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CONCESSION TITLE TO USE, PROFIT FROM AND EXPLOIT RADIOELECTRIC SPECTRUM FREQUENCY BANDS FOR COMMERCIAL PURPOSES GRANTED HEREIN BY THE FEDERAL TELECOMMUNICATIONS INSTITUTE, HEREINAFTER "THE INSTITUTE", IN FAVOR OF _____, BASED UPON THE FOLLOWING:

REPRESENTATIONS

- I. On June 11th, 2013, the Official Gazette of the Federation published the "*Executive Order with which several provisions of articles 6th., 7th., 27, 28, 73, 78, 94 and 105 of the Political Constitution of the Mexican United States telecommunications are reformed and supplemented.*"; this Executive Order created the "Federal Telecommunications Institute" as an autonomous body with the role of managing the efficient development of broadcasting and telecommunication matters. The Institute is responsible for the regulation, promotion and supervision of the use, profit by and exploitation of the radioelectric spectrum, the networks and the rendering of services thereto; it is also the authority with respect to the economic competition in the broadcasting and telecommunication sectors.
- II. On July 14th, 2014, the Official Gazette of the Federation published the "*Executive Order by means of which the Federal Telecommunications and Broadcasting Law, and the Mexican Broadcasting Public System Law were issued and with which several provisions on telecommunications and broadcasting are reformed, supplemented and amended*"; Order which went into effect on August 13th, 2014.
- III. On September 4th, 2014, the Official Gazette of the Federation published the "*Organic Statute for the Federal Telecommunications Institute*"; this instrument went into effect on September 26th, 2014 and was modified on October 17th of the same year.

IV. The Full Board of the Federal Telecommunications Institute, by means of Resolution _____, of _____, provided all legal requirements were duly met, decided to grant in favor of _____ a Concession Title for the commercial use of the Radioelectric Spectrum.

This Radioelectric Spectrum Concession Title is issued based upon the above, pursuant to the provisions of articles 25, second paragraph, 27 fourth and sixth paragraph, and 28 fifteenth, sixteenth and seventeenth paragraphs of the Political Constitution of the Mexican United States; 1, 2, 3, 4, 5, 7, 15 fraction IV, 16 and 17 fraction I, 75, first paragraph, 76 fraction I, 77, 81, 115, 116, 140, 141, 142, 143, 144 and 303 of the Federal Telecommunications and Broadcasting Law; 1, 3 fraction I, 4 first and second paragraphs, 6 fractions I and II, 8, 13, 15, 16 and 17 of the General Law on National Assets; and 1, 2, 4 fraction II, 14 fraction X of the Organic Statute for the Federal Telecommunications Institute, and subject to the following:

CONDITIONS

First Chapter General Provisions

1. **Definition of terms.** For the purposes of this Title the terms hereinafter shall have the following meanings:
 - 1.1. **Radioelectric Spectrum Concession:** means the administrative action by means of which the Federal Telecommunications Institute gives the right to use, profit by and exploit, for commercial purposes, frequency bands of the radioelectric spectrum;
 - 1.2. **Concessionaire:** means the title holder of this concession;
 - 1.3. **Executive Order:** means the executive order by means of which several provisions of articles 6o., 7o., 27, 28, 73, 78, 94 and 105 of the Political Constitution of the Mexican United States, on telecommunications matters, are reformed or supplemented;
 - 1.4. **Economic Interest Group:** means a group of legal subjects with similar commercial and financial interests and who coordinate their activities in order to participate in economic markets and activities, through the

control or final influence, directly or indirectly, that one of its members exercises over the other ones;

1.5. The Institute: means the Federal Telecommunications Institute.

1.6. The Law: means the Federal Telecommunications and Broadcasting Law;

1.6. Telecommunications Service Renderer: means the Economic Agent, including the format of Economic Interest Group, who/which holds concessions, licenses or permits authorizing him/it to market telecommunications services within the national territory, ruled by the Law.

1.7. Shared Wholesale Network (Red Compartida): means the public telecommunication network exclusively dedicated to market wholesale telecommunication capability, infrastructure, or services to other Concessionaires or marketers.

2. Contractual Address. The Concessionaire has set forth as his contractual address for all sorts of notices and documents the one located at:

Any change of domicile for notices and documents, as set forth in the above paragraph, shall be notified to the Institute fifteen (15) calendar days in advance. During such period, or if the change of domicile is not notified to the Institute, the sending of notices or documents shall be done to the same domicile, as set forth in the first paragraph herein and the sending shall be deemed official.

3. Purpose of the Concession and Geographical Zone. This Concession is granted for commercial purposes and gives the right to use, profit by and exploit the band of frequencies of the spectrum including segments from 703 to 748 MHz and from 758 to 803 MHz, with a total of 90 MHz at national level.

The Concessionaire shall collaborate with the Ministry, the Institute and other authorities with jurisdiction, in order to carry out the actions needed to amend the

awarding and use protocols for frequency bands with the purpose of guaranteeing that services shall be free of interferences in the borders with other countries.

The use, profit by and exploitation of the radioelectric spectrum frequency bands shall be ruled by the provisions of the Political Constitution of the Mexican United States, international treaties of which Mexico is a member, laws, rules, orders, regulations, base technical plans, technical provisions, Official Mexican Norms, technical standards, resolutions, agreements, bulletins and any other general administrative provisions and conditions set forth in this Title.

