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## GENERAL NOTICES

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### NOTICE 1483 OF 2002



INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

**ISSUE OF LICENCE IN TERMS OF SECTION 37(1) OF THE  
TELECOMMUNICATIONS ACT, ACT NO. 103 OF 1996, TO PROVIDE  
NATIONAL MOBILE CELLULAR TELECOMMUNICATIONS SERVICES**

It is hereby notified for general information that a national mobile cellular telecommunications service licence in the form set out in the annexure to this notice, is being issued to Vodacom (Pty) Ltd by the Independent Communications Authority of South Africa.

**ANNEXURE**

**LICENCE TO PROVIDE A NATIONAL MOBILE CELLULAR  
TELECOMMUNICATION SERVICE**

**ISSUED TO VODACOM (PTY) LTD IN TERMS OF SECTION 37(1) OF THE  
TELECOMMUNICATIONS ACT, NO. 103 OF 1996**

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## **NATIONAL MOBILE CELLULAR TELECOMMUNICATION SERVICE LICENCE ISSUED TO VODACOM (PTY) LTD**

This Licence is issued to the Licensee for the provision of a National Mobile Cellular Telecommunication Service in terms of section 37(1) of the Telecommunications Act, 1996.

### **DEFINITIONS**

All words and expressions used in this Licence shall, unless stated otherwise, have the meaning assigned to them in the Act.

Words indicating the singular shall include the plural and vice versa.

The following words and expressions, when used in this Licence, shall (unless stated otherwise or unless the context requires otherwise) have the meaning assigned to them below:

**"Act"** means the Telecommunications Act, No. 103 of 1996, as amended;

**"Authority"** means the Independent Communications Authority of South Africa, established by section 3 of the Independent Communications Authority of South Africa Act, No. 13 of 2000, or the Postmaster-General or the South African Telecommunications Regulatory Authority, depending on the context;

**"Cellular"** means radio telecommunications designed to use limited radio frequency spectrum between cellular Terminal Equipment and network transceivers for the provision of GSM bearer, tele- and supplementary services across the cellular network, by allocating a limited number of frequencies within each of a number of defined geographical areas or cells, allowing the re-use of the same frequencies in different non-adjacent cells, and enabling users to maintain connections whilst moving through different geographical areas by making use of call handover between adjacent cells;

**"Chart Of Accounts and Cost Allocation Manual"** means a listing of account names and numbers used by the Licensee in its general ledger together with the account descriptions, and the documents that set out the principles of allocation of revenue, costs, assets and liabilities, the form and content of which shall be agreed between the Authority and the Licensee in writing from time to time, and which shall be subject to any regulations made by the Authority pursuant to Section 46 of the Act;

**"Commercial Date"** means 1 June 1994, the date on which the Licensee became entitled to commence using Licensed Lines for commercial purposes;

**"Community Centre"** means schools, railway stations and such other locations as requested by the Licensee and approved by the Authority in response to such request;

**"Community Service Telephone"** means Terminal Equipment which -

- (i) is registered as such by a Licensee in its own records; and
- (ii) is made available to the general public for the provision of the Service, and to this end is freely accessible; and
- (iii) is located in an Under-serviced Area or in a Community Centre; and
- (iv) is provided at tariffs which include a Community Service Telephone tariff in terms of this Licence;

**"Community Service Telephone Timetable"** means the timetable set out in Schedule 2;

**"Companies Act"** means the Companies Act, No. 61 of 1973;

**"Consumer Price Index"** means the index of consumer prices applicable to all economic sectors compiled and published from time to time by Statistics South Africa, referred to in section 4 of the Statistics Act, No. 6 of 1999, or any index which replaces such index and becomes an official direct substitute for it from time to time;

**"Connect"** means to install, maintain and use any Telecommunications Line or other apparatus used for telecommunications so that Messages which are

- (a) conveyed by one Operator are also conveyed by another Operator; or
- (b) sent by means of one item of apparatus are conveyed or received by means of another item of apparatus;

**"Customer"** means a person who-

- (i) has indicated a willingness in writing to enter into a contract with the Licensee for the provision of the Service by means of the Licensed Lines on the Licensee's terms and conditions lodged in accordance with paragraph 13.5, or has either in writing or otherwise entered into and is not in breach of such a contract; or
- (ii) is a customer of a Service Provider;

**"Disaster"** includes any event or circumstance resulting from a major accident, natural phenomena, or an incident involving toxic or radio active materials;

**"Emergency Organisation"** means, in respect of any locality, the relevant governmental and traffic police, fire and ambulance services, and the National Sea Rescue Institute;

**"ETSI"** means European Telecommunications Standard Institute;

**"Facilities Leasing Agreement"** means an agreement entered into in terms of section 44 of the Act;

**"Fixed Link"** means a Telecommunications Line connecting two points, neither of which is Terminal Equipment;

**"Frequency Band Plan"** means the manifestations of the actions of the Authority to exercise control over and manage the radio frequency spectrum in accordance with accepted international standards and subject to the provisions of the Act;

**"GSM"** means Global System for Mobile communications as defined in the ETSI structure of technical specifications and operating in the 900 MHz frequency band;

**"Implementation Timetable"** means the timetable for the implementation of the Licensee's obligations set out in the schedules to this Licence;

**"Interconnection Agreement"** means an agreement concluded in terms of section 43 of the Act between the Licensee and one or more PSTS licensee(s) or similarly licensed persons, and shall include any interconnection agreement already entered into between the Licensee and Telkom or any similarly licensed persons;

**"Interconnect Fees"** means the fees payable in terms of an Interconnection Agreement or Facilities Leasing Agreement for:

- (i) the carriage of messages originating in one network by means of another network, and/or
- (ii) Leased Lines;

**"ITU"** means the International Telecommunications Union;

**"Joint Economic Development Plan Agreement"** means the plan proposed by the Licensee as agreed by the Authority to assist in the development of the South African economy and in particular the telecommunications industry;

**"Leased Line"** means a dedicated point-to-point circuit, complying with ITU recommendations, leased from a PSTS licensee, or made available by any other person as authorised by the Authority in terms of Section 44(7) of the Act, for the purpose of carrying telecommunications traffic;

**"Licence"** means this licence, including the Schedules hereto, issued by the Authority to the Licensee under section 37(1) of the Act;

**"Licence Period"** means the period for which this Licence and the applicable Radio Licence continue in force (including any period for which those Licences may be renewed or further renewed);

**"Licensed Line"** means a Telecommunications Line or any part thereof which the Licensee is authorised to construct, maintain and use in terms of this Licence;

**"Licensee"** means Vodacom (Pty) Ltd, a company duly registered and incorporated according to the company laws of the Republic;

**"Message"** means any sound, signal, sign or image sent, or to be sent, for conveyance by means of a Licensed Line;

**"MTN"** means Mobile Telephone Networks (Pty) Ltd;

**"Multipart Implementation Agreement"** means the agreement concluded, on 30 September 1993, between the Government of the Republic, the Postmaster-General, Telkom, the Licensee and Vodacom, and a copy of which was published under Notice 1078 of 1993 in *Government Gazette* No. 15232 of 29 October 1993;

**"Net Operational Income"** means the total invoiced revenue of the Licensee (less discounts, VAT and other indirect taxes) derived from customers of the Licensee for the provision to them of the Service, less net Interconnect Fees and bad debts actually incurred and as provided for in terms of the Income Tax Act;

**"Network Implementation Timetable"** means the timetables set out in schedule 1;

**"Number"** means any alpha-numerical identifier of any Customer, Terminal Equipment or component of the Service;

**"Operator"** means any person licensed to provide a telecommunication service of the nature described in section 34(2)(a) of the Act;

**"PABX"** means customer switching systems capable of all of the following:

- (i) initiating, receiving, holding or transferring a call;
- (ii) handling voice communications;
- (iii) being configured with two or more telephones; and
- (iv) allowing a private conversation;

**"PLMN"** means Public Land Mobile Network;

**"Population"** means demographic density as established in terms of the Statistics Act, Act No. 66 of 1976;

**"Postmaster-General"** means the official who, prior to the commencement of the Act, held the position of Postmaster-General under the Post Office Act, No. 44 of 1958.

