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**15. KEY TERMS OF THE OPERATING LICENCES**

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TIME dotCom Group holds eight (8) telecommunications licences, key terms of which are set out below:-

**15.1 Fibre - Optic Network Licence****15.1.1 Nature of Licence**

TIME was granted a licence by the Minister of Energy, Telecommunications and Posts (now known as MECM) pursuant to his powers under Section 3 of the Telecommunications Act, 1950 (now repealed by the CMA 1998) to provide telecommunications services such as point to point dedicated lines, moderate speed packet data services and high speed data services which was transferred to TT dotCom with effect from 15 September 1993 with the approval of the MECM ("Fibre-Optic Network Licence").

TT dotCom is authorised to connect its network of fibre-optic cables and other telecommunications equipment approved by the Director General of Telecommunications (now known as the MCMC) to any telecommunications system licensed by the Ministry of Energy, Communications and Multimedia to be operated within Malaysia.

**15.1.2 Duration**

The Fibre-Optic Network Licence is granted for a period of 20 years from 1 November 1992. It is revocable with 10 years notice but such notice cannot be given earlier than the 10th year after the granting of the licence.

**15.1.3 Area of Operation**

TT dotCom is authorised to provide the abovenamed services above, on, along, through under or across any PLUS's concession highways throughout Malaysia and any other areas stated in the licensed area. ("Fibre-Optic Network Services")

**15.1.4 International Transmission**

TT dotCom is authorised to provide transmission of messages by subscribers of its Fibre-Optic Network Services to international jurisdictions in accordance with arrangements (approved by the MCMC) entered into with telecommunication operators in other jurisdictions.

**15.1.5 Key obligations of TT dotCom under the Fibre-Optic Network Licence****(i) Condition 2 : Priority Fault Repair Service**

TT dotCom is required to provide fault repair service on a priority basis to:-

- (a) persons engaged in the provision of emergency services, essential services and supply of essential goods to the public or who are in public service;
- (b) persons notified to TT dotCom by the Commissioner; and
- (c) persons who have a bona fide need for urgent repair and who have requested for the same and agreed to pay the charges for it.

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**15. KEY TERMS OF THE OPERATING LICENCES (Cont'd)**


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- (ii) Condition 3 : Planning and Implementing Special Arrangements for Emergencies

TT dotCom shall after, consultation with local and federal authorities as specified by the Commissioner and departments providing emergency services, make plans and arrangements for the provision of and/or rapid restoration of Fibre-Optic Network Services.

TT dotCom can make conditional the implementation of the above plan and arrangements on receiving adequate indemnity for costs incurred.

- (iii) Condition 5 : Provision by others of services by means of TT dotCom's Network

TT dotCom is required to permit any person licensed to operate a telecommunication system that is licensed to be connected to TT dotCom's network to connect such system ("Connectable System") to its network in order that such person may provide telecommunication services.

- (iv) Condition 6 : Publication of Charges, Terms and Conditions to be applied

TT dotCom is required to publish its list of charges for the Fibre-Optic Network Services and services incidental to the same and in relation to the above paragraph that it is licensed to provide and the terms and conditions on which it offers the same unless the otherwise consents or where the charges are prescribed by law. The charges and terms imposed on the customer must be no less favourable than what has been published.

- (v) Condition 7 : Prohibition against undue preference and undue discrimination

Unless authorised under the terms of the Fibre-Optic Network Licence, TT dotCom shall not give undue preference to or exercise undue discrimination against any person or class of persons in respect of:-

- (a) provision of Fibre-Optic Network Services.
- (b) provision of services incidental to the above.
- (c) granting permission to connect a Connectable System where the same is required under the Fibre-Optic Network Licence.

- (vi) Condition 8 : Access Charges

TT dotCom may impose access charges on persons connecting their telecommunication systems to TT dotCom's network for the purpose of providing telecommunication services provided that:-

- (a) TT dotCom shows no discrimination with regard to the amount of the charges imposed or method adopted for determining the charges.
- (b) The Commissioner has approved or failed within 6 months to give notice of his disapproval to the method adopted by TT dotCom for determining the access charges or the particulars of the access charges.
- (c) The proceeds of the access charges are used to defray costs of providing such services.

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**15. KEY TERMS OF THE OPERATING LICENCES (Cont'd)**


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## (vii) Condition 9 : Alterations to TT dotCom's Network

TT dotCom is required to prepare and follow procedures for the giving of advance notice to the Commissioner and persons operating a Connectable System producing or supplying apparatus or system for connection to TT dotCom's network ("Connectable Apparatus") about any proposal to make changes to TT dotCom's network or any stored commands or protocols which would require persons operating a Connectable System to make material modifications to their Connectable System or persons supplying or producing Connectable Apparatus to replace or cease to produce or supply such Connectable Apparatus.

## (viii) Condition 12 : Prohibition of Cross-Subsidies

TT dotCom is prohibited from cross subsidising the following activities carried out by TT dotCom or its wholly-owned subsidiaries:-

- (a) supply and production of Connectable Apparatus.
- (b) provision of value added services.
- (c) provision of telecommunication services.
- (d) provision of services like installation, maintenance, repair etc. of Connectable Apparatus.

## (ix) Condition 13 : Separate Accounts for Separate Business

Unless the Commissioner consents, TT dotCom must maintain accounting records in a manner which identifies clearly the transactions forming part of TT dotCom's provision of Fibre-Optic Network Services and business of the supplying of Connectable Apparatus and all installation and maintenance services in relation to the same.

## (x) Condition 15 : Prohibition of Linked Sales

Unless consented to by the Commissioner, TT dotCom must not make it a condition that:-

- (a) the provision or charges of or terms for provision of Fibre-Optic Network Services; or
- (b) supply or sale price or terms of sale of a Connectable Apparatus; or
- (c) the charges for connecting any other system or apparatus to its network,

to persons requesting the provision by TT dotCom of Fibre-Optic Network Services will be more favourable if:-

- (a) such person subscribes for Fibre-Optic Network Services not relevant to the provision of services requested by such person ; or
- (b) such person acquires any Connectable Apparatus not relevant to the provision of services requested by such person.

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**15. KEY TERMS OF THE OPERATING LICENCES (Cont'd)**

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(xi) Condition 18 : Network Security

TT dotCom is required to take reasonable steps to ensure that:-

- (a) there is no obstruction or intervention of its network; and
- (b) there is no interception of any messages transmitted or received through its network.

(xii) Condition 21 : Payment of Fees

TT dotCom is required to pay:-

- (a) on the grant of the licence, RM150,000; and
- (b) On 1 November 1993 and thereafter, a renewal fee which shall represent a fair proportion to be determined each year by the Commissioner according to a method that has been disclosed to the licensee; and save always that the renewal fee shall not exceed 0.5% of the gross turnover of the licensee's business.

