LICENCE GRANTED BY

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY TO

TELECOM SECURICOR CELLULAR RADIO LIMITED

UNDER SECTION 7 OF THE TELECOMMUNICATIONS ACT 1984

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LICENCE GRANTED BY THE SECRETARY OF STATE FOR TRADE AND INDUSTRY TO TELECOM SECURICOR CELLULAR RADIO LIMITED UNDER SECTION 7 OF THE TELECOMMUNICATIONS ACT 1984

THE LICENCE

1 The Secretary of State, in exercise of the powers conferred on him by section 7 of the Telecommunications Act 1984 (hereinafter referred to as "the Act") and after consulting the Director hereby grants to Telecom Securicor Cellular Radio Limited (hereinafter referred to as "the Licensee") a licence, for the period specified in paragraph 3, subject to the Conditions set out in Schedule 1 and to revocation as provided for in paragraph 3 and in Schedule 2, to run telecommunication systems of every description within the United Kingdom ("the Applicable Systems") and authorises the Licensee to do all or any of the acts specified in Schedule 3.

2 The Telecommunications Code contained in Schedule 2 to the Act shall apply to the Licensee for all purposes except those not relating to the Applicable Systems and subject to the other exceptions and conditions set out in Schedule 4 for so long as this Licence is one to which section 8 of the Act applies.

Duration

3 This Licence shall enter into force on the date of signature and shall be of 25 years duration in the first instance but, without prejudice to Schedule 2 to this Licence, shall be subject to revocation thereafter on ten years notice in writing of such revocation and such notice shall accordingly not be given before the end of the fifteenth year after the granting of this Licence.

Interpretation

4 The Interpretation Act 1978 shall apply for the purpose of interpreting this Licence as if it were an Act of Parliament. In this Licence, except as hereinafter provided or unless the context otherwise requires, words or expressions shall have the meaning assigned to them and otherwise any word or expression shall have the same meaning as it has in the Act. For the purposes of interpreting this Licence, headings and titles shall be disregarded.

5 In this Licence, "Licence" means a licence granted or having effect as if granted under section 7 of the Act.

6 For the purposes of this Licence the "Applicable Systems" means any or all of the telecommunication systems run by the Licensee under this Licence unless the context otherwise requires.

7 Where the Licence provides for any power of the Secretary of State or the Director to give any direction or consent or make any specification, designation or determination it implies, unless the contrary intention appears, a power, exercisable in the same manner and subject to the same conditions or limitations, to revoke, amend or give or make again any such direction, consent, specification, designation or determination.

8 Any notification which is required to be given under this Licence by the Secretary of State or the Director shall be satisfied by serving the document by post on the Licensee at the Licensee's registered office.

Patrick McLaughlin

PARLIAMENTARY UNDER SECRETARY OF STATE
FOR TRADE AND TECHNOLOGY

22nd March. 1994

SCHEDULE 1: CONDITIONS INCLUDED UNDER SECTION 7 OF THE ACT

PART 1: DEFINITIONS, INTERPRETATION AND TRANSITIONAL PROVISIONS RELATING TO THE CONDITIONS IN SCHEDULE 1

1 In this Schedule, unless the context otherwise requires:

(a) "Apparatus Production Business" means the production of telecommunication apparatus insofar as it is undertaken in the United Kingdom by the Licensee or any wholly owned Subsidiary taken together;

(b) "Apparatus Supply Business" means any of the following activities of the Licensee or of any wholly owned Subsidiary insofar as they are undertaken in the United Kingdom taken together and do not form part of the activities of the Direct Business, that is to say:

(i) the supply of telecommunication apparatus; and

(ii) the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of telecommunication apparatus,

which in either case is to be connected to but not comprised in or to be comprised in the Applicable Systems;

(c) "Applicable Terminal Equipment" means apparatus which is applicable terminal equipment within the meaning of regulation 4 of the Telecommunications Terminal Equipment Regulations 1992;

(d) "Approved Apparatus" means in relation to any system apparatus approved under section 22 of the Act for connection to that system;

(e) "Auditor" means the Licensee's auditor for the time being appointed in accordance with the requirements of the Companies Act 1985;

(f) "Base Station Controller" and "Base Transceiver Station" shall have the meaning given to those terms in the European Telecommunications Standards adopted by the European Telecommunications Standards Institute for use with the pan-European digital radio system known generically as GSM or shall mean apparatus conforming to a different technical standard but serving the same or an equivalent purpose as apparatus so defined;

