

Internet of Things (IoT) Licence

Licence No (1) of (2021)

Pursuant to the provisions of the Federal Law by Decree No. (3) of 2003 Regarding the Organisation of the Telecommunication Sector and its amendments, this Internet of Things (IoT) Licence is granted to **InfraX LLC** for the period of ten years with effect from 24 November 2021 to 23 November 2031 to install, operate and manage the Public Telecommunications Network and to provide the Telecommunications Services specified in this Licence within the United Arab Emirates, subject to the conditions of this Licence, the provisions of the Federal Law by Decree No. (3) of 2003, its Executive Order, and their amendments, the Regulatory Framework, and all other applicable laws and regulations in the United Arab Emirates.

SIGNED by

Eng. Majed Sultan Al Mesmar
Director General
Telecommunications and Digital Government Regulatory Authority

Date: 24 November 2021

Article (1) Definitions

- 1.1. In implementing the conditions of this Licence, the following terms shall have the meanings given to them here unless the context requires otherwise. Any undefined term here shall have the meaning ascribed to it in the Federal Law by Decree No. (3) of 2003 and its amendments. Words denoting reference to persons shall include natural and/or legal persons.
- 1.1.1. **Affiliate** means in relation to the Licensee, any other juridical entity directly or indirectly controlling or controlled by the Licensee, or under direct or indirect common control with the Licensee;
- 1.1.2. **Authority** means the Telecommunications and Digital Government Regulatory Authority;
- 1.1.3. **Change in Control** means any transaction, sale, contract, recapitalisation or other reorganisation or merger that results in a change in Control of the Licensee, including any transaction or series of transactions taking place after the date of this Licence as a result of which the holders of the voting securities or equity interests in the capital of the company immediately after its establishment, hold less than a majority of the voting power or equity interest in the Licensee after the relevant transaction or series of transactions, as the case may be;
- 1.1.4. **Companies Law** means the Commercial Companies Law, Federal Law No. (2) of 2015 Regarding Commercial Companies, and its amendments;
- 1.1.5. **Control** means the ultimate ownership of more than 50% of the voting interests in any person and/or the ability to control in fact the business and affairs of that person whether by ownership, contract, or otherwise;
- 1.1.6. **Customer** means any person who has entered into a contract with the Licensee to receive the Licensed Services;

- 1.1.7. **Executive Order** means the Executive Order issued pursuant to the Federal Law by Decree No. 3 of 2003, as may be amended or replaced from time to time;
- 1.1.8. **Frequency Spectrum Authorisation** means a valid frequency spectrum authorisation issued by the Authority and permits the use of Radio Frequency subject to terms and conditions as stipulated by the Authority;
- 1.1.9. **IoT**¹ means a global infrastructure for the information society, enabling advanced services by interconnecting (physical and virtual) things based on existing and evolving interoperable information and communication technologies;
- 1.1.10. **IoT-specific Connectivity**² means connectivity that is, transmitting, broadcasting, switching or receiving IoT related data by means of a Telecommunication network covering a wide area;
- 1.1.11. **Licence** means this document, as may be amended or replaced from time to time;
- 1.1.12. **Licensed Network** means the Public Telecommunications Network described in Article 3;
- 1.1.13. **Licensed Services** means the Telecommunications Services described in Article 4;
- 1.1.14. **Licensee** means the person described on page 1 of this Licence;
- 1.1.15. **Other Licensed Operators** means entities other than the Licensee which are licensed pursuant to the provisions of the Federal Law by Decree No. (3) of 2003, its amendments and Executive Order;
- 1.1.16. **Radio Frequency** means any of the electromagnetic wave frequencies that lie in the range extending from 3 kHz to 3000 GHz;

¹ As defined in “Internet of Things (IoT)” Policy.

² As defined in “Internet of Things (IoT)” Policy.