(xiii) Condition 26 : Prenotification of changes in shareholdings

TT dotCom is required to notify the MECM of any changes in its shareholding if:-

- (a) such change results in a change in control of TT dotCom; or
- (b) the proportion of shares held by the acquirer by virtue of the acquisition exceeds 15% of the total aggregate shares of TT dotCom.

TT dotCom is also required to notify the MECM of any arrangement for listing its shares on any stock exchange or dealings in its shares on an unlisted or over the counter market.

(xiv) Condition 27 : Prenotification of Joint Ventures

Unless agreed to by the Commissioner, TT dotCom is required to inform the Commissioner of any agreement or arrangement for:-

- (a) the establishment or control of a company (in which TT dotCom has or is to have not less than 20% of the voting power) for the purpose of:-
  - (i) operating a telecommunication system which requires a licence; or
  - (ii) providing telecommunication services involving the operation of a telecommunication system; or
  - (iii) the production of telecommunication apparatus for supply in Malaysia which would create a monopoly.
- (b) the establishment of a partnership for the purposes in paragraph (a) and in which TT dotCom would have or is to have 20% voting power.

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## 15. KEY TERMS OF THE OPERATING LICENCES *(Cont'd)*

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- (c) the creation of a joint venture to undertake the activities listed in paragraphs (a)(i) and (a)(ii) above.

### 15.1.6 Review

The MECM has the right every 5 years to review the terms of the Fibre-Optic Network Licence and add to, vary or revoke any term. TT dotCom is given the right to make representations in respect of any such review.

The terms of the Fibre-Optic Network Licence with respect to the intellectual property may be reviewed by the MECM, 3 years from 1 November 1992 and thereafter from time to time.

### 15.1.7 Revocation

The MECM may at any time revoke the Fibre-Optic Network Licence by 30 days notice if:-

- (a) TT dotCom is in breach of any term of the Fibre-Optic Network Licence and fails to remedy the breach within a reasonable time from service of a notice by the Commissioner or 6 months, whichever is the earlier; or
- (b) TT dotCom surrenders the Fibre-Optic Network Licence; or
- (c) TT dotCom fails to pay the fees due to the Commissioner within 30 days from the due date.

## 15.2 Domestic Operator Licence

### 15.2.1 Nature of Licence

TT dotCom was granted a licence by the MECM pursuant to his powers under Section 3 of the Telecommunications Act, 1950 on 1 June 1994 to provide domestic telecommunication services such as voice telephony services, data transmission services, visual and sound transmission services and other services approved by the Commissioner ("Domestic Operator Licence").

### 15.2.2 Duration

The Domestic Operator Licence is granted for a period of 20 years from 1 June 1994. It is revocable with 10 years notice but such notice cannot be given earlier than the 10th year after the granting of the licence.

### 15.2.3 Area of Operation

TT dotCom is authorised to provide the abovementioned services ("Domestic Telephony Services") throughout Malaysia.

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**15. KEY TERMS OF THE OPERATING LICENCES (Cont'd)**


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**15.2.4 Key obligations of TT dotCom under the Domestic Operator Licence**

- (i) Condition 2 : Payment of Fees
- (a) on the grant of the licence, RM500,000; and
- (b) annually, a renewal fee which shall be a fair proportion determined each year by the Commissioner of the estimated operating costs to be incurred by the Commissioner in the exercise of his functions subject to a maximum of 0.08% of the gross annual turnover of TT dotCom's business or RM50,000, whichever shall be the higher.

- (ii) Condition 3 : Authorisation to connect other Systems And Apparatus and To Provide Services By Means of TT dotCom's network

TT dotCom is authorised to connect any public telecommunication system and any system operated by any person licensed to operate a Connectable System to connect such system to its network in order that such person may provide telecommunication services and TT dotCom is further authorised to connect approved telecommunication apparatus.

- (iii) Condition 4 : Terms and Conditions of Interconnect

TT dotCom must permit interconnection of its network with a Connectable System or a network of an operator licensed under Section 3 of the Telecommunications Act, 1950 ("Operator") under terms and conditions approved by the Commissioner provided that TT dotCom is accorded facilities equal to that provided by TT dotCom to the Operator and the operator of the Connectable System. This interconnection shall be made on the basis of Equal Access. Equal Access is a facility provided to the Operator in order for him to provide TT dotCom's customers telecommunication services, and TT dotCom's customers may choose over which Operator to route national and international calls by choosing either pre-selection or a call by call basis or equal access facilities.

- (iv) Condition 6 : Prohibition against Undue Preference and Undue Discrimination

Unless authorised under the terms of the Domestic Operator Licence, TT dotCom shall not give undue preference to or exercise undue discrimination against any person or class of persons in respect of:-

- (a) provision of Domestic Telephony Services.
- (b) provision of services incidental to the above.
- (c) granting permission to connect a Connectable System where the same is required under the Domestic Operator Licence.

- (v) Condition 7 : Prohibition of Cross-Subsidies

TT dotCom is prohibited from cross-subsidising the following activities carried out by its related companies:-

- (a) supply and production of Connectable Apparatus.

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15. KEY TERMS OF THE OPERATING LICENCES (*Cont'd*)

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- (b) provision of value added services.
- (c) provision of telecommunication services.
- (d) provision of services like installation, maintenance, repair etc. of Connectable Apparatus.

## (vi) Condition 8 : Separate Accounts for Separate Business

Unless the Commissioner consents, TT dotCom must maintain accounting records in a manner which identifies clearly the transactions forming part of TT dotCom's Domestic Telephony Services from its telecommunications apparatus supply business and other activities.

## (vii) Condition 9 : Prohibition of Preferential Treatment

TT dotCom is under an obligation to ensure that no company in the group of companies of which it is a member, which is engaged in the business of delivering and connecting apparatus to TT dotCom's network or arranges for the provision of installation services, telecommunication services or maintenance services for systems and apparatus which TT dotCom provides maintenance services, is given preferential treatment such that any person who is engaged in the business of supplying telecommunication apparatus does not have a reasonable opportunity to be engaged in similar services and business as any member company of the group of companies of which TT dotCom is a member of, on similar charges and terms save such as may be reasonably necessary to protect TT dotCom.

## (viii) Condition 10 : Prohibition of Linked Sales

Unless consented to by the Commissioner, TT dotCom must not make it a condition that:-

- (a) the provision of charges of or terms for provision of any telecommunication services; or
- (d) supply or sale price or terms of sale of a Connectable Apparatus; or
- (c) the charges for connecting any other system or apparatus to its network,

to persons requesting the provision by TT dotCom of Domestic Telephony Services will be more favourable if:-

- (a) such person subscribes for Domestic Telephony Services not relevant to the provision of services requested by such person; or
- (b) such person acquires any Connectable Apparatus not relevant to the provision of services requested by such person.

## (ix) Condition 13 : Planning and Implementing Special Arrangements for Emergencies

TT dotCom shall after, consultation with local and federal authorities as specified by the Commissioner and departments providing emergency services, make plans and arrangements for the provision of and/or rapid restoration of Domestic Telephony Services.

