of capital.
- Amortization and interest schedule for projected debt.
- Annual leverage ratio.
- Dividend payment schedule and/or other capital repayment instruments/mechanisms. In the event of foreseeing capital outputs before 20 years of the contract, it is recommended that they be modeled and submitted as one scenario.
- Annual debt service coverage.
- Annual free cash flow to the company and capital and estimate net present values. It is important to mention that such flows and return to investors must be consistent with the payment per uncovered population.
- Capital return rate.

EXHIBIT 9
DEPLOYMENT SCHEDULE

The Developer must submit a deployment schedule of the *Red Compartida*, which allows it to achieve, at least, the following Minimum Required Coverage, which shall be included as a commitment and obligation of the Developer in the PPP Contract:

1. Nationwide coverage of at least 25% (twenty five percent) of the Aggregate Population as of March 31, 2018;
2. Nationwide coverage of at least 40% (forty percent) of the Aggregate Population as of March 31, 2019;
3. Nationwide coverage of at least 55% (fifty five percent) of the Aggregate Population as of March 31, 2020;
4. Nationwide coverage of at least 65% (sixty five) of the Aggregate Population as of March 31, 2021;
5. Nationwide coverage of at least 75% (seventy five) of the Aggregate Population as of March 31, 2022; and
6. Nationwide coverage of at least 85% (eighty five) of the Aggregate Population as of March 31, 2023.

For purposes of the calculation of the compliance with the Minimum Required Coverage, per each 1% (one percent) of the aggregate population within the Coverage in Major Cities, the Developer must evidence at least 0.29% (zero point twenty nine percent) of the aggregate population within the Coverage in Minor Locations.

The calculation of the aggregate population within the Coverage shall be performed based on the last National Population and Housing Census published by the National Geography and Statistics Institute (INEGI) for each of the measurement dates.

EXHIBIT 10
COMPETITIVE BIDDING SCHEDULE

Activity	Date
Publication and purchase of Rules. Bidder registration	Dec 7 to 11, 2015
Q&A meeting	Jan 4, to Feb 5, 2016
Proceedings of the Developer before the IFT (antitrust opinion)	Feb 15 to May 20, 2016
Reception of Proposals and opening of Technical Bids	May 23, 2016
Analysis of Technical Bids	May 23 to Jun 24, 2016
Opening of Economic Bids corresponding to the Technical Bids that were deemed solvent	Jun 27, 2016
Analysis of Economic Bids	Jun 27 to Jul 8, 2016
Ruling and award	Jul 11, 2016
Constitution of the Specific Purpose Entity, application for and procurement of the Wholesale Concession title of the Developer	Jul 11 to Ago 12, 2016
PPP Contract signing	Ago 15, 2016

EXHIBIT 11

ECONOMIC BID FILING TEMPLATES

Economic Bid Template (Envelope with Offered Population Coverage)

"_____, legal representative of the Bidder _____, as evidenced with public deed _____, dated "_____, _____, executed before Mr. _____, Notary Public No. _____ for _____, with regards to the international competitive bidding _____, hereby declare that my principal tenders, as Economic Bid of the Competitive Bidding, an Offered Population Coverage of XX.XX%."

Deployment schedule offered :

1. Nationwide coverage of at least _____% of the Aggregate Population as of March 31, 2018;
2. Nationwide coverage of at least _____% of the Aggregate Population as of March 31, 2019;
3. Nationwide coverage of at least _____% of the Aggregate Population as of March 31, 2020;
4. Nationwide coverage of at least _____% of the Aggregate Population as of March 31, 2021;
5. Nationwide coverage of at least _____% of the Aggregate Population as of March 31, 2022; and
6. Nationwide coverage of at least _____% of the Aggregate Population as of March 31, 2023.

Economic Bid Template (Envelope with Extra Compensation)

"_____, legal representative of the Bidder _____, as evidenced with public deed _____, dated "_____, _____, executed before Mr. _____, Notary Public No. _____ for _____, with regards to the international competitive bidding _____, hereby represent that my principal tenders the amount of \$_____ as Extra Compensation, in the event of a tie in the Competitive Bidding."