1.1.17. **Regulatory Framework** means the regulatory instruments issued by the Authority from time to time including any revisions or amendments made to them;

1.1.18. **State** means the United Arab Emirates; and

1.1.19. **Telecommunications Apparatus** means apparatus made or adapted for use in transmitting, receiving, or conveying any of the Telecommunications Services through a Telecommunications Network;

Article (2)

Coming into Force and Compliance

- 2.1 This Licence shall come into force on the date of its issuance by the Authority until its expiry date as set out in the Licence.
- 2.2 If the Licensee wishes to renew the term of this Licence, it shall apply for renewal to the Authority not less than one-hundred-eighty (180) days before the expiry of the initial term of the Licence. The Authority shall consider the Licensee's application for renewal and, if the Licensee has complied in all material respects with the terms of this Licence, shall grant a renewal of the term of this licence for a further period of ten (10) years from the date of expiry of the initial term.
- 2.3 The Licensee shall at all times comply with the terms of this Licence, the relevant provisions of the Regulatory Framework in effect at the time, the Frequency Spectrum Authorisation, and all the relevant laws of the State as may be amended from time to time.

Article (3)

Licensed Network

- 3.1 The Licensee may install, operate, and manage a Public Telecommunications Network comprising of IoT-specific Connectivity.

- 3.2 Prior to making significant modifications or additions to the Licensed Network or to any stored commands or protocols contained in it, the Licensee shall apply to the Authority for approval to make such modifications or additions. The application for approval shall provide the Authority with full information regarding the proposed modifications and/or additions and the effect of such modifications and/or additions in the State. The Licensee shall not implement the proposed modifications and/or additions until the Licensee complies with the requirements of any competent authority responsible for public interest, safety and national security and the Authority has granted approval in writing.
- 3.3 The Licensed Network, including all Telecommunications Apparatus, shall conform to the technical specifications for networks and equipment including for the use of Radio Frequency, as may be set out in the Regulatory Framework in effect at the time.
- 3.4 The Licensee shall obtain all necessary licences and permits as may be required to build, modify, and remove any construction in accordance with the relevant laws in the State.

Article (4)

Licensed Services

The Licensee is authorised to provide IoT-specific Connectivity services in the State but only by means of the Licensed Network and in compliance with the Regulatory Framework in effect at the time including but not limited to the Internet of Things (IoT) Policy.

Article (5)

Fees

- 5.1 The Licensee shall pay an acquisition fee of AED 100,000 (one hundred thousand UAE Dirhams) before being issued with a licence.

- 5.2 The Licensee shall pay an annual Licence fee of AED 100,000 (one hundred thousand UAE Dirhams).
- 5.3 The annual Licence fee shall be paid in full on each anniversary date of the Licence.
- 5.4 The Licensee shall pay Frequency Spectrum Authorisation fees as applicable and as required by the Authority.

Article (6)

Universal Service Obligations

The Licensee shall fulfil its universal service obligations as specified in the Regulatory Framework in effect at the time.

Article (7)

Quality of Service Requirements

The Licensee shall comply with any Quality of Service requirements as set out in the Regulatory Framework in effect at the time.

Article (8)

Commencement of Service

The Licensee shall commission the Licensed Network and provide the Licensed Services on a commercial basis within a time mutually agreed between the Authority and the Licensee.

Article (9)

Ownership, Control and Subcontracting

- 9.1 The Licensee shall be a UAE incorporated juridical entity established and in good standing under the Companies Law and all other laws of the State and their amendments from time to time.
- 9.2 Any Change in Control of the Licensee shall require the prior written consent of the Authority.
- 9.3 The ownership of the Licence may not be transferred without the prior written consent of the Authority and until and unless all outstanding fees have been paid to the Authority.
- 9.4 The Licensee may subcontract the provision of any or all of the Licensed Services and the installation, operation and management of the Licensed Network to an Affiliate or another person (or otherwise arrange for those activities to be conducted by the Affiliate or another person on its behalf), with prior written approval of the Authority, provided that the Licensee shall continue to be fully liable for any obligations set out in this Licence or imposed on the Licensee pursuant to the Regulatory Framework in effect at the time, whether in relation to the provision of the Licensed Services, Licensed Network or otherwise. If the Affiliate is and remains wholly owned by the Licensee, the prior written approval of the Authority shall not be required, provided that the Authority is notified of such arrangements.