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15. KEY TERMS OF THE OPERATING LICENCES (*Cont'd*)

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TT dotCom can make conditional the implementation of the above plan and arrangements on receiving adequate indemnity for costs incurred.

(x) Condition 14 : Alterations to TT dotCom's Network

TT dotCom is required to prepare and follow procedures for the giving of advance notice to the persons operating a Connectable System producing or supplying Connectable Apparatus for connection to TT dotCom's network about any proposal to make changes to TT dotCom's network or any stored commands or protocols which would require persons operating a Connectable System to make material modifications to their Connectable System or persons supplying or producing Connectable Apparatus to replace or cease to produce or supply such Connectable Apparatus.

(xi) Condition 16 : Priority Fault Repair Service

TT dotCom is required to provide fault repair service on a priority basis to:-

- (a) persons engaged in the provision of emergency services, essential services and supply of essential goods to the public or who are in public service;
- (b) persons notified to TT dotCom by the Commissioner; and
- (c) persons who have a bona fide need for an urgent repair or who have requested for the same and agreed to pay the charges for it.

(xii) Condition 20 : Publication of Charges, Terms and Conditions to be applied

TT dotCom is required to publish its list of charges for the Domestic Telephony Services and services incidental to the same and in relation to the above paragraph that it is licensed to provide and the terms and conditions on which it offers the same unless the otherwise consents or where the charges are prescribed by law.

(xiii) Condition 23 : Resale

- (a) TT dotCom is under an obligation to provide private circuits (i.e. a circuit allowing transmission of messages between fixed points in a manner that does not allow the sender to select the destination to which the message is to be sent) to any public telecommunications operator who is licensed to provide private circuits but does not have the capacity to do so.
- (b) TT dotCom is also under an obligation to take all reasonable steps necessary to prevent a person from installing a relevant system connected to TT dotCom's network at both ends of a private circuit to enable such person to use the private circuit to provide public switched services transiting the private circuit.

(xiv) Condition 30 : Network Security

TT dotCom is required to take reasonable steps to ensure that :

- (a) there is no obstruction or intervention of its network; and



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15. KEY TERMS OF THE OPERATING LICENCES (*Cont'd*)

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(b) there is no interception of any messages transmitted or received through its network.

(xv) Condition 32 : Prenotification of changes in shareholdings

TT dotCom is required to notify the MECM of any changes in its shareholding if:-

- (a) such change results in a change in control of TT dotCom; or
- (b) the proportion of shares held by the acquirer by virtue of the acquisition exceeds 15% of the total aggregate shares of TT dotCom.

TT dotCom is also required to notify the MECM of any arrangement for listing its shares on any stock exchange or dealings in its shares on an unlisted or over the counter market.

TT dotCom is also required to seek the approval of the MECM if:-

- (a) any of the proposed changes in the proportion of shares held by any shareholder to a foreigner; or
- (b) if any foreigner is to acquire any share in the license who does not already hold any share in the license, and of the proportion of the shares to be held by such foreigner.

(xvi) Condition 33 : Prenotification of Joint Ventures

Unless agreed to by the Commissioner, TT dotCom is required to inform the Commissioner of any agreement or arrangement for :

- (a) the establishment or control of a company (in which TT dotCom has or is to have not less than 20% of the voting power) for the purpose of :
  - (i) operating a telecommunication system which requires a licence; or
  - (ii) providing telecommunication services involving operating a telecommunication system; or
  - (iii) the production of telecommunication apparatus for supply in Malaysia which would create a monopoly.
- (b) the establishment of a partnership for the purposes in paragraph (a) and in which TT dotCom would have or is to have 20% voting power.
- (c) the creation of a joint venture to undertake the activities listed in paragraphs (a)(i) and (a)(ii) above.

TT dotCom is also to seek the approval of the MECM in writing before the taking into effect of any of those agreements or arrangements that involve a foreigner.

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15. KEY TERMS OF THE OPERATING LICENCES (*Cont'd*)

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## (xvii) Condition 35 : Access Charges

TT dotCom may impose access charges on persons connecting their telecommunication systems to TT dotCom's network for the purpose of providing telecommunication services provided that:-

- (a) TT dotCom shows no discrimination with regard to the amount of the charges imposed or method adopted for determining the charges and dependent on the facilities provided, network concerned and terms of interconnection.
- (b) The Commissioner has approved or failed within 6 months to give notice of his disapproval to the charges to be levied by TT dotCom or method adopted by TT dotCom for determining the access charges or the particulars of the access charges.
- (c) The proceeds of the access charges are used to defray costs of providing such services.

## (xviii) Condition 39 : Provision of Telecommunication Services to Rural Areas

Where the MECM has designated an area as a "rural area", TT dotCom is obliged to provide Domestic Telephony Services and make financial provision for the development of the same.

**15.2.5 Review**

The MECM has the right every 5 years to review the terms of the Domestic Operator Licence and add to, vary or revoke any term. TT dotCom is given the right to make representations in respect of any such review.

The terms of the Domestic Operator Licence with respect to the payment of fees may be reviewed by the MECM, 3 years from 1 June 1994 and thereafter from time to time.

**15.2.6 Revocation**

The MECM may at any time revoke the Domestic Operator Licence by 30 days notice if:-

- (a) TT dotCom is in breach of any term of the Domestic Operator Licence and fails to remedy the breach within a reasonable time from service of a notice by the Commissioner or 6 months whichever is the earlier; or
- (b) TT dotCom surrenders the Domestic Operator Licence; or
- (c) TT dotCom fails to pay the fees due to the within 30 days from the due date; or
- (d) TT dotCom goes into receivership or liquidation or ceases to carry on its business or takes action for voluntary winding up or dissolution or an order is made for compulsory winding up or dissolution; or
- (e) TT dotCom fails to implement its network and provide Domestic Telephony Services by 1 January 1999.

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**15. KEY TERMS OF THE OPERATING LICENCES (*Cont'd*)**

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**15.3 International Gateway Licence****15.3.1 Nature of Licence**

TT dotCom was granted a licence by the MECM pursuant to his powers under Section 3 of the Telecommunications Act, 1950 on 1 December 1994 to provide international telecommunication services and other services approved by the ("International Gateway Licence").

**15.3.2 Duration**

The International Gateway Licence is granted for a period of 20 years from 1 December 1994. Without prejudice to Part 3 of the licence i.e. revocable by the Ministry by giving 30 days notice in writing.

**15.3.3 Area of Operation**

TT dotCom is authorised to provide the abovementioned services ("International Gateway Services") in areas in Malaysia as determined by the Commissioner.

**15.3.4 International Transmission**

TT dotCom is authorised to provide transmission of messages by subscribers of its International Gateway Services to international jurisdictions in accordance with arrangements (approved by the Commissioner) entered into with any telecommunication operators in other jurisdictions.