(g) "Bringing into Service" means the process of connecting by means of a tool telecommunication apparatus (including apparatus comprised in a telecommunication system) or a telecommunication system to another telecommunication system, or the process of disconnecting by such means such apparatus or such system from another such system; and includes such testing or inspection of that apparatus or system and any other apparatus to which it is or is to be connected as is necessary for the purpose of ensuring that the apparatus or the system in which it is or is to be comprised, or the system, is authorised to be connected to the Applicable Systems;

(h) "Call Box" means any kiosk, booth, acoustic hood, shelter or similar structure at which apparatus is installed for the provision of voice telephony services to the public or a class of the public together with such apparatus;

(i) "Call Box Services" means the installation, repair and maintenance of Call Boxes, the service of conveying by means of the Applicable Systems voice telephony messages to and from such Boxes, directory information services relating to switched voice telephony services available at such Boxes and Public Emergency Call Services so available;

(j) "Call Office" means telecommunication apparatus not supplied by the Licensee to any particular person but made available for use by the public or a class of the public;

(k) "Cell" means a geographical area served by a Station for Wireless Telegraphy which is dedicated to transmitting or receiving Messages;

(l) "Cellular System" means a telecommunication system in which:

(i) the area in which telecommunication services are provided is divided up into a number of Cells;

(ii) Stations for Wireless Telegraphy comprised in the system are automatically controlled by a central processor;

(iii) Messages are conveyed through the agency of Wireless Telegraphy between:

(A) Stations for Wireless Telegraphy comprised in the system (the first systems); and

(B) telecommunication apparatus or telecommunication systems which in either case are designed or adapted to be capable of being used while in motion (the second systems);

(iv) the Wireless Telegraphy frequencies used for the purpose of such conveyance are assigned automatically;

(v) there is a control procedure which allows the telecommunication service consisting in the conveyance of Messages between any of the first systems and any of the second systems to be continued to be provided between a different first system and that particular second system as the second system moves from Cell to Cell; and

(vi) the strength of the emissions of the Stations for Wireless Telegraphy comprised in the system is automatically controlled so as to secure as far as is technically possible that each such Station for Wireless Telegraphy can effectively provide services only in the Cell in which it is located;

(m) "Chatline Service" means a service which consists of or includes the enabling of more than two persons ("the Participants") simultaneously to conduct a telephone conversation with one another without either:

(i) each of them having agreed with each other; or

(ii) one or more of them having agreed with the person enabling such a telephone conversation to be conducted,

in advance of making the call enabling them to engage in the conversation the respective identities of the other intended Participants or the telephone numbers on which they can be called, provided that a service by which one or more additional persons who are known (by name or telephone number) to one or more of the parties conducting an established telephone conversation can be added to that conversation by means of being called by one or more such parties is not on that account a Chatline Service if it would not otherwise be regarded as such a service;

(n) "Compatibility" means that between the parties concerned there is no reasonably foreseeable risk of:

(i) duplication of any Number; or

(ii) any other related effect,

such as would introduce ambiguity or errors or impose undue restrictions on any user or group of users;

(o) "Compliant Terminal Equipment" means Applicable Terminal Equipment which satisfies the requirements of regulation 8 of the Telecommunications Terminal Equipment Regulations 1992;

(p) "Condition" means a Condition in this Schedule;

(q) "Connectable System" means a telecommunication system which is authorised to be run under a Licence which authorises connection of that system to the Applicable Systems;

(r) "Connection Service" means a telecommunication service consisting in the conveyance of any Message which has been, or is to be, conveyed by means of the Applicable Systems;

(s) "Controlled Service" means:

(i) a Chatline Service; or

(ii) a Live Conversation Message Service;

(t) "cost" includes a reasonable profit;

(u) "Direct Business" means any of the following activities of the Licensee or of any wholly owned Subsidiary insofar as they are undertaken in the United Kingdom taken together, that is to say:

(i) the supply of any telecommunication apparatus which is or is to be connected to:

(A) the Applicable Systems; or

(B) any telecommunication system connected to the Applicable Systems,

but which is not and is not to be comprised in the Applicable Systems;

(ii) the provision of any telecommunication service consisting in the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of any such apparatus; or