**"PSTS"** means Public Switched Telecommunications Service as contemplated in Section 36 of the Act;

**"PSTS licensee"** means Telkom or any other person who has been licensed by the Authority to provide a PSTS;

**"Radio Licence"** means a licence granted or deemed to have been granted to the Licensee by the Authority in terms of section 30 of the Act;

**"Republic"** means the Republic of South Africa, established by the Constitution of the Republic of South Africa, Act No. 108 of 1996;

**"Retail Business"** means that part of the Licensee's business which involves the sale or making available of the Service to Customers who are not Operators or Service Providers;

**"Service"** means a service consisting of –

- (i) the provision of any Licensed Line;
- (ii) the conveyance of any message by means of such Line;
- (iii) the provision of any directory, voice mail, GSM bearer, tele- and supplementary services, or information service provided by those means;  
or
- (iv) the access to Emergency Organisations by those means,

together with any billing, data processing or other operation which is necessary to provide that service, whether or not the Licensee charges a separate fee for it.

**"Service Provider"** means any person who is in the business of providing the Service to another and who has a contract with the Licensee for such purpose;

**"Telecommunications Line"** includes any apparatus, instrument, pole, mast, wire, pipe, pneumatic or other tube, thing or means which is or may be used for or in connection with the sending, conveying, transmitting or receiving of signs, signals, sounds, communications or other information;

**"Terminal Equipment"** means a GSM terminal, including a Community Service Telephone connected via a GSM radio link which may be used by an end user to

send and/or receive messages which are to be or have been conveyed by means of the PLMN all of which are duly licensed by the Authority;

**"Territory"** means the geographical area of Republic;

**"Under-serviced Area"** means a city, town, township, shantytown, location, village or human settlement or any part thereof as prescribed by the Authority from time to time but in any event the areas listed in the Implementation Timetable;

**"Vodacom"** means Vodacom (Pty) Ltd;

**"Wholesale Business"** means that part of the business of the Licensee which is not Retail Business;

## 1. LICENCE FEES

1.1 In consideration for the granting to the Licensee of the rights to construct, maintain and use Licensed Lines as provided for in paragraph 2, the Licensee shall pay to the Authority:

- (a) An amount of R100 000 000 (one hundred million Rand) payable on 29 October 1993, or at the instance of the Licensee of the following amounts (which amounts have already been paid as at the date of issuing of this licence):
  - (i) R10 000 000 (ten million Rand) payable on 29 October 1993; plus
  - (ii) R10 000 000 (ten million Rand) payable on the Commercial Date; plus
  - (iii) R22 310 000 (twenty-two million three hundred and ten thousand Rand) payable on the first anniversary of the Commercial Date; plus
  - (iv) R24 900 000 (twenty-four million nine hundred thousand Rand) payable on the second anniversary of the Commercial Date; plus
  - (v) R27 780 000 (twenty-seven million seven hundred and eighty thousand Rand) payable on the third anniversary of the Commercial Date; plus
  - (vi) R30 990 000 (thirty million nine hundred and ninety thousand Rand) payable on the fourth anniversary of the Commercial Date,

but subject to an 11% (eleven percent) discount in the event of the early payment of any or all of the above amounts calculated on such amount(s);

- (b) An annual amount constituting 5% (five percent) of the audited Net Operational Income of the Licensee payable within three months after the end of the first year of the Licence and thereafter quarterly on assessed Net Operational Income within 45 (forty-five) days of the end of such quarter to be adjusted immediately on receipt of the audited annual statements of the Licensee;
- (c) The licence fees payable for and in respect of any renewal of the Licence shall be as agreed between the Authority and the Licensee.

1.2 The licence fees as set out above shall be inclusive of any sales or value added taxes or taxes on such licence fees.

1.3 Notwithstanding the provisions of paragraph 1.1(a), in the event that one or more additional telecommunications licences using analogue or digital cellular radio technology being issued for the Territory by the Republic within four years after 29 October 1993, save for the licence issued to Vodacom, the Licensee shall be entitled to a discount on the remaining licence fees payable in terms of paragraph 1.1(a) only. This discount shall be -

- (a) 50% (fifty percent) of the remaining licence fees if any additional licence is issued between the first and second anniversary of the abovementioned date;
- (b) 40% (forty percent) of the remaining licence fees if any additional licence is issued between the second and third anniversary of the abovementioned date;
- (c) 30% (thirty percent) of the remaining licence fees if any additional licence is issued between the third and fourth anniversary of the abovementioned date; and
- (d) 20% (twenty percent) of the remaining licence fees if any additional licence is issued between the fourth and fifth anniversary of the abovementioned date.

1.4 The provisions of paragraph 1.3 shall not apply in the event that the Licensee is in default regarding any of its material obligations in terms of this Licence.

## 2. LICENCE AUTHORITY

2.1 The Licensee is authorised by this Licence to construct, maintain and use a national PLMN for the Territory to -

- (a) provide a GSM national mobile cellular telecommunication service operating in the 890 MHz to 960MHz frequency band, and
- (b) connect fixed and mobile Terminal Equipment using GSM cellular radio telephony technology for the provision of the Service and Community Service Telephones.
- (c) interconnect with the Telkom network and with the PLMN of a similarly licensed person,

all of which subject to the provisions of paragraph 3.

2.2 The above rights may be exercised partially through agents, contractors or Service Providers of the Licensee. The Licensee shall be responsible for their acts or omissions in respect thereof on the basis that -

- (a) the liability of the Licensee for any acts or omissions of any agent, contractor or Service Provider in relation to the exercise of such rights, shall be limited to acts or omissions which constitute a contravention of the conditions of this Licence;
- (b) the Licensee shall stipulate adequate provisions in its contracts with its agents, contractors and Service Providers to ensure that their exercise of any of the above rights do not contravene any of the conditions of this Licence;
- (c) should an agent, contractor or Service Provider of the Licensee commit any act or omission in contravention of a condition of this Licence, the Licensee shall, upon becoming aware thereof, act as expeditiously as is reasonably possible to remedy such contravention and the Licensee shall be afforded reasonable time for such purposes; and
- (d) the Authority shall, upon becoming aware of any contravention of licence conditions by agents, contractors or Service Providers of the Licensee or any complaints lodged with the Authority in relation thereto, forthwith in writing notify the Licensee accordingly.

- 2.3 Nothing in this Licence shall be construed or understood as to relieve the Licensee or any other party of the obligations to comply with any other applicable statutory prohibition or obligation.
- 2.4 The Licence shall not be transferable unless the prior written approval of the Authority has been obtained and then only on such conditions as it may prescribe, including the payment of a fee.

### 3. LICENCE DETAILS

- 3.1 The Licensee shall be obliged to use Leased Lines for -
- (a) all connections between the elements of its own PLMN;
  - (b) interconnections between its PLMN elements and the PLMN elements of a similarly licensed person;
  - (c) interconnection of its PLMN elements and the public switched telephone network of any PSTS licensee.
- 3.2 The Licensee is hereby authorised to procure, construct, maintain and use its own Fixed Links to connect its own PLMN elements if these elements are installed on the same premises as well as adjacent premises occupied by the Licensee.
- 3.3 The Licensee shall undertake an implementation programme in accordance with the Implementation Timetable as agreed to between the Licensee and the Postmaster General and as lodged with the Postmaster-General to give effect to the following:
- (a) After 24 (twenty-four) months from the Commercial Date, the Licensee shall be in a position to provide Class II or Class IV area coverage to 60% (sixty percent) of the population of the Republic;
  - (b) After 48 (forty-eight) months from the Commercial Date, the Licensee shall be in a position to provide Class II or Class IV area coverage to 70% (seventy percent) of the population of the Republic.
- 3.4 All international calls originating within or destined for the cellular network shall be routed via the international exchange(s) of Telkom or any other operator licensed by the Authority to provide international telecommunication services.