**15.3.5 Key obligations of TT dotCom under the International Gateway Licence****(i) Condition 2 : Payment of Fees**

The same as under its Domestic Operator Licence save that on grant of the International Gateway Licence, TT dotCom pays RM300,000 and the annual sum payable is 0.08% of gross annual turnover of TT dotCom's business in provision of International Gateway Services subject to a minimum of RM30,000.

**(ii) Condition 3 : Authorisation to Connect other Systems and Apparatus to and to provide services by means of the TT dotCom's network**

The terms and conditions are the same as per TT dotCom's Domestic Operator Licence.

**(iii) Condition 7 : Prohibition On Undue Preference and Undue Discrimination**

The terms are the same as per TT dotCom's Domestic Operator Licence.

**(iv) Condition 8 : Prohibition on Cross-Subsidies**

TT dotCom is prohibited from unfairly cross-subsidising the telecommunications apparatus supply business and activities in respect of the provision of value added services by means of TT dotCom's network of any company which is a member of the group of companies of which TT dotCom is a member.

TT dotCom is further obliged to secure that its subsidiaries are not engaged in the business of running a telecommunication system.

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**15. KEY TERMS OF THE OPERATING LICENCES (Cont'd)**

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- (v) The following conditions are on similar terms and conditions as per TT dotCom's Domestic Operator Licence:-
- (a) Condition 4 : Terms and Conditions of Interconnect.
  - (b) Condition 9 : Separate Accounts for Certain Activities.
  - (c) Condition 10 : Prohibition of Preferential Treatment.
  - (d) Condition 11 : Prohibition of Linked Sales.
  - (e) Condition 14 : Planning and Implementation of Special Arrangements for Emergencies.
  - (f) Condition 15 : Alterations to TT dotCom's network.
  - (g) Condition 17 : Priority Fault Repair Service
  - (h) Condition 20 : Publication of Charges, Terms and Conditions to be applied.
  - (i) Condition 24 : Resale.
  - (j) Condition 31 : Network Security.
  - (k) Condition 33 : Pre-notification of Changes in Shareholdings.
  - (l) Condition 34 : Pre-notification of Joint Ventures.
  - (m) Condition 36 : Access Charges.
  - (n) Condition 38 : Review.
  - (o) Condition 40 : Provision of Telecommunication Services to Rural Areas.

**15.3.6 Revocation**

The MECM may at any time revoke the International Gateway Licence by 30 days notice if:-

- (i) TT dotCom is in breach of any term of the International Gateway Licence and fails to remedy the breach within a reasonable time from service of a notice by the Commissioner or 6 months, whichever is the earlier; or
- (ii) TT dotCom surrenders the International Gateway Licence; or
- (iii) TT dotCom fails to pay the fees due to the within 30 days from the due date; or
- (iv) TT dotCom fails to implement its network and services by 1 January 1996.

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**15. KEY TERMS OF THE OPERATING LICENCES (Cont'd)**

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**15.4 Personal Communications Network Licence****15.4.1 Nature of Licence**

TWSB was granted a licence by the Ministry of Energy, Telecommunications and Posts (*now known as Ministry of Energy, Communications and Multimedia*) pursuant to his powers under Section 3 of the Telecommunications Act, 1950 on 24 December 1993 to provide voice telephony services and such other services as authorised by the Commissioner ("PCN Licence") through the establishment of a PCN telecommunication system based on the DCS 1800 standard.

**15.4.2 Duration**

The PCN Licence is granted for a period of 20 years from 24 December 1993. It is revocable with the giving of 10 years notice. Such notice, however, can only be given after the end of tenth year from the granting of the PCN Licence.

**15.4.3 Area of Operation**

TWSB is authorised to provide the abovementioned service ("PCN Services") throughout Malaysia.

**15.4.4 International Transmission**

TWSB is authorised to provide transmission of messages by subscribers of its PCN Services, through a public telecommunication system to which TWSB's network is connected, to international jurisdictions in accordance with arrangements (approved by the Commissioner ) entered into with telecommunication operators in other jurisdictions.

**15.4.5 Key obligations of TWSB under the PCN Licence**

- (i) The following conditions of TWSB's PCN Licence is similar to TT dotCom's Domestic Operator Licence in relation to the provision by it of PCN Services :
- (a) Condition 2 : Provision of Telecommunication Services to Rural Areas.
  - (b) Condition 6 : Planning and Implementation of Special Arrangements for Emergencies.
  - (c) Condition 9 : Publication of Charges, Terms and Conditions to be Applied.
  - (d) Condition 10 : Prohibition on Undue Preference and Undue Discrimination.
  - (e) Condition 12 : Access Charges.
  - (f) Condition 13 : Separate Accounts for certain Activities.
  - (g) Condition 14 : Prohibition of Preferential Treatment.
  - (h) Condition 15 : Alterations to TWSB's network.
  - (i) Condition 23 : Prohibition of Linked Sales.

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15. KEY TERMS OF THE OPERATING LICENCES (*Cont'd*)

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- (j) Condition 26 : Network Security.
- (k) Condition 30 : Pre-notification of Changes in Shareholdings.
- (l) Condition 30A : Pre-notification of Changes in Shareholding with Respect to Foreigners.
- (m) Condition 31 : Pre-notification of Joint Ventures.
- (n) Condition 37 : Review.
- (ii) Condition 8 : Provision by others of service by means of TWSB's network
- TWSB is under an obligation to allow, any person who is licensed to operate a telecommunication system authorised for connection to TWSB's network, for connection to its network for the purpose of enabling the latter to provide telecommunication services by means of TWSB's network.
- (iii) Condition 11 : Prohibition on cross-subsidy
- TWSB is prohibited from unfairly cross-subsiding the supply of telecommunications apparatus business and activities related to the provision of value added services by means of TWSB's network conducted or carried on by any company which is a member of the group of companies to which TWSB is a member.
- TWSB is also obliged to secure that none of its subsidiaries engaged in any of the abovementioned activities engages in the business of running a telecommunication system.
- (iv) Condition 16 : Restriction on increases in rates
- TWSB may only increase the rates in respect of the PCN Services provided by it and charges imposed in respect of the access to its network of systems not operated by it or telecommunication apparatus not owned by it, in accordance with the provisions of the Telecommunication Act, 1950.
- (v) Condition 28 : Arrangements for International Roaming Services
- TWSB is authorised to enter into agreements or arrangements with other PCN telecommunications system operator outside Malaysia to facilitate international roaming services with the prior approval of the Commissioner.
- (vi) Condition 32 : Payment of fees
- TWSB shall pay the MCMC:-
- (a) on grant of the PCN licence, RM300,000; and
- (b) on 2 January 1994 and annually thereafter, a renewal fee of 0.08% of the gross annual turnover of TWSB's business or the sum of RM30,000, whichever is the greater.

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15. KEY TERMS OF THE OPERATING LICENCES (*Cont'd*)

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## (vii) Condition 35 : Research and Development

TWSB is required to finance a programme of research and development of radio telecommunication apparatus with the objective of permitting the limited number of allocated frequencies to provide a greater overall message throughput or other objectives specified by the Commissioner .