In the event that any of the above rules and/or laws are cancelled, amended and/or reformed, this Concession shall be ruled by the legal or administrative provisions replacing them, as of the date in which they go into effect.

4. **The Term for this Concession.** The term for this Commercial Use Concession shall be twenty (20) years, beginning to count on the date herein.

This Commercial Use Concession may be extended pursuant to Law.

5. **Coverage Commitment.** The Concessionaire shall have a total national coverage of at least [**Coverage shall be determined at the time of the bidding or tender**]% of aggregated population for _____, _____, 2020 and of at least [**Coverage shall be determined at the time of the bidding or tender**]% of aggregated population for _____, 31st, 2023.

In order to consider that the population has service coverage, the Concessionaire shall be in the position of offering to his/its clients conditions under which they can offer to their users ascending data transference speeds of one (1) megabit per second and a descending speed of at least four (4) megabits per second at the edge of the cell at peak hour. The above, regardless of the fact that he/it must also meet the quality parameters set forth for this purposes by the Institute.

The Institute may authorize and extension of the obligation to the Concessionaire. For such purpose, the Concessionaire shall submit a request of extension before the end of the term set forth for the completion of coverage.

6. **Powers of Attorney.** The Concessionaire shall not be able to grant irrevocable general or special powers of attorney and/or appointments of representation for acts of ownership with the purpose of, or permitting the agent or representative, to exercise the rights and obligations herein accepted.

Second Chapter

Rights and Obligations

7. **Interferences.** The Concessionaire shall execute all necessary actions in order to eliminate any interference that may appear with other authorized users of the radioelectric spectrum, provided the existence of such disturbing interferences has been duly proven.

Pursuant to the provisions of applicable legislation on broadcasting and telecommunications, the Concessionaire shall observe the provisions set forth by the Institute with respect to the elimination of the disturbing interferences as described in the above paragraph. Furthermore, with the purpose of favoring the introduction of broadcasting services and new technologies, the Concessionaire shall observe the provisions set forth by the Institute with respect to the co-existence of transmissions for the benefit of the public interest.

8. **Technical modifications.** The Institute may direct to modify the technical conditions of operation, under this Title, as necessary, for the appropriate introduction, implementation and operation of telecommunication services.
9. **Considerations.** The Concessionaire shall have the obligation to pay for all dues determined in applicable provisions.
10. **Radioelectric Spectrum Management.** The use, profit by and exploitation of the radioelectric spectrum frequency bands, subject matter of this Concession, shall meet all provisions set forth in the Law and those of any other applicable regulation.

The Concessionaire shall adopt at least the A5 segmentation of Recommendation UIT-R M.1036 and its corresponding channeling in order to use the radioelectric spectrum frequency bands, subject matter of this Concession

11. Leasing and subleasing of the radioelectric spectrum. The Concessionaire may lease or sublease the licensed frequency bands for commercial purposes, provided there is previous authorization from the Institute. The Institute shall make sure that such lease or sublease of the spectrum, besides all legal applicable provisions:

- a) Guarantees free concurrence and competence;
- b) Promotes a better spectrum efficiency and,
- c) Does not affect the development of the Shared Wholesale Network set forth in the Sixth Transitory Article of the Executive Order and does not compromise the performance of its obligations.

The Institute may ask the Concessionaire to provide additional information in order to carry out the appropriate analysis for the approval of the spectrum lease and sublease request.

12. Information. The Concessionaire shall have the obligation to provide all necessary information for the Institute to carry out audits on accounting information; for this purpose, It shall be able to make verification visits and to request papers, books, documents, files and information generated in electronic, optical or any other technology means with the purpose of auditing the performance of the obligations.

The Institute may, at any time, during the term hereto, verify the performance of the conditions set forth in this Concession Title; such verification may be done by default or upon the request of a party. In order to carry out the verification of the performance of the obligations set forth in this Concession Title, the Institute may list requirements of information and documents from the Concessionaire, conduct verification visits, and carry out any procedure or act needed to gather information and evidence, pursuant to applicable laws. Should the Institute find a nonperformance of any of the obligations herein accepted, it shall proceed pursuant to applicable law and the provisions of this Concession Title.

13. Competitive Neutrality. As long as it has public interest, the Concessionaire shall be subject to the Principles of Competitive Neutrality issued by the Full Board of the Institute, set forth as general administrative provisions.

Third Chapter Sanctions

14. **Sanctions.** For the purposes of the provisions of fraction III, article 303 of the Federal Telecommunications and Broadcasting Law, the nonperformance of any of the obligations of coverage set forth in condition 5 herein, besides all other causes set in the Law, is a cause for revocation of this Concession Title.

Fourth Chapter Jurisdiction and Competence

15. **Jurisdiction and competence.** With respect to the interpretation and enforcement of this Title, except for the administrative matters which belong to the discretion of the Institute, the Concessionaire herein accepts the jurisdiction of Federal Specialized Courts and Tribunals located in Mexico City, Federal District and hereby waive the right he/it could have of a different jurisdiction based upon a current or future domicile.

Mexico City, Federal District _____

**THE FEDERAL TELECOMMUNICATIONS INSTITUTE
THE CHAIRMAN**

GABRIEL OSWALDO CONTRERAS SALDÍVAR

THE CONCESSIONAIRE

Legal Representative