- 3.5 Subject to the approval of the Authority after consultation with Telkom, and on such terms and conditions as may be prescribed by the Authority, the Licensee shall be allowed to connect a PABX to its PLMN by means of a Leased Line provided that such PABX is already connected and remains connected to Telkom's public switched telephone network.

**3A INSTALLATION OF LICENSED LINES**

**3A.1 The Licensee shall –**

- (a) before the date specified in Column 1 of the Implementation Timetable set out in Schedule 1, construct, maintain and thereafter use not less than one Licensed Line in each of the places specified in Column 2 thereof;
- (b) at the time when a Licensed Line is first constructed, maintained and used in that place and at all subsequent times during the Licence Period, construct, maintain and thereafter use sufficient additional Licensed Lines to support the specific grade of service as defined in paragraph 6.4 of this Licence, in that place.

**3A.2 The Licensee shall, if it fails without reasonable cause so to construct, maintain and use any Licensed Line in any particular place as required in terms of paragraph 3A.1, in respect of any month or part of a month commencing on the day when either –**

- (a) one Licensed Line ought to have been constructed, maintained and used as required in terms of paragraph 3A.1(a); or
- (b) the Authority notifies the Licensee, supported by its written reasons that, insufficient Licensed Lines have been constructed, maintained and used as required in terms of paragraph 3A.1(b)

and ending on the day when the Authority is informed by the Licensee that the Licensed Lines or as the case may be additional Licensed Lines have been constructed, maintained and used as so required, pay to the Authority a sum equal to one tenth of the estimated cost of installing the Licensed Line in that place up to 100% (one hundred percent) of such costs, such payments to be made monthly in arrears on the first business day of the month.

- 3A.3 The contents of Schedule 1 (the Vodacom Implementation Timetable) shall be confidential to the Minister, the Authority and the Licensee, and such contents shall not be disclosed to any other person without the written consent of the Licensee.

4. **COMMUNITY SERVICE OBLIGATIONS**

- 4.1 The Licensee shall undertake an implementation programme in respect of Community Service Telephones in the areas listed in the Implementation Timetable as agreed between the Licensee and the Postmaster-General and as lodged with the Authority.
- 4.2 The implementation of the Licensee's obligations may, subject to the provisions of the Implementation Timetable, be coordinated between the Licensee, other similarly licensed persons and the PSTS licensees, such co-ordination to be supervised by the Authority.
- 4.3 Services provided in Community Centres shall not qualify or be taken into consideration for the purposes of the Community Service Telephone obligation of the Licensee as set out in the Implementation Timetable unless such centres are in Under-serviced Areas.

**4A COMMUNITY SERVICE TELEPHONES**

**4A.1** The Licensee shall, before the date specified in Column 1 of the Vodacom Community Services Telephone Timetable set out in Schedule 2, either –

- (i) construct, maintain and thereafter use a Community Service Telephone at each of the places specified in Column 2 thereof; or
- (ii) enter into contractual arrangements with another person obliging such person to provide a Community Service Telephone at each of those places; and
- (iii) in either case do, or secure that there are done, the additional things mentioned in the notes to that Timetable;

**4A.2** The Licensee shall, that at all times thereafter during the Licence Period provide the Service, or secure that the Service is provided, by means of –

- (a) not less than one Community Service Telephone at each one of those places; or
- (b) if in any of those places the demand for the Service from persons who can obtain the Service only by means of a Community Service Telephone cannot be satisfied by a single Community Service Telephone, sufficient additional Community Service Telephones at that place to meet all reasonable demands for the Service by such persons,

but the Licensee shall not be required to install further Community Service Telephones than the maximum number of Community Service Telephones provided for in the Community Service Telephone Timetable as set out in Schedule 2.

**4A.3** The Licensee shall, if in any particular specified place it fails without reasonable cause so to provide the Service by means of such one or additional Community Service Telephones as required in terms of paragraph 4A.1 or 4A.2, in respect of any month or part of a month commencing on that day when either –

- (a) one Community Service Telephone and the Service ought to have been provided in that place as required in terms of paragraph 4A.1; or
- (b) the Authority notifies the Licensee, supported by its written reasons that, the Service is provided by means of less than

the number of Community Service Telephones required in terms of paragraph 4A.2,

and ending on the day when the Authority is informed by the Licensee that the Community Service Telephone or as the case may be additional Community Service Telephones have been constructed, maintained and used as so required, pay to the Authority a sum equal to one-tenth of the estimated cost of installing the Community Service Telephone or Telephones in that place up to a maximum of 100% (one hundred percent) of such costs, such payments to be made monthly in arrears on the first business day of the month.

- 4A.4 The contents of Schedule 2 (the Vodacom Community Services Telephone Timetable) are confidential to the Minister, the Authority and the Licensee and shall not be disclosed to any other person without the written consent of the Licensee.

#### **4B. RESOLUTION OF DISPUTES**

- 4B.1 If a Licensee disputes any application of the provisions of paragraphs 3A.2 or 4A.3, the Licensee may refer the matter to a committee comprised of one representative of the Authority, one representative of the Licensee and a practising lawyer who shall be nominated by both the Authority and the Licensee failing which by the Law Society of the Northern Provinces, and the committee's determination shall be final.
- 4B.2 If, in the case of a dispute under 3A.2 or 4A.3 the committee finds in favour of the Licensee such monies paid to the Authority in respect of the matter as determined by the committee shall be refunded to the Licensee with interest at the Statutory rate.

#### **5 COMMENCEMENT AND PERIOD OF LICENCE**

- 5.1 The Licence does not authorise the use of any Licensed Line until after -
- (a) R100 000 000 (one hundred million Rand) or the fees specified in paragraph 2.1(a)(i) and (ii) together with the applicable Radio Licence fees have been paid; and
  - (b) the later of -

- (i) the date when the Interconnection Agreement referred to in paragraph 7.1 of the Licence that was issued to the Licensee on 29 October 1993 was concluded; or
- (ii) the date when the Joint Economic Development Plan Agreement was entered into; or
- (iii) the date when the Performance Guarantee in terms of paragraph 21 of the Licence that was issued to the Licensee on 29 October 1993, was procured; or
- (iv) the Commercial Date.

5.2 Notwithstanding the provisions of paragraph 5.1, the Licensee shall be entitled from 1 March 1994 to undertake testing of its Licensed Lines, which may include providing the Service to not more than 2000 SIM card holders.

5.3 Further notwithstanding the provisions of paragraph 5.1, the Licensee shall be permitted limited use of any Licensed Line at any time from 1 April 1994, provided that -

- (a) an interim roaming agreement has been concluded between the Licensee and MTN by 15 December 1993 in terms whereof the customers of the Licensee may obtain access to the Service offered by MTN by means of Licensed Lines constructed or used by MTN, such Agreement being applicable from 1 April 1994 to 31 October 1994; or
- (b) failing paragraph 6.3(a), an interim roaming agreement has been determined by the Postmaster-General by 15 January 1994; and
- (c) the Licensee may not provide the Service to more than 10 000 of its Customers during the period 1 April 1994 to 1 June 1994; and
- (d) the Licensee and MTN had not agreed by 28 February 1994 that roaming cannot be successfully implemented; and
- (e) interim tariffs for the period 1 April 1994 to the Commercial Date are not to be less than the maximum of the tariff plans lodged with the Postmaster-General by the Licensee and MTN.

- 5.4 Subject to the conditions of this Licence and any other instrument applicable either to this Licence or to the operations of the Licensee, the period of validity of this licence shall be 15 (fifteen) years from the Commercial Date provided that either party may terminate this licence upon 5 (five) years written notice to the other, provided further that no such notice may be given to the effect that the licence is terminated earlier than 15 (fifteen) years after the Commercial Date.
- 5.5 Should no notice of termination be given in terms of paragraph 5.4 this licence shall automatically be renewed on mutatis mutandis the same terms and conditions unless the Authority and the Licensee agree in writing on any new or amended terms and conditions.