## (viii) Supply and Connection of Apparatus for the Disabled

TWSB must consult the Commissioner for any arrangements made/or to be made by TWSB, for the purpose of connecting the telecommunications apparatus designed to assist the disabled into TWSB's network.

**15.4.6 Revocation**

The MECM may at any time revoke the PCN Licence by 30 days notice if:-

- (i) TWSB is in breach of any term of the PCN Licence and fails to remedy the breach within a reasonable time from service of a notice by the Commissioner or 6 months, whichever is the earlier; or
- (ii) TWSB surrenders the PCN Licence; or
- (iii) TWSB fails to pay the fees due to the Commissioner within 30 days from the due date.

**15.5 Public Telephones Licence****15.5.1 Nature of Licence**

The MECM pursuant to Section 3 of the Telecommunications Act, 1950 granted to TRSB a licence to supply, install and maintain a public telephone system. ("Public Telephones Licence")

The licence was issued on 20 June 1988 and came into force on 1 January 1989. It was subsequently amended by the MECM in December 1995.

TRSB is licensed under the Public Telephones Licence to supply, install and maintain a public telephone system for the provision of voice telephony only whether domestic or international.

**15.5.2 Duration**

The duration of the licence is 15 years.

**15.5.3 Area of Operation**

TRSB is currently licensed to operate a public telephone system throughout Malaysia.

**15.5.4 Key obligations of TRSB under the Public Telephones Licence**

- (i) TRSB is required to pay a fee of RM5,000 to the Commissioner , the first such payment to be made on 1 January 1989 and annually thereafter, a renewal fee of 0.08% of the gross annual turnover of its business or RM20,000, whichever is the higher.
- (ii) TRSB is required to supply, install and maintain adequate public telephones in Malaysia to meet demand.

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**15. KEY TERMS OF THE OPERATING LICENCES (*Cont'd*)**

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- (iii) Commissioner has directed that TRSB must install 1 public telephone in the rural areas of Malaysia for every 2 installed in an urban area. Rural area is to be determined by the MECM.
- (iv) TRSB is required to repair faults or failure of any public telephone within 24 hours from the faults or failure being reported.
- (v) Under the Public Telephones Licence, TRSB must display the telephones numbers of the emergency services available to the public and the operator for emergency services must be capable of being accessed from all public telephones.
- (vi) Information on any changes to the public telephones or introduction of new types must be given to the Commissioner and type approval requirements must be complied with.
- (vii) The rates charged by TRSB for the provision of voice telephony services through its public telephones must be in accordance with the rates prescribed by law and any changes to the same must be introduced only after approval has been secured under the CMA, 1998.
- (viii) TRSB is required to give due consideration to the representations of consumer protection bodies recognised by the Government of Malaysia and the public with regard to the location of public telephones.
- (ix) TRSB bears sole responsibility for the maintenance of public telephones and must ensure that they are in proper working order and that such maintenance is to the satisfaction of the MECM.
- (x) TRSB must ensure that:-
  - (a) there is no obstruction to the use of public telephones;
  - (b) public telephones are easily accessible;
  - (c) messages transmitted or received through public telephones are not intercepted; and
  - (d) wires connecting the exchange line to the public telephones are adequately concealed and protected.
- (xi) TRSB may add, resite or temporarily withdraw from services of any public telephone but if TRSB decides to withdraw permanently any public telephone it must obtain the prior written permission of the Commissioner.
- (xii) TRSB is prohibited from disposing, assigning or transferring the Public Telephone Licence to any other person.
- (xiii) TRSB is obliged to provide an adequate number of public telephones at any location in Malaysia and maintain such telephones to the extent that the MECM is satisfied with the service and that any reasonable demand is met.
- (xiv) TRSB is obliged to rent exchange lines or wireless local loop from licensed telecommunications network providers for the connection of its public telephones.



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## 15. KEY TERMS OF THE OPERATING LICENCES *(Cont'd)*

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### 15.5.5 Revocation

The MECM may revoke the Public Telephones Licence by giving prior written notice to TRSB unless TRSB submits reasonable grounds against revocation within 2 weeks of receipt of notice.

Revocation may, however, be made by giving 30 days notice if:-

- (i) TRSB fails to pay the fees due within 30 days of the due date; or
- (ii) TRSB goes into voluntary or involuntary liquidation save for the purpose of reconstruction or amalgamation; or
- (iii) TRSB breaches or fails to observe or fails to perform any term of the Public Telephones Licence; or
- (iv) TRSB fails to comply with the provisions of the CMA, 1998 or the regulations made thereunder.

### 15.5.6 Effects of Determination or Revocation of the Public Telephones Licence

The Government's right to recover sums due are preserved, and all public telephones installed and maintained by TRSB must be handed over to the Government by TRSB on the expiration of the Public Telephones Licence or its revocation by the Government, whichever is the earlier.

## 15.6 Data Communications Licence

### 15.6.1 Nature of Licence

TSAT was granted a licence by the MECM pursuant to his powers under Section 3 of the Telecommunications Act, 1950 on 17 December 1993 to provide data telecommunication services such as message handling and electronic directory in accordance with the International Telecommunication Union ("ITU") standards ("Data Communications Licence").

### 15.6.2 Duration

The Data Communications Licence is granted for a period of 15 years from 31 October 1991 and was issued on 17 December 1993. It is revocable with 5 years notice but such notice cannot be given earlier than the 6th year after the granting of the licence.

### 15.6.3 Area of Operation

TSAT is authorised to provide the service throughout Malaysia.

### 15.6.4 International Transmission

TSAT is authorised to provide transmission of data by subscribers of its services to international jurisdictions in accordance with arrangements (approved by the Commissioner) entered into with telecommunication operators in other jurisdictions.

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**15. KEY TERMS OF THE OPERATING LICENCES (Cont'd)**

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**15.6.5 Key obligations of TSAT under the Data Communications Licence****(i) Condition 4 : Priority Fault Repair Service**

TSAT is required to provide fault repair service on a priority basis to :

- (a) persons engaged in the provision of emergency services, essential services and supply of essential goods to the public or who are in public service;
- (b) persons notified to TSAT by the Commissioner ; and
- (c) persons who have requested for the same and agreed to pay the charges for it.

**(ii) Condition 5 : Planning and Implementing Special Arrangements for Emergencies**

TSAT shall after, consultation with local and federal authorities as specified by the and departments providing emergency services, make plans and arrangements for the provision of and/or rapid restoration of data telecommunication services.

TSAT can make conditional the implementation of the above plan and arrangements on receiving adequate indemnity for costs incurred.

**(iii) Condition 7 : Provision by others of services by means of TSAT's Network**

TSAT is required to permit any person licensed to operate a Connectable System to connect such system to its network in order that such person may provide data telecommunication services.