Article (10)

General Obligations

- 10.1 The Licensee shall:
 - 10.1.1 comply with all emiratization policies in the State;
 - 10.1.2 comply with the laws, policies or directions for foreign investment in the capital of the company;

- 10.1.3 notify the Authority of shareholding in the company or any merger, change or restructuring to the capital of the company;
 - 10.1.4 maintain its books of account and financial statements in accordance with the accounting standards and principles generally applied in the State;
 - 10.1.5 ensure that its books of account are audited annually by an independent firm of auditors registered in the State;
 - 10.1.6 submit two (2) certified hardcopies and one (1) softcopy of its annual financial statements to the Authority within four (4) months of the end of each financial year; and
 - 10.1.7 preserve its financial records and books of account for a period of ten (10) years after the end of each financial year.
- 10.2 The Licensee's financial year for purposes of maintaining its accounts shall start in January and end in December each year.
 - 10.3 The Licensee shall provide any information to the Authority on request and in the manner directed by the Authority, which may include any document, accounts, records, commercial agreements entered into with Customers and/or other relevant operators for the provision of Licensed Services in the State or other information that may be specified in a notice and requested by the Authority in the performance of its function.

Article (11)

Inspection and Monitoring

The Licensee shall permit the Authority or its authorised agent to have access to any premises of the Licensee and to inspect any Telecommunications Apparatus or documents including accounts or other records at any time to ensure compliance with the provisions of the License and the Federal Law by Decree No. (3), its amendments, Executive Order and the Regulatory Framework in effect at the time.

Article (12)

Standard of Conduct

The Licensee shall not use or knowingly permit the use of the Licensed Network or the Licensed Services for any purpose that violates the Federal Law by Decree No. (3) of 2003 and its amendments or any other applicable laws or the Regulatory Framework in effect at the time. The Licensee shall endeavour to take all reasonable action to ensure that the Licensed Network and the Licensed Services are not used for any such purposes.

Article (13)

Applications for Approvals and Authorisations

The Licensee shall apply to the Authority for type approval, Frequency Spectrum Authorisation, and number authorisation, where applicable in accordance with the Regulatory Framework in effect at the time and any procedures specified by the Authority. The Licensee shall comply with the terms of any approvals and/or authorisations issued to the Licensee by the Authority.

Article (14)

Relationship with Customers

The Licensee shall in its dealings with Customers, act promptly and in a transparent manner. The Licensee shall not unduly discriminate against similarly situated Customers and shall deal with Customers in accordance with the Regulatory Framework in effect at the time.

Article (15)

Dispute Resolution

Where a dispute remains unresolved between the Licensee and Other Licensed Operators or between the Licensee and a Customer or where a complaint is referred

directly to the Authority, the Authority may resolve the dispute in accordance with the Federal Law by Decree No. (3) of 2003, its amendments, Executive Order and the Regulatory Framework in effect at the time. In all cases the Licensee shall cooperate fully with the Authority for the resolution of such disputes.

Article (16)

Implementation of Charges, Conditions and Provisions of Public Services

In accordance with the Regulatory Framework in effect at the time, the Licensee shall make available the charges for its Licensed Services and terms and conditions on which Licensed Services are provided.

Article (17)

Emergency Services

- 17.1 The Licensee shall provide emergency services in accordance with the Regulatory Framework in effect at the time.
- 17.2 The Licensee shall comply with any emergency services requirements set out by the Authority.
- 17.3 The Licensee shall co-operate with Other Licensed Operators, where relevant, to enable them to meet the emergency services requirements set out by the Authority.

Article (18)

Continuity of Service

- 18.1 The Licensee shall not intentionally interrupt the operation of the Licensed Network or provision of the Licensed Services without first notifying the

Authority in writing and giving reasonable notice to Customers. The notice shall indicate the time during which the interruption will take place.

- 18.2 The Licensee shall not cease to provide Licensed Services without an express written approval of the Authority.