6. **PERFORMANCE SPECIFICATIONS**

- 6.1 The Licensed Lines installed, maintained and used by the Licensee shall throughout the term of the Licence conform to such GSM specifications and standards and ITU recommendations as they apply to the Republic from time to time.
- 6.2 The Licensee shall at all times fully comply with the recommendations of the ITU and its associated organisations as they apply to the Republic from time to time.
- 6.3 The Licensee shall introduce measures and at all times use its resources to ensure that apparatus in the Licensed Lines, including Terminal Equipment owned by the Licensee, shall comply with -
- (a) the requirements for Electro Magnetic Compatibility; and
  - (b) the requirements for network interface,
- both as prescribed by the Authority in accordance with international specifications and standards.
- 6.4 The Licensee shall design, construct, maintain and use the Licensed Lines with the objective that the Service shall be available within the areas specified in paragraph 3.3 for 90% (ninety percent) of their actual area of coverage at least 95% (ninety-five percent) of the time and use its best endeavours to achieve a grade of service standard of at least 2% (two percent).
- 6.5 If requested by a Customer, the Licensee or its Service Provider shall provide such Customer with a personalised account which

shall contain at least the following level of detail: name, address, telephone number, account number, itemised billing number, number called, time of call, call duration and call charge.

- 6.6 The Licensee shall not knowingly provide the Service to Customers other than by means of Terminal Equipment.

## **7. INTERCONNECTION AND FACILITIES LEASING**

- 7.1 The Licensee shall be obliged to enter into an Interconnection Agreement. Should the Licensee be unable to do so and if requested thereto by any party the Authority reserves the right to determine the terms and conditions of any Interconnection Agreement required for the effective use of the PLMN provided such terms and conditions are no less favourable than those for any similarly licensed person and the Licensee shall comply with such terms and conditions as so determined as if they constituted an agreement entered into by the Licensee.

- 7.2 The fees and tariffs payable for fixed network services by the Licensee in terms of any interconnection Agreement entered into by the Licensee shall be approved by the Authority, which approval shall not be withheld unreasonably.

## **8. EMERGENCY SERVICES OBLIGATION**

The Licensee shall provide by means of its Licensed Lines such facilities as would enable a caller free of charge to communicate with an Emergency Organisation in the event of an emergency in the area serviced by the Licensee.

## **8A EMERGENCY SERVICES**

- 8A.1 The Licensee shall provide independently or in concert with other Operators, from the Commercial Date, such operator-assisted service in such manner as to provide an emergency call service by means of which any member of the public may, at any time and without incurring any charge, communicate as swiftly as practicable by means of live voice with any Emergency Organisation for the purpose of notifying it of any emergency.

- 8A.2 The Licensee shall provide, from the date or dates to be prescribed by the Authority, but not earlier than the Commercial Date, such operator-assisted service in such manner as to provide, in any emergency or other circumstance where calls cannot be dialled direct, facilities which enable the public to communicate by means of live speech with any Emergency Organisation.
- 8A.3 The Licensee shall provide the services described in paragraph 8A.1 and 8A.2 with priority over all other aspects of the Service.
- 8A.4 The Licensee may restrict the public emergency call services described in paragraph 8A.1 and 8A.2 to the extent that such restriction is agreed to by the Emergency Organisation concerned, or to such extent as may have been determined by the Postmaster-General or as may be determined by the Authority by notice in writing sent to the Licensee and the Emergency Organisation concerned.
- 8A.5 The Licensee shall, after consultation with the relevant authorities and Emergency Organisations as appropriate, make plans or other arrangements for the provision, or as the case may be, the rapid restoration of the Service as are practicable and may reasonably be required in Disasters.
- 8A.6 Nothing in this paragraph precludes the Licensee from –
- (a) recovering the costs which it incurs in making or implementing any such plans or arrangements as are mentioned in paragraph 8A.5 from those on behalf of or in consultation with whom the plans or consultations are made; or
  - (b) making the implementation of any such plan or arrangement conditional upon the person for whom or on whose behalf the plan or arrangement is to be implemented indemnifying the Licensee for all reasonable costs incurred as a consequence of the implementation.

**9. CUSTOMER PRIVACY**

- 9.1 The Licensee shall use all reasonable endeavours to ensure that information obtained or received in the performance of the Service by itself or its Service Providers is kept confidential, not disclosed or made accessible to third parties or used otherwise than for the purpose of furtherance of the Service.
- 9.2 The Licensee shall not directly or indirectly communicate any information about a Customer otherwise than in the normal course or conduct of the business of the Licensee to any other business of the Licensee or any other person engaged in the supply of apparatus.

**10. DIRECTORY INFORMATION**

- 10.1 The Licensee shall provide directory services, inclusive of directory enquiries and printed directories, to each of its Customers on request and in return for such charges as the Licensee may levy in accordance with the duly lodged tariff plans.
- 10.2 In order to enable the Licensee, similarly licensed persons and PSTS licensees to give effect to obligations in respect of directory enquiries and printed directories, the Licensee shall forward to the person nominated for the time being by the Authority (which person until informed otherwise in writing shall be Telkom) such directory information, on such conditions, that may have been prescribed or as may be prescribed by the Authority from time to time.

**10A DIRECTORY INFORMATION**

- 10A.1 The Licensee shall, subject to paragraphs 10A.3 and 10B.2, supply to each of its Customers on request and in return for such charges as the Licensee may determine –
- (a) a directory enquiry service covering Customers of the Licensee, customers of other Operators and customers of telephone operators outside the Republic by means of either live voice or, at the instance of the Licensee, direct on-line access to a computer or a combination of these means;
  - (b) a Telkom printed directory with addresses in the same geographical area as such Customer.

10A.2 The Licensee shall furnish to each PSTS licensee the name, address and telephone number of each Customer to whom a number has been allocated (in this paragraph "the information") and who has requested such information to be included in the relevant PSTS licensee's directory no later than two working days after commencing the Service to that Customer.

10A.3 The Licensee shall provide to the other Operators facilities enabling their directory enquiry operators to gain on-line access to its directory database (but excluding Telkom's yellow pages database) for the purpose of retrieving such information contained therein as is needed for the Operators to provide operator-assisted directory enquiry service.

#### 10B **OPERATOR-ASSISTED SERVICES**

10B.1 The Licensee shall provide, either independently or in concert with other Operators, an operator-assisted service whereby any Customer (including for the purpose of this paragraph any person using a Community Service Telephone) may receive through the agency of live speech (or a combination of live speech and either recorded or synthesised speech) –

- (a) assistance with the sending or reception of any Message; or
- (b) information (other than directory enquiry information) about any aspect of the Licensee's Service.

10B.2 The Licensee may recover the costs which it incurs in providing this operator-assisted service described in paragraph 10B.1 from its Customers.

#### 11. **FAIR TRADING**

11.1 The Licensee and its agents, contractors and Service Providers shall not show any undue preference to, or exercise undue discrimination against, any person or class or description of persons in respect of the provision of any Service or in respect of the construction or maintenance of the Licensed Lines.

11.2 The Licensee shall include a provision in its contracts with its Service Providers requiring that they comply with a code of practice for consumer affairs to be established by the Licensee, and lodged with the Authority, at least containing -

- (a) guidance to their customers in respect of disputes or complaints relating to the provision of the Service by them;
  - (b) advice to such customers on charging and billing and concerning such enquiries;
  - (c) advice and procedures on the proper use of the Service by such customers; and
  - (d) standards of conduct expected in the provision of the Service by Service Providers to their customers.
- 11.3 Notwithstanding the provisions of paragraph 11.1, the Licensee may provide the Service to a Customer or Service Provider on charges, terms and conditions which are preferential if -
- (a) the charge in question is in accordance with a tariff plan which has previously been lodged as required; or
  - (b) the Service is provided by means of a Community Service Telephone or Service Provider who operates a Community Service Telephone; and
  - (c) the terms and conditions have been duly lodged.
- 11.4 The sharing of infrastructure and facilities with other similarly licensed persons and the terms and conditions thereof shall be subject to the prior approval of the Authority.
- 11.5 The Licensee shall lodge with the Authority representative sample copies of all contracts relating to the Service or the provision of the Service entered into between the Licensee and any Customer, Service Provider and supplier of telecommunications facilities.