**(iv) Condition 8 : Publication of Charges, Terms and Conditions to be applied**

TSAT is required to publish its list of charges for the data telecommunication services and services incidental to the same and in relation to the above paragraph that it is licensed to provide and the terms and conditions on which it offers the same unless the otherwise consents or where the charges are prescribed by law.

**(v) Condition 9 : Prohibition against undue preference and undue discrimination**

Unless authorised under the terms of the Data Communications Licence, TSAT shall not give undue preference to or exercise undue discrimination against any person or class of persons in respect of:-

- (a) provision of data telecommunication services.
- (b) provision of services incidental to the above.
- (c) granting permission to connect as Connectable System where the same is required under the Data Communications Licence.

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**15. KEY TERMS OF THE OPERATING LICENCES (Cont'd)**

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**(vi) Condition 10 : Access Charges**

TSAT may impose access charges on persons connecting their telecommunication systems to TSAT's network for the purpose of providing telecommunication services provided that :

- (a) TSAT shows no discrimination with regard to the amount of the charges imposed or method adopted for determining the charges.
- (b) The Commissioner has approved or failed within 6 months to give notice of his disapproval to the method adopted by TSAT for determining the access charges or the particulars of the access charges.
- (c) The proceeds of the access charges are used to defray costs of providing such services.

**(vii) Condition 11 : Alterations to TSAT's Network**

TSAT is required to prepare and follow procedures for the giving of advance notice to the Commissioner and persons operating a Connectable System producing or supplying Connectable Apparatus about any proposal to make changes to TSAT's network or any stored commands or protocols which would require persons operating a Connectable System to make material modifications to their Connectable System or persons supplying or producing Connectable Apparatus to replace or cease to produce or supply such Connectable Apparatus.

**(viii) Condition 12 : Prohibition of Cross-Subsidies**

TSAT is prohibited from cross-subsidising the following activities carried out by its related companies :

- (a) supply and production of Connectable Apparatus.
- (b) provision of value added services.
- (c) provision of telecommunication services.
- (d) provision of services like installation, maintenance, repair etc. of Connectable Apparatus.

**(ix) Condition 13 : Separate Accounts for Separate Business**

Unless the Commissioner consents, TSAT must from 1 January 1994 maintain accounting records in a manner which identifies clearly the transactions forming part of TSAT's data telecommunication services.

**(x) Condition 18 : Prohibition of Linked Sales**

Unless consented to by the Commissioner, TSAT must not make it a condition that:-

- (a) the provision or charges of or terms for provision of data telecommunication services; or
- (b) supply or sale price or terms of sale of a Connectable Apparatus; or

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**15. KEY TERMS OF THE OPERATING LICENCES (Cont'd)**


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- (c) the charges for connecting any other system or apparatus to its network,

to persons requesting the provision by TSAT of data telecommunication services will be more favourable if:-

- (a) such person subscribes for data telecommunication services not relevant to the provision of services requested by such person ; or
- (b) such person acquires any Connectable Apparatus not relevant to the provision of services requested by such person.

(xi) Condition 21 : Network Security

TSAT is required to take reasonable steps to ensure that :

- (a) there is no obstruction or intervention of its network; and
- (b) there is no interception of any messages transmitted or received through its network.

(xii) Condition 24 : Payment of Fees

- (a) on the grant of the licence, RM50,000; and
- (b) annually, a renewal fee which shall be a fair proportion determined each year by the Commissioner of the estimated operating costs to be incurred by the Commissioner in the exercise of his functions subject to a maximum of 0.08% of the gross annual turnover of TSAT's business or RM20,000 whichever shall be the higher.

(xiii) Condition 25 : Prenotification of changes in shareholdings

TSAT is required to notify the MECM of any changes in its shareholding if:-

- (a) such change results in a change in control of TSAT; or
- (b) the proportion of shares held by the acquirer by virtue of the acquisition exceeds 15% of the total aggregate shares of TSAT.

TSAT is also required to notify the MECM of any arrangement for listing its shares on any stock exchange or dealings in its shares on an unlisted or over the counter market.

(xiv) Condition 26 : Prenotification of Joint Ventures

Unless agreed to by the Commissioner, TSAT is required to inform the Commissioner of any agreement or arrangement for:-

- (a) the establishment or control of a company (in which TSAT has or is to have not less than 20% of the voting power) for the purpose of:-
- (i) operating a telecommunication system which requires a licence; or
- (ii) providing telecommunication services involving operating a telecommunication system; or

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## 15. KEY TERMS OF THE OPERATING LICENCES *(Cont'd)*

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- (iii) the production of telecommunication apparatus for supply in Malaysia which would create a monopoly.
- (b) the establishment of a partnership for the purposes in paragraph (a) and in which TSAT would have or is to have 20% voting power.
- (c) the creation of a joint venture to undertake the activities listed in paragraphs (a)(i) and (a)(ii) above.

### 15.6.6 Review

The MECM has the right every 5 years to review the terms of the Data Communications Licence and add to, vary or revoke any term. TSAT is given the right to make representations in respect of any such review.

The terms of the Data Communications Licence with respect to the payment of fees may be reviewed by the MECM, 3 years from 31 October 1991 and therefore from time to time.

### 15.6.7 Revocation

The MECM may at any time revoke the Data Communications Licence by 30 days notice if:-

- (i) TSAT is in breach of any term of the Data Communications Licence and fails to remedy the breach within a reasonable time from service of a notice by the Commissioner or 6 months, whichever is the earlier; or
- (ii) TSAT surrenders the Data Communications Licence; or
- (iii) TSAT fails to pay the fees due to the Commissioner within 30 days from the due date.

## 15.7 Internet Service Provider Licence

### 15.7.1. Nature of Licence

TT dotCom was granted a licence by the MECM pursuant to his powers under Section 3 of the Telecommunications Act 1950 to provide internet services such as electronic-mail, bulletin board, chat groups, world wide web, publishing services (content and fulfillment), electronic commerce, secure transaction, secure link service, managed services (network, serves, application and communities), secure and virtual private networks and education and distance learning, within 12 months of the grant of the licence ("Internet Service Provider Licence").

### 15.7.2 Duration

The Internet Services Provider Licence is granted for a period of 10 years from 1 June 1998. It is however subject to revocation specified in this licence.

### 15.7.3 Area of Operation

TT dotCom is authorised to provide the abovementioned services ("Internet Services") throughout Malaysia.

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**15. KEY TERMS OF THE OPERATING LICENCES (Cont'd)**

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**15.7.4 International Transmission**

TT dotCom is authorised to provide transmission of messages by subscribers of its Internet Services to international jurisdictions in accordance with arrangements (approved by the MCMC) entered into with telecommunication operators in other jurisdictions.

**15.7.5 Key obligations of TT dotCom under the Internet Service Provider Licence**

- (i) Condition 2 : Limitation on provision of services

TT dotCom must not promote, offer or provide simple resale of circuit, public switched voice telephony service, basic telex service, telegram service and service the substantial element of which is the transmission of sounds, sounds and visual images performed by the telecommunication system operated by TT dotCom in providing the provision of services.