Article (19)

Interconnection and access

Interconnection of the Licensed Network with, or access to, any Telecommunications Networks operated by Other Licensed Operators, and the resolution of any disputes that might arise between the Licensee and another Licensed Operator regarding Interconnection and/or access with shall be governed by the Federal Law by Decree No. (3) of 2003, its amendments, Executive Order and Regulatory Framework in effect at the time.

Article (20)

Competition

The Licensee shall comply with the rules regarding anti-competitive conduct as set out in the Regulatory Framework in effect at the time.

Article (21)

Public Emergency, Public Interest, Safety and National Security

- 21.1 The Licensee shall comply with any directions as the Authority or other competent authorities may issue in case of public emergency on matters relating to work or ownership of the Licensee.
- 21.2 The Licensee shall comply with any directions as the Authority or other competent authorities may issue from time to time on matters relating to public interest, safety and/or national security. The Licensee shall maintain any data in accordance with the Regulatory Framework in effect at the time and any

measures issued by any competent authority responsible for public interest, safety and national security. The Licensee also undertakes to install at its own expense any equipment required to allow access to its Licensed Network and/or the retrieval and storage of data for reasons of public interest, safety and national security as per directions issued by the Authority or other competent authority. This obligation shall extend to the provisioning of the facilities terminating at the stipulated premises of competent authorities and shall be provided in accordance with the directions provided by the competent authorities without charges of any kind. Furthermore, the Licensee shall undertake to not provide any services which do not meet the requirements of any competent authority responsible for public interest, safety and national security.

- 21.3 The Licensee shall comply with any direction from the Authority or any competent authority requiring it to allow any authorised person by the Authority or any competent authority to assume full or partial control of the Licensed Services and/or the Licensed Network. Any such direction shall be in writing.

Article (22)

Access to Land

- 22.1 The Licensee shall have access to and use of public and private land with the coordination with the local and federal competent authorities in accordance with the provisions of the Federal Law by Decree No. (3) of 2003, its amendments, Executive Order and Regulatory Framework in effect at the time.
- 22.2 The Licensee shall comply with the directions of the Authority or any other competent authority in relation to the protection of the environment.

Article (23)

Amendment of Licence

- 23.1 Every request for an amendment to the Licence by a Licensee shall be made by an application in writing and state the following:
- 23.1.1 the particular conditions which are requested to be amended; and
 - 23.1.2 the reasons for the request.
- 23.2 The Authority shall consider the request and may seek further information if necessary before deciding whether:
- 23.2.1 to amend the Licence;
 - 23.2.2 not to amend the Licence; or
 - 23.2.3 to amend the Licence but with modifications.
- 23.3 Amendment initiated by the Authority shall by way of the following process:
- 23.3.1 draft notice of proposed amendment (which may include a variation, revocation or addition to the conditions of the Licence) and reason for amendment to be given by the Authority to the Licensee; and
 - 23.3.2 the Licensee shall be given a reasonable time to respond.
- 23.4 The Authority shall consider the response of the Licensee before deciding whether:
- 23.4.1 to amend the Licence;
 - 23.4.2 not to amend the Licence; or
 - 23.4.3 to amend the Licence but with modifications.

Article (24)

Breach and Penalties

- 24.1 The Licensee shall be subject to penalties as provided in the Federal Law by Decree No. (3), its amendments and Executive Order, if the Licensee fails to comply with any of the following:
- 24.1.1 any obligation under the Federal Law by Decree No. (3) of 2003, its amendments and the Executive Order;
- 24.1.2 any obligation within the provisions of the Licence; or
- 24.1.3 any obligation contained in the Regulatory Framework in effect at the time.

Article (25)

Force Majeure

- 25.1 The Licensee shall not be in breach of any condition of this Licence if its failure to perform results directly from force majeure. Force majeure shall not include the insolvency of the Licensee, or the inability of the Licensee to meet its debts or other financial obligations.
- 25.2 The Licensee shall notify the Authority immediately on the occurrence of any event of force majeure giving the anticipated effects of the force majeure and the expected duration, and steps to be taken by the Licensee to mitigate the effects if possible.

Article (26)

Language

The Arabic language version of the Licence is the binding version. However, an official English language version has been prepared for guidance and assistance in interpretation of the Arabic language version.