## 12. ACCOUNTS

- 12.1 The Licensee shall maintain proper accounting records in a form which is sufficient to show and explain its transactions and in this connection shall maintain such records as fairly represent the costs, revenue and financial position of the Licensee's business. For this purpose, the Licensee shall maintain accounting records in accordance with a Chart of Accounts and Cost Allocation Manual (or any amendment thereof) to be prescribed by the Authority in consultation with the Licensee provided always that any

amendment shall not impose any unreasonable burden on the Licensee.

- 12.2 Within 3 months of the end of each financial year of the Licensee, the Licensee shall present to the Authority audited annual financial statements prepared in accordance with generally accepted accounting practice and as approved by the Licensee.

**12A PREPARATION OF ACCOUNTS**

- 12A.1 The Licensee shall maintain proper accounting records in accordance with the Chart of Accounts and Cost Allocation Manual to be prescribed by the Authority. Until such time the Licensee shall maintain proper accounting records in accordance with generally accepted accounting practice in such form as is sufficient to –

- (a) show all the activities of the Licensee taken together and the activities of each of the Licensee's businesses engaged in –
  - (i) the construction of the Licensed Lines;
  - (ii) the maintenance of the Licensed Lines;
  - (iii) the Retail Business;
  - (iv) the Wholesale Business;
  - (v) the supply of Terminal Equipment (other than Community Service Telephones);
  - (vi) the supply of Community Service Telephones and the provision of the Service by means of Community Service Telephones;
  - (vii) the provision of supplementary services;
  - (viii) the supply of printed directories;
  - (ix) such other categories as the Authority may from time to time require,separately from each other and from the other businesses of the Licensee; and
- (b) explain its transactions and those of each of those businesses.

- 12A.2 The Licensee shall record, in such accounting records at full or market-related cost, any material transaction between –

- (a) it and any of the businesses of the Licensee specified in the Chart of Accounts and Cost Allocation Manual;
- (b) one such business and another; and

- (c) it and any other person in which the Licensee has shares; and
- (d) it and any other person who has shares in the Licensee or in the shareholders of the Licensee; and
- (e) it and a subsidiary company, as defined in the Companies Act, of such Licensee.

12A.3 Within 3 (three) months of the end of each financial year of the Licensee, it shall present to the Authority accounting statements, truly and fairly presenting the costs (including capital costs), revenue and financial position of the businesses specified in paragraph 12A.1 together with a report of the Licensee's auditor on those statements.

### 13. **TARIFFS AND FEES**

- 13.1 The Licensee shall not charge any tariffs or fees for the Service and any other services whatsoever until such tariffs and fees have been lodged in writing with the Authority.
- 13.2 The tariffs and fees must be in a form approved by the Authority, which shall provide written reasons in the event of non-approval. The notice of tariffs and fees lodged with the Authority must state the period (i.e. the term) for which it is to be in force. The term must not begin before the seventh day after the notice has been lodged with the Authority. In relation to each kind of service that the licensee proposes to offer during the term, the notice must set out -
- (a) a description of the service; and
  - (b) details of the nature and amounts of charges payable for the service.
- 13.3 If the charges in a tariff plan vary, in their nature, in their amounts or both, the notice must set out why and how the charges vary.
- 13.4 The notice must be precise and detailed enough to be used to work out the nature and amounts of charges payable for the supply of the Service in particular cases.
- 13.5 The Licensee shall not, without the approval of the Authority, increase any existing tariff plan by an amount which is greater than

the percentage year on year increase in the Consumer Price Index for all goods unless such a change constitutes a special promotion for marketing or advertising purposes. If the Authority disallows or delays the proposed tariff increase, it must provide written reasons to the Licensee for its decision.

- 13.6 Notwithstanding the provisions of paragraph 13.5, any increase in the Community Service Telephone tariff plan as annexed to this Licence and as amended from time to time shall be approved by the Authority. If the Authority disallows or delays the proposed Community Service Telephone tariff plan increase, it shall provide written reasons to the Licensee for its decision.
- 13.7 The base tariffs and fees which the Licensee may apply as from the Commercial Date are annexed hereto and shall be treated as having been lodged with the Authority.
- 13.8 Where the Authority has approved an increase in tariffs and fees, these increased tariffs and fees shall constitute the new base tariffs and fees.
- 13.9 The Licensee shall publish details of its tariffs and fees and any other terms and conditions on which its services are provided by-
- (a) making them available for inspection at its major places of business during normal business hours, and
  - (b) sending the appropriate parts thereof to any person who may request same.
- 13.10 Notwithstanding the provisions of paragraph 13.7, the Licensee shall decrease the Community Service Telephone tariff after consultation with the Authority if the Interconnect Fees and other charges payable by the Licensee to Telkom are less than those provided for in the Invitation to Apply or at any point of time in the future. The decrease in Community Service Telephone tariffs will relate to the magnitude of the decrease in Interconnect Fees and other charges payable by the Licensee to Telkom.

### **13A METERING AND BILLING ARRANGEMENTS**

- 13A.1 The Licensee shall install and use metering and billing systems which accurately record the extent of the Service provided to any other Operator or Customer of the Licensee.

13A.2 The Licensee shall set out in any account or invoice sent to any such Operator or Customer the true extent of the Service actually provided to that Operator or Customer in the period to which the account or invoice relates.

**13B CONNECTION AND USE OF CUSTOMER EQUIPMENT**

13B.1 The Licensee shall –

- (a) permit any Customer to connect Terminal Equipment to its Licensed Lines at any place in the Republic where Services are offered;
- (b) permit any Customer to use Terminal Equipment, when so connected, to send and receive Messages by means of its Licensed Lines; and
- (c) not show any preference to or exercise any discrimination against any Customer or class of Customer when granting any such permission.

13B.2 Nothing in this paragraph shall restrict the Licensee from –

- (a) disconnecting any apparatus from any of its Licensed Lines; or
- (b) disallowing continued use of any apparatus; or
- (c) refusing permission to a Customer to connect if –
  - (i) the Terminal Equipment in question ceases for any reason to be; or
  - (ii) the person using the Terminal Equipment is in arrears with payment of the Licensee's telephone account or is otherwise in contravention of the Licensee's terms and conditions of service duly lodged with the Authority; or
  - (iii) it has reason to believe that the Customer is unable or is unlikely to regularly pay the Licensee for rendered services

and the Authority has not determined otherwise in any particular case.

13C **ARRANGEMENTS IN AREAS WHERE ONLY ONE LICENSEE HAS  
CONSTRUCTED LINES**

13C.1 Nothing in this Licence shall prevent the Licensee and MTN from entering into a voluntary agreement or agreements for the purposes specified in paragraph 13C.2 without compromising its competitive advantage, but the Licensee shall furnish the terms and conditions of any such agreement to the Authority and any direction given by the Authority may cancel or modify such voluntary agreement in the event of it being of the opinion that such agreement is detrimental to the best interests of Customers.

13C.2 The purposes are to secure that in any area of the Territory where the Licensee has not constructed, or does not use Licensed Lines, a Customer of the Licensee may obtain the Service normally provided by the Licensee by means of Licensed Lines constructed or used by MTN.

14. **SERVICE PROVIDERS**

The Licensee shall have full discretion to determine and implement the appropriate means of marketing and distribution of its Service(s) inclusive of the appointment, and termination thereof, of agents and Service Providers.

14A **NUMBERING ARRANGEMENTS**

The access code 082 has been allocated to the Licensee. Allocation of telephone numbers by the Licensee to its Customers within the allocated blocks is totally under the Licensee's discretion and control.