This Internet Services Provider Licence is not an authorisation for TT dotCom to provide any basic telecommunication services that may or not infringe on the exclusive rights granted to TT dotCom.

- (ii) Condition 3 : Use of Telecommunication Equipment in the telecommunication system

(a) TT dotCom must obtain the approval of the Commissioner, for all telecommunication infrastructure, technology and telecommunication equipment which is either to be connected to or part of the telecommunication system, before the operation of the telecommunication system.

(b) Further, TT dotCom is also required to seek the approval of the Commissioner, for any other telecommunication equipment whether it is in addition to or intended to replace existing equipment for the purpose of being used in the operation of the telecommunication system.

(c) TT dotCom must fully comply with the technical requirements stated by the Commissioner for any telecommunication equipment and apparatus.

(d) TT dotCom must subscribe and obtain telecommunication links from licenced telecommunication service providers, and must seek the Commissioner's approval before establishing any telecommunication links in order to connect the telecommunication system to other telecommunication system or equipment.

- (iii) Condition 4 : Access and Interconnection to other system.

(a) TT dotCom is required to provide access to the telecommunication system for any licensed person providing the telecommunication services in Malaysia and also may, after obtaining the Commissioner's approval, impose access charges on any licensed person providing telecommunication services using TT dotCom's telecommunication system.

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**15. KEY TERMS OF THE OPERATING LICENCES (Cont'd)**


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- (b) TT dotCom is also required to connect any equipment (approved by the Commissioner), or any public or private licensed telecommunication systems to TT dotCom's telecommunication system.
- (c) TT dotCom must cease or refuse to connect any equipment or system to the telecommunication system if;
  - (i) such equipment or system has not been approved by the Commissioner or,
  - (ii) such equipment or system no longer meets the requirements.
- (d) The terms and conditions of the connection of system or equipment to TT dotCom's telecommunication system shall be determined by agreement made between both parties. If both parties cannot reach agreement, then the terms will be determined by the Commissioner whose decision will be final and binding on both parties.

(iv) Condition 6 : Implementation Plan

TT dotCom is required to abide with the implementation plan made by the Commissioner.

TT dotCom must strictly and without undue delay comply with the direction given by the Commissioner inclusive of any amendments, variation or revocation of the directions given.

Further, TT dotCom is to safeguard the secrecy of all the Commissioner's directions.

(v) Condition 8 : Prohibition of Linked Sales.

- (a) TT dotCom shall not make the provision to any person of any relevant service conditional upon the acquisition by such person of:-
  - (i) any telecommunication service which is not part of the relevant service requested unless the relevant service cannot be provided without the provision of such other telecommunication service; or
  - (ii) any telecommunication apparatus or telecommunication system unless the relevant service requested cannot otherwise be provided.
- (b) Except where the Commissioner has agreed otherwise, TT dotCom shall not:
  - (i) provide a relevant service together with one or both of the things described in paragraphs a(i) or a(ii) above; or
  - (ii) provide one of the things described in paragraphs a(i) or a(ii) above together with such other thing described.

in a manner or for charges or on terms or conditions more favourable than would have been available for providing such services.

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**15. KEY TERMS OF THE OPERATING LICENCES (Cont'd)**

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(vi) Condition 9 : Sale of Terminal Equipment.

- (a) TT dotCom is to establish a separate company if it desires to engage in the sale of telecommunication terminal equipment including the radiocommunication equipment under the authority of and in accordance with a licence granted by the Minister under the Telecommunication Act or any Regulations made thereunder.
- (b) TT dotCom is required to ensure that there is no exercise of any undue discrimination against any telecommunication or radiocommunication dealers and no company in the group of companies of which it is a member and which deals with telecommunication is given preferential treatment.

(vii) Condition 10 : Privacy and Confidentiality

Unless authorised under the terms of Internet Services Provider Licence, TT dotCom is to take all reasonable steps to safeguard the privacy and confidentiality of any transmitted message and any information acquired by TT dotCom in relation to its' telecommunication system.

Further, TT dotCom is required to take all reasonable steps to ensure that :-

- (a) there is no obstruction or intervention of the telecommunication system; and
- (b) there is no interception or hacking of any messages transmitted or received, by means of the telecommunication system.

(viii) Condition 12 : Prohibition on Undue Preference and Undue Discrimination.

Unless authorised under the terms of Internet Service Provider Licence, TT dotCom must not give undue preference to or exercise undue discrimination against any person or class of person in respect of :-

- (a) provision of Internet Services.
- (b) connection of any telecommunication apparatus or other system to the telecommunication system.
- (c) granting permission to connect telecommunication systems or apparatus to or to provide services by means of telecommunication systems.

(ix) Condition 13 : Prohibition of Cross Subsidies.

TT dotCom is to secure that its' activities, which consists of internet services to persons other than the members of TT dotCom's group of companies, is not unfairly cross-subsidised from any other source.

TT dotCom shall, not less than 12 months from the date of providing the service under this licence, record any material transfer at full cost between its activities and any other part of its undertaking or any other person.



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**15. KEY TERMS OF THE OPERATING LICENCES (*Cont'd*)**

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- (x) Condition 14 : Separate Account for separate activities

Unless the Commissioner consents, TT dotCom must maintain separate accounting records in a manner which identifies clearly TT dotCom's internet services transactions from its other activities.

- (xi) Condition 15 : Price Control

The Minister has the right to establish price control arrangements for the Internet Services provided by TT dotCom.

- (xii) Condition 16 : Publication of Charges, Terms and Conditions to be applied.

TT dotCom is required to publish its list of charges for Internet Services and services incidental to the same and in relation to the above paragraph that it is licensed to provide and the terms and conditions on which it offers the same, unless the Commissioner otherwise consents.

- (xiii) Condition 17 : Content

TT dotCom must comply with the terms and conditions imposed by the relevant authorities in regard to the content of its programme(s) that is transmitted through the telecommunication system.

- (xiv) Condition 18 : Resale of Internet Services

Subject to the terms and conditions imposed by the Commissioner, TT dotCom is allowed to establish marketing and distribution schemes for resale of the Internet Services.

However, TT dotCom is not allowed to enter into agreement/arrangement with any person for the resale of the Internet Services if it would result in allowing any person to establish, maintain or work the telecommunication system as an Access Service Provider unless that person has been duly licensed by the Minister under the Act.

The Commissioner may direct TT dotCom to suspend or/voke the said resale agreement/arrangement (and TT dotCom shall comply with the direction given by the Commissioner strictly,) if any reseller has breached any condition of the resale agreement with TT dotCom or any provisions of the Act or Regulations made.

TT dotCom shall inform the resellers immediately once it receives the Commissioner's direction in regard to the terms of the resale agreement.

- (xv) Condition 20 : Electronic - mail address portability

TT dotCom must comply with any guidelines prepared by the Commissioner in regard to electronic - mail address portability.