**15. ACCESS TO INSPECTORS**

- 15.1 The Licensee shall grant unhindered access to all its facilities, installations and records to all officers appointed as inspectors by the Authority in terms of the Act.
- 15.2 The Licensee shall provide details of its facilities, installations and networks in such format and at such times as may reasonably be requested by the Authority from time to time.

**16. FREQUENCIES**

- 16.1 The Authority shall assign, for the duration of the licence, at least 10MHz of paired frequencies in the frequency band 890 MHz to 960MHz to the Licensee in accordance with the Frequency Band Plan as amended from time to time by the Authority to conform with internationally accepted standards.
- 16.2 The Licensee shall only be entitled to utilise an assigned frequency after the issue by the Authority of a valid Radio Licence covering such frequency.

**16A. RADIO FREQUENCIES**

16A.1 The Authority shall continue throughout the Licence Period –

- (a) to grant or renew the Licensee's Radio Licence each year in terms of the Act so as to make available to the Licensee the radio frequencies specified in the Radio Licence; and
- (b) to exercise its functions under the Act so as to facilitate the construction, maintenance and use of the Licensed Lines by the Licensee,

provided that the Licensee continues to comply with the provisions of its Radio Licence and to use such frequencies efficiently in accordance with GSM recommendations for the purpose of providing its Service.

16A.2 Nothing in this paragraph shall prevent the Authority substituting a different frequency in the GSM frequency band 890MHz to 960MHz for any of the frequencies so assigned at no cost to the Authority if this is reasonably necessary –

- (a) for the implementation of any international agreement entered into by the Republic; or
- (b) to ensure the proper management of the radio spectrum; or
- (c) for the avoidance of harmful interference,

but the Authority shall give as much notice as is reasonably practicable and before taking any such action, it shall consult with the Licensee and shall take into account, so far as it considers reasonable, the Licensee's representations and objections and provide a written report incorporating the reasons for its findings.

17. **CUSTOMER SERVICE STANDARDS**

- 17.1 The Licensee shall develop, publish and enforce guidelines for use by its personnel when handling enquiries and complaints from a Customer to whom it supplies telecommunications facilities and provide similarly in its contracts with Service Providers.
- 17.2 The guidelines relating to enquiries and complaints are to be published and be available to Customers at the commencement of Service to such customer.
- 17.3 The guidelines are to address the following areas of the provision of customer services:
  - (a) the Licensee's procedures for the handling of Customer complaints;
  - (b) the time frame for handling complaints through this procedure;
  - (c) further recourse available to a Customer who is dissatisfied with the Licensee's complaints handling procedure;
  - (d) procedures adopted by the Licensee to check the accuracy of a Customer's telephone account;
  - (e) procedures adopted by the Licensee to assist Customers in Disaster situations;
  - (f) availability to Customers of quality of service information relating to the Licensee's network services.

- 17.4 The Licensee shall keep and maintain statistics on complaints made to the Licensee by Customers with which the Licensee deals in accordance with the guidelines.
- 17.5 The Licensee shall provide the statistics kept in terms of paragraph 17.4 to the Authority at least once in each period of 6 (six) months. The Authority may, after consultation with the Licensee publish the statistics kept in terms of paragraph 17.4, provided such publication shall relate to a period of not less than 3 (three) months and shall be published together with similar information pertaining to any similarly licensed person.

18. **REPRESENTATIVE**

- 18.1 A Telecommunications Representative may be appointed by the Authority to assist it in examining any bona fide complaints from customers and the Licensee shall provide all reasonable assistance to such Telecommunications Representative for such purposes. The Licensee shall afford its customers (not being a Service Provider) and shall require that its Service Providers in their contracts give its customers the opportunity to refer disputes between them relating to the Service to the Telecommunications Representative.
- 18.2 The Licensee or Service Provider shall provide all reasonable assistance to the Telecommunications Representative who shall in a fair and impartial manner have the right to adjudicate such disputes. The Licensee or Service Provider shall abide by all the decisions of and give effect to the written recommendations of the Representative in respect of such adjudication.
- 18.3 In the event of the Licensee or Service Provider disputing a finding of the Representative or objecting to the outcome of the adjudication such disagreement or objection shall be submitted to the Authority for its decision, which decision supported by its written findings shall be final.

19. **RESTRICTION ON TRANSFER OF SHARES, DIRECTORSHIPS, ETC.**

19.1 Any transfer of shares which would result in the direct or indirect ownership of 25% (twenty-five percent) of the issued voting share capital of the Licensee changing hands or a change in ownership of the issued voting share capital that results in a change to the composition of one-quarter of its Board of Directors, shall require prior written approval of the Authority.

19.2 The provisions of paragraph 19.1 shall not preclude the shares of the Licensee from being listed on the JSE Securities Exchange, provided that such listing shall not have the effect of vesting greater than 50% (fifty percent) of the issued voting share capital of the Licensee in -

- (a) any non-resident of the Republic; or
- (b) a manufacturer in or supplier of telecommunications equipment.

20. **AMENDMENT**

This Licence may be amended by the Authority in terms of the Act.

21. **PERFORMANCE GUARANTEE**

The Licensee shall procure a performance guarantee, substantially in accordance with the draft document attached hereto, to the satisfaction of the Authority.

22. **REPORTING**

22.1 The Licensee shall report in writing to the Authority on or within 30 days of 30 September and 31 March of each year with effect from 31 March 1994.

22.2 Each report until and including the report of 30 September 1998 shall include details of its Service provided in terms of this Licence and in particular its progress in achieving its commitments provided for in paragraphs 3.3 and 4.1.

**23. REVOCATION**

- 23.1 The Authority may, after having satisfied itself and with the approval of the Minister, for such reasons as given in writing, revoke this licence by not less than 60 days written notice to the Licensee if any amount payable in terms of paragraph 1.1 and 2.4 of this licence or any other instrument listed under paragraph 5.1(a) remains unpaid for a further period of 14 days after having been notified in writing thereof by the Authority and the Licensee fails to remedy such default within 30 days after receipt of a notice in writing from the Authority describing such default and requiring that it be remedied.
- 23.2 The Authority may, otherwise than is provided for in paragraph 23.1, and with the approval of the Minister, revoke this licence by written notice to the Licensee only in the following circumstances:
- (a) where the Licensee agrees in writing to such cancellation;
  - (b) if the Licensee is placed in liquidation, whether voluntary or compulsory or is placed under judicial management, either provisionally or finally;
  - (c) a breach of paragraph 19.1 where prior written approval of the Postmaster General had not been obtained;
  - (d) if the Licensee takes steps to deregister itself or is deregistered.

**24. EFFECT OF TERMINATION**

Within a period of 90 days of the date of termination of the licence, the Minister may by notice in writing to the Licensee or its successor in title, elect to acquire the Licensed Lines of the Licensee or any portion thereof. In return for such assets he shall pay to the Licensee or its successor in title compensation in an amount as follows:

- (a) in the event of termination for reasons other than the reasons giving rise to a termination referred to in sub-paragraph (b) hereunder, the greater of the fair market value of all such Licensed Lines or the fair market value of the complete cellular business of the Licensee as a going concern including all liabilities; or
- (b) the lesser of the values referred to in sub-paragraph (a) above in the event of a termination pursuant to a voluntary liquidation

referred to in paragraph 23.2(b) or a deregistration referred to in paragraph 23.2(d),

as valued by reference to such values immediately prior to the termination and disregarding whether any termination has taken or may take effect by an independent valuator, experienced in the field of valuation of businesses of the same kind as that of the Licensee, agreed to between the parties failing which, as nominated by the President of the Law Society of the Northern Provinces, all of which subject to the approval of the Auditor General.

## 25 **EXERCISE OF POWERS**

In exercising any power granted to the Authority in terms of this Licence the Authority shall –

- (a) Act reasonably having regard to all surrounding circumstances;
- (b) Prior to exercising such power afford the Licensee every reasonable opportunity to make representation to the Authority in respect of all relevant issues; and
- (c) At the request of the Licensee furnish written reasons for any decision so made.

## 25A. **FORCE MAJEURE**

25A.1 Should the Licensee be prevented from performing its obligations in terms of this Licence on account of any event as set out hereunder, the Licensee shall not be regarded as being in breach of the terms of this Licence and shall not be held liable on account thereof.

25A.2 For purposes of this paragraph an "event" shall mean any legislation or regulation of the Republic, fire, Act of God, accident, explosion, acts of war, terrorism, insurrection, sabotage, labour disputes, transportation embargo, act or omission of any government or government agency, failure in performance of any supplier as a result of any of the above, all of which beyond the control of the Licensee.

25A.3 The Licensee shall advise the Authority as soon as practicable after becoming aware of the existence of any such event or circumstances likely to lead to such event.

## SCHEDULE 1

## VODACOM IMPLEMENTATION TIMETABLE

DATE	COVERAGE AREAS	COVERAGE CLASS
At Commercial Date	<p>Johannesburg, Pretoria, Durban and Cape Town core areas.</p> <p>The Johannesburg/Pretoria core areas can more accurately be defined as an approximate 40 km radius around Halfway House encompassing:</p> <ul style="list-style-type: none"> <li>❖ Johannesburg CBD</li> <li>❖ Sandton</li> <li>❖ Pretoria CBD</li> <li>❖ Mamelodi</li> <li>❖ Atteridgeville</li> <li>❖ Laudium</li> <li>❖ Eersterust</li> <li>❖ Verwoerdburg</li> <li>❖ Halfway House</li> <li>❖ N1 between Pretoria and Johannesburg</li> <li>❖ other areas within the radius</li> </ul> <p>The Durban core area can be defined as an approximate 20 km radius around the Durban CBD including:</p> <ul style="list-style-type: none"> <li>❖ Durban CBD</li> <li>❖ Umhlanga Rocks</li> <li>❖ Amanzimtoti</li> <li>❖ other areas within the radius</li> </ul> <p>The Cape Town core area can be defined as an approximate 20 km radius around Cape Town CBD including:</p> <ul style="list-style-type: none"> <li>❖ Cape Town CBD</li> <li>❖ Camps Bay / Sea Point</li> <li>❖ Parow</li> <li>❖ Bellville</li> <li>❖ Cape Flats</li> <li>❖ Mitchells Plain</li> <li>❖ Wynberg</li> <li>❖ other areas within the radius</li> </ul>	<p>IV</p> <p>IV</p> <p>IV</p> <p>IV / II</p> <p>IV / II</p> <p>IV</p> <p>IV</p> <p>IV</p> <p>IV</p> <p>IV / II</p> <p>II</p> <p>IV</p> <p>IV</p> <p>IV</p> <p>II</p> <p>IV</p> <p>IV</p> <p>IV</p> <p>IV</p> <p>IV / II</p> <p>IV / II</p> <p>IV</p> <p>II</p>
Commercial Date plus 5 months	Greater PWV area, Cape Peninsula, Durban-Pietermaritzburg and Port Elizabeth-Uitenhage	

	metropolitan areas.	
	The greater PWV metropolitan area can be defined as an approximate radius of 100 km around Halfway House encompassing:	
	❖ areas covered at opening	as before
	❖ Brits	IV
	❖ Rustenburg	IV
	❖ greater Pretoria	IV
	❖ Bronkhorstspuit	IV
	❖ Witbank	IV
	❖ Tembisa	IV / II
	❖ Kempton Park	IV
	❖ Alexandra	IV / II
	❖ Greater Johannesburg	IV
	❖ Krugersdorp	IV
	❖ Roodepoort	IV
	❖ Germiston	IV
	❖ Springs	IV
	❖ Benoni	IV
	❖ Boksburg	IV
	❖ Alberton	IV
	❖ Soweto	IV / II
	❖ Lenasia	IV
	❖ Heidelberg	IV
	❖ Meyerton	IV
	❖ Vereeniging	IV
	❖ Sebokeng	IV / II
	❖ De Duza	II
	❖ Daveyton	II
	❖ Thokoza	IV / II
	❖ Vosloorus	IV / II
	❖ R28 Pretoria to Krugersdorp	II
	❖ N1/M1/N1 Pretoria to Vereeniging	IV / II
	❖ N3 Johannesburg to Heidelberg	II
	❖ N4 Pretoria to Witbank	II
	❖ R21/R24 Pretoria to Johannesburg	IV / II
	❖ other areas within the radius	II
Commercial Date plus 5 months (continued)	the Cape Peninsula metropolitan area can be described as an approximate radius of 40-50 km east of Cape Town and 50 km north of Cape Town including:	
	❖ areas covered at opening	as before
	❖ Hout Bay	IV
	❖ Constantia	IV
	❖ greater Cape Town	IV
	❖ Fish hoek	IV
	❖ Simon's Town	IV
	❖ Muizenberg	IV

	<ul style="list-style-type: none"> <li>❖ Milnerton</li> <li>❖ Table View</li> <li>❖ Atlantis</li> <li>❖ entire Cape Flats area</li> <li>❖ Khayelitsha</li> <li>❖ Somerset West</li> <li>❖ Strand</li> <li>❖ Stellenbosch</li> <li>❖ Paarl</li> <li>❖ Wellington</li> <li>❖ N1 Cape Town to Paarl</li> <li>❖ other areas within the radius</li> </ul>	<ul style="list-style-type: none"> <li>IV</li> <li>IV</li> <li>IV / II</li> <li>IV</li> <li>IV</li> <li>IV</li> <li>IV</li> <li>IV</li> <li>IV</li> <li>IV</li> <li>IV / II</li> <li>II</li> </ul>
	<p>The Durban-Pietermaritzburg metropolitan area can be defined by an approximate radius of 35 km north and south of Durban, stretching inland to 20 km west of Pietermaritzburg along a strip 15 km (within the limitations of the topography) either side of the N3 including:</p> <ul style="list-style-type: none"> <li>❖ areas covered at opening</li> <li>❖ Tongaat / Verulam</li> <li>❖ greater Durban area</li> <li>❖ Kwamashu</li> <li>❖ Kloof</li> <li>❖ Hillcrest</li> <li>❖ Isipingo</li> <li>❖ Umlazi</li> <li>❖ Pinetown</li> <li>❖ Chatsworth</li> <li>❖ Queensborough</li> <li>❖ Camperdown</li> <li>❖ Pietermaritzburg</li> <li>❖ Hilton</li> <li>❖ N3 Durban to Hilton</li> <li>❖ N2 Umhlanga Rocks to Amansimtoti</li> <li>❖ other areas within the radius</li> </ul>	<ul style="list-style-type: none"> <li>as before</li> <li>IV / II</li> <li>IV</li> <li>IV / II</li> <li>IV</li> <li>IV</li> <li>IV</li> <li>IV</li> <li>IV</li> <li>IV / II</li> <li>IV / II</li> <li>II</li> <li>IV</li> <li>IV / II</li> <li>II</li> <li>II</li> <li>II</li> </ul>
Commercial Date plus 5 months (continued)	<p>The Port Elizabeth-Uitenhage metropolitan area can be described an an approximate radius of 30 km from Port Elizabeth inland towards Uitenhage including:</p> <ul style="list-style-type: none"> <li>❖ greater Port Elizabeth</li> <li>❖ Bethelsdorp</li> <li>❖ Dispatch</li> <li>❖ uitenhage</li> <li>❖ the main route from Port Elizabeth to Uitenhage</li> <li>❖ other areas within the radius</li> </ul>	<ul style="list-style-type: none"> <li>IV</li> <li>IV</li> <li>IV</li> <li>IV</li> <li>II</li> <li>II</li> </ul>
Commercial Date	Vredenburg-Cape Town route including:	