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**15. KEY TERMS OF THE OPERATING LICENCES (Cont'd)**

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(xvi) Condition 19 : Prohibition of certain Exclusive Dealing Arrangement

TT dotCom shall not impose conditions upon the agreement/or arrangement of the acquisition by TT dotCom from any person or the installation or servicing by any person for TT dotCom that:-

- (a) to supply to TT dotCom or to supply or not to supply to any other person apparatus of a different description; or
- (b) to provide to TT dotCom or to provide or not to provide to any other person any telecommunication service of a different description; or
- (c) to transfer to TT dotCom or any other person any interest in industrial or intellectual property with a view to exploiting the apparatus supplier's industrial or intellectual property so as to confer on TT dotCom or other person an unfair competitive advantage.

TT dotCom must not enter into any agreement or arrangement in a way that prevents competition in regard to the operation of the Internet Services provided by TT dotCom.

(xvii) Condition 23 : Licence is not transferable.

Unless the Minister consents, TT dotCom is not to assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges to any person or persons.

(xviii) Condition 24 : Pre-Notification of changes in shareholdings.

TT dotCom is required to inform the Minister of any changes in its shareholding if:-

- (a) such change results in a change in control of TT dotCom.
- (b) the proportion of shares held by the acquirer by virtue of the acquisition exceeds 15% of the total aggregate shares of TT dotCom.

TT dotCom is also required to inform the Minister of any arrangement for listing its' shares on any stock exchange or dealings its' share on an unlisted or over the counter market.

(xix) Condition 25 : Pre-Notification of Joint-Ventures

Unless agreed to by the Commissioner, TT dotCom is required to inform the Commissioner of any agreement or arrangement for :-

- (a) the establishment control of a company (in which TT dotCom has or is to have not less than 20% of the voting power) for the purpose of:-
  - (i) operating a telecommunication system that requires a licence; or
  - (ii) providing telecommunication services involving operating a telecommunication system; or

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15. KEY TERMS OF THE OPERATING LICENCES (*Cont'd*)

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- (iii) the production of telecommunication apparatus for supply in Malaysia which would create a monopoly.
  - (b) the establishment of a partnership for the purposes in paragraph (a) and in which TT dotCom would have or is to have 20% voting power.
  - (c) the creation of a joint-venture to undertake the activities listed in paragraph (a)(i) and (a)(ii) above.
- (xx) Condition 26 : Contracts with Third Parties to operate or provide licensed system or services.

TT dotCom must obtain the approval of the Minister, if the effect of it entering into any joint-venture association, contract, arrangement with a third party would permit the third party to operate or provide TT dotCom's Internet Services.

- (xxi) Condition 27 : Payment of Fees
- (i) TT dotCom is required to pay the Commissioner :-
    - (a) on the grant of the licence, RM50,000.00
    - (b) on 31 December 1999 and annually, a renewal fee of the annual sum payable that is 0.5% of the gross annual turnover of TT dotCom's business subject to a minimum of RM20,000 per year, whichever is greater.
  - (ii) The annual License fee is to be reviewed by the Minister after the first 3 years.

- (xxii) Condition 29 : Alteration to TT dotCom's telecommunication system.

TT dotCom is required to prepare and follow procedures for the giving of advance notice to the Commissioner and persons operating the telecommunication system producing or supplying the telecommunication apparatus for connecting to TT dotCom's applicable system about any proposal to make changes to TT dotCom's telecommunications system or any stored commands or protocols which would require persons operating the telecommunication system to make material modifications to their telecommunication system and or persons supplying or producing telecommunication apparatus to replace or cease to produce or supply such telecommunication apparatus.

- (xxiii) Condition 30 : Participation in Emergency Activities

Whenever the Commissioner gives any direction to TT dotCom, it shall participate in any emergency activities or preparations in collaborating with other relevant agencies, organizations and government departments.

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15. KEY TERMS OF THE OPERATING LICENCES (*Cont'd*)

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(xxiv) Condition 32 : Indemnity

TT dotCom is required to give an indemnity to the Commissioner against all actions, claims, proceeding, demands made against him and also all costs and expenses incurred by him in relation to any breach or failure on the part of TT dotCom, its servants or agents to observe the provisions of the Act or the terms of the licence or through negligent use, maintenance, operation or control of TT dotCom's telecommunication system.

(xxv) Condition 34 : Domain Name Services ("DNS")

DNS Registry for the Internet Service Provider shall be administered by the Commissioner.

**15.7.6 Review**

The Minister has the right to review from time to time and add to, vary or revoke any term.

**15.7.7 Revocation**

The Minister may at any time revoke the Internet Service Provider Licence by 30 days if:-

- (a) TT dotCom fails to pay the fees due to the Commissioner within 30 days from the due date.
- (b) TT dotCom is in breach of any terms of the Internet Service Provider Licence.
- (c) TT dotCom ceases to work or maintain the telecommunication system.
- (d) TT dotCom goes into liquidation whether voluntary or involuntary.
- (e) TT dotCom fails to comply with any provisions of the Act or Regulations made.

Upon revocation TT dotCom is not entitled to any compensation from the government for any loss or damage that have occurred, or suffered by it.

The Government has the right to claim any sum due to it by TT dotCom, regardless of the revocation of the Internet Service Provider Licence.

**15.8 Application Service (Class Licence)**

**15.8.1 Sole Licence**

This licence was granted on 4 August 2000 for the provision of audiotext hosting services provided on an opt-in basis, directory services, internet access services, messaging services, private payphone services and telegram services. This licence, which is renewable annually, replaces any other licence granted by the MECM and shall be the sole licence held by the licensee in respect of the applications services authorised under this licence.

**15.8.2 Compliance with the Law**

- (a) The licensee shall comply with the provisions of the CMA 1998; and
- (b) The licensee shall comply with the provisions of any subsidiary legislation made, or other instruments, guidelines or regulatory policies issued under the CMA 1998.

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**15. KEY TERMS OF THE OPERATING LICENCES** *(Cont'd)*

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**15.8.3 Compliance with numbering and electronic addressing plans**

The licensee shall comply with the numbering and electronic addressing plan issued under the CMA 1998.

**15.8.4 Compliance with consumer codes**

The licensee shall comply with any consumer codes registered under the CMA 1998 which are relevant to the activities of the licensee.

**15.8.5 Indemnity**

The licensee shall indemnify the MECM and the MCMC against any claims or proceedings arising from any breaches or failings on the part of the licensee.

**15.8.6 Safety measures**

The licensee shall in respect of all apparatus, equipment and installations possessed, operated, maintained or used under the licence, take all proper and adequate safety measures to safeguard life or property, including exposure to any electrical emission or radiation emanating from the apparatus, equipment or installations so used.

**15.8.7 Charging mechanism**

The licensee shall take reasonable steps to ensure that the charging mechanism used in connection with any of its network facilities and/or network services are accurate and reliable in all material aspects.