plus 12 months	<ul style="list-style-type: none"> <li>❖ Vredenburg</li> <li>❖ Langebaan</li> <li>❖ Darling</li> <li>❖ other areas within 15 km radius of road</li> </ul>	<ul style="list-style-type: none"> <li>IV / II</li> <li>IV / II</li> <li>II</li> <li>II</li> </ul>
	<p>N2 Cape Town-Hermanus including:</p> <ul style="list-style-type: none"> <li>❖ Grabouw</li> <li>❖ Hermanus</li> <li>❖ other areas within 15 km radius of road</li> </ul> <p>N1 Johannesburg-Bloemfontein including:</p> <ul style="list-style-type: none"> <li>❖ Bloemfontein</li> <li>❖ Brandfort</li> <li>❖ Welkom</li> <li>❖ Kroonstad</li> <li>❖ Parys</li> <li>❖ Sasolburg</li> <li>❖ other areas within 15 km of road</li> </ul> <p>N3 Johannesburg-Pietermaritzburg including:</p> <ul style="list-style-type: none"> <li>❖ Villiers</li> <li>❖ Warden</li> <li>❖ Harrismith</li> <li>❖ Van Reenen</li> <li>❖ Mooi River</li> <li>❖ other areas within 15 km radius of road</li> </ul> <p>R29 Johannesburg-Klerksdorp including:</p> <ul style="list-style-type: none"> <li>❖ Carltonville</li> <li>❖ Potchefstroom</li> <li>❖ Klerksdorp</li> <li>❖ Stilfontein</li> <li>❖ other areas within 15 km radius of road</li> </ul>	<ul style="list-style-type: none"> <li>II</li> <li>IV / II</li> <li>II</li> <li>IV / II</li> <li>II</li> <li>II</li> <li>IV / II</li> <li>IV</li> <li>IV</li> <li>II</li> <li>II</li> </ul>
Commercial Date plus 18 months	<p>N1 Cape Town-Bloemfontein including:</p> <ul style="list-style-type: none"> <li>❖ Edenburg</li> <li>❖ Springfontein</li> <li>❖ Richmond</li> <li>❖ Beaufort West</li> <li>❖ Laingsburg</li> <li>❖ Touws River</li> <li>❖ Worcester</li> <li>❖ other areas within 15 km of the road</li> </ul> <p>R32 Port Elizabeth-Colesberg including:</p> <ul style="list-style-type: none"> <li>❖ Colesberg</li> <li>❖ Noupoort</li> <li>❖ Middelburg</li> <li>❖ Cradock</li> <li>❖ Somerset East</li> </ul>	<ul style="list-style-type: none"> <li>II</li> <li>II</li> <li>II</li> <li>IV / II</li> <li>II</li> <li>IV / II</li> <li>IV / II</li> <li>II</li> <li>IV / II</li> <li>II</li> <li>II</li> <li>II</li> <li>II</li> </ul>

Commercial Date plus 24 months	❖ other areas within 15 km of the road	II
	N2 East London-Port Elizabeth-Hermanus including:	
	❖ Grahamstown	IV / II
	❖ Humansdorp	II
	❖ Knysna	II
	❖ George	IV / II
	● Mossel Bay	IV / II
	❖ Riversdale	II
	❖ Swellendam	II
	❖ Caledon	II
	❖ other areas within 15 km radius of the road	II
	N1 Johannesburg-Messina including:	
	❖ Warmbaths	IV / II
	❖ Nylstroom	II
	❖ Potgietersrus	II
	❖ Pietersburg	IV / II
	❖ Louis Trichardt	IV / II
	❖ Messina	IV / II
	❖ other areas within 15 km radius of the road	II
	N4 Witbank-Komatipoort including:	
	❖ Middelberg	IV / II
	❖ Belfast	II
	❖ Machadodorp	II
	❖ Nelspruit	IV / II
	❖ Malelane	II
	❖ Komatipoort	II
	❖ other areas within 15 km radius of the road	II
Commercial Date plus 48 months	R64 Bloemfontein-Kimberley including:	
	❖ areas within 15 km radius of the road	II
	N2 Empangeni-Durban-Ramsgate including:	
	❖ Empangeni / Richards Bay	IV / II
	❖ Tugela	IV / II
	❖ Stanga	II
	❖ Scottburgh	II
	❖ Hibberdene	II
	❖ Port Shepstone	IV / II
	❖ Margate	IV / II
	❖ Ramsgate	IV / II
	❖ other areas within 15 km radius of the road	II
	R29/N12 Klerksdorp-Kimberley including:	
	❖ Wolmeransstad	II
	❖ Bloemhof	II
	❖ Christiana	II

	❖ Warrenton	II
	❖ Kimberley	IV / II
	❖ other areas within 15 km radius of the road	II
	R49/N5 Winburg-Harrismith including:	
	❖ Winburg	II
	❖ Senekal	II
	❖ Bethlehem	II
	❖ other areas within 15 km radius of the road	II

**LEGEND:**

IV – indicates predominantly 2W coverage.

II – indicates predominantly 8W coverage.

IV / II – indicates partial 2W coverage within a predominantly 8W coverage area.

Note : Where coverage is indicated within a 15 km radius of a road this will only be achieved where sever topographical limitations do not exist.

**SCHEDULE 2****VODACOM COMMUNITY SERVICE TELEPHONE TIMETABLE**

TARGET DATE (after service opening)	PLACE			TOTAL
	Transvaal	Natal	Cape / OFS	
Commercial Date	250	150	100	500
One year after Commercial Date	1000	600	400	2000
Two years after Commercial Date	3500	2100	1400	7000
Three years after Commercial Date	6000	3600	2400	12000
Four years after Commercial Date	8500	5100	3400	17000
Five years after Commercial Date	11000	6600	4400	22000

**AREAS INCLUDED IN COMMUNITY SERVICE TELEPHONE ROLLOUT****YEAR 1**

TRANSVAAL	NATAL	CAPE
Alexandra	Ashdown	Atlantis
Atteridgeville	Chesterville	Bethelsdorp
Bophalong	Edendale	Brownsfarm
Botleng	Hletshana	Rosedale
Daveyton	Imbali	Guguletu
Dobsonville	Kwamakhutha	Ibhayi
Diepmeadow	Kwamashu	Khayelitsha
Duduza	Kwampumuza	Serepta
Eesterus	Lamontville	Paarl East
Kagiso	Malukazi	Langa
Kathlehong	Mkondoni	Malabar
Kwathema	Mnimzola	Mandalay
Laudium	Nthuzuma	Mitchell's Plain
Lenasia	Phoenix	Mooiplaas
Mamelodi	Shakaskraal	New Brighton
Sebokeng	Umlazi	Nyanga/Crossroads

Soweto		
Tembisa		
Thokoza		
Tsakane		
Vosloorus		
Wattville		

**YEAR 2**

TRANSVAAL	NATAL	CAPE
	Mpolweni	Gompo Town
	Shakaville	Kwanabuhle
		Kwelera
		Motherwell
		Needscamp
		Zwide

In the first three months after the fifth anniversary of the Commercial Date the number of Community Service Telephones installed and operated by the Licensee will be reviewed by the Authority in conjunction with the Licensee.

**SCHEDULE 3****VODACOM TARIFF SCHEDULE  
(including VAT) –*****The Business User Plan***

YEAR	TIME OF DAY	UNIT	AT COMMERCIAL DATE
Connection fee		Rand	86
Monthly Subscription		Rand	121
Local (City/IntraZone)	Peak	R/Min	1.48
	Off Peak	R/Min	0.99
Regional (InterZone Adjacent)	Peak	R/Min	1.71
	Off Peak	R/Min	1.14
National (InterZone Non-Adjacent)	Peak	R/Min	2.05
	Off Peak	R/Min	1.37
International		R/Min	?

Note : International Rates at Telkom's International Rate plus the above tariff.

***The Community Service Telephone User Plan***

YEAR	TIME OF DAY	UNIT	AT COMMERCIAL DATE
Connection fee		Rand	86
Monthly Subscription		Rand	17
Local (City/IntraZone)	Peak	R/Min	0.99
	Off Peak	R/Min	0.57
Regional (InterZone Adjacent)	Peak	R/Min	0.99
	Off Peak	R/Min	0.57
National (InterZone Non-Adjacent)	Peak	R/Min	0.99
	Off Peak	R/Min	0.57