(iii) the provision of any telecommunication service by means of the Applicable Systems,

to or for any person who is not:

(1) a Service Provider;

(2) the Crown, an Emergency Organisation, or a person specified for the time being under Condition 1.2(c) of Schedule 1;

(3) the operator of a Relevant Connectable System; or

(4) a person running a telecommunication system or providing telecommunication services outside the United Kingdom,

including any activity to promote or market those activities;

(v) "Dwelling-House" has the same meaning as in section 202 of the Broadcasting Act 1990;

(w) "Emergency" means an emergency of any kind, including any circumstance whatever resulting from major accidents, natural disasters and incidents involving toxic or radio-active materials;

(x) "Emergency Organisations" means in respect of any locality:

(i) the relevant public police, fire, ambulance and coastguard services for that locality; and

(ii) any other similar organisation in respect of which any public telecommunications operator licensed to operate in the locality in question is providing a Public Emergency Call Service on the day on which this Licence enters into force;

(y) "Essential Interface" means in respect of a Point of Connection an interface at which in the opinion of the Director it is essential that interoperability between the Applicable Systems and the respective Operator's systems is available;

(z) "Group" means a parent undertaking and its subsidiary undertaking or undertakings within the meaning of section 258 of the Companies Act 1985 as substituted by section 21 of the Companies Act 1989 and "Licensee's Group" means a Group in respect of which the Licensee is either a parent undertaking or a subsidiary undertaking;

(aa) "Industrial or Intellectual Property" includes without prejudice to its generality, patents, registered designs, know-how and copyright;

(ab) "International Connection Service" means a telecommunication service consisting in the conveyance of any Message which has been conveyed or is to be conveyed by means of any telecommunication system outside the United Kingdom the connection of which to the system by means of which that service is provided is authorised by a Licence;

(ac) "International Private Leased Circuit" means a communication facility which is:

(i) comprised both in a public telecommunication system and in an equivalent telecommunication system in a country or territory other than the United Kingdom;

(ii) for the conveyance of Messages between points, all of which are points of connection between telecommunication systems referred to in paragraph 1(ac)(i) and other telecommunication systems;

(iii) made available to a particular person or particular persons;

(iv) such that all of the Messages transmitted at any of the points mentioned in paragraph 1(ac)(ii) are received at every other such point; and

(v) such that the points mentioned in paragraph 1(ac)(ii) are fixed by the way in which the facility is installed and cannot otherwise be selected by persons or apparatus sending Messages by means of that facility;

(ad) "International Simple Data Resale Services" means telecommunication services consisting in the conveyance of Messages which do not include two-way live speech but, include only such switching, processing, data storage or protocol conversion as is necessary for the conveyance of those Messages in real time, which have been or are to be conveyed by means of all of the following:

(i) a Public Switched Network;

(ii) an International Private Leased Circuit; and

(iii) the equivalent of a Public Switched Network in another country or territory;

provided that conveyance of a Message by means of a Public Switched Network or, as the case may be, the equivalent of a Public Switched Network in another country or territory shall be disregarded where that

Message is so conveyed in circumstances specified for the time being by the Secretary of State as not being material for the purposes of paragraph 3 of Schedule 3 to this Licence and included in a list kept for the purpose by the Director and made available by him for inspection by the general public;

(ae) "International Simple Voice Resale Services" means telecommunication services consisting in the conveyance of Messages which include two-way live speech which have been or are to be conveyed by means of all of the following:

(i) a Public Switched Network;

(ii) an International Private Leased Circuit; and

(iii) the equivalent of a Public Switched Network in another country or territory;

provided that conveyance of a Message by means of a Public Switched Network or, as the case may be, the equivalent of a Public Switched Network in another country or territory shall be disregarded where that Message is so conveyed in circumstances specified for the time being by the Secretary of State as not being material for the purposes of paragraph 3 of Schedule 3 to this Licence and included in a list kept for the purpose by the Director and made available by him for inspection by the general public;

(af) "Live Conversation Message Service" means a Message Service (other than a directory information service) which consists in the provision of live telephone conversation for any purpose, whether or not including the provision of information of any kind:

(i) between the person providing the service (or a person acting on his behalf) and a person who obtains the service; or

(ii) between a person who has independently called the service for the purpose of conducting a telephone conversation with one other such person, and such another person,

and, for the avoidance of doubt, it does not include a service provided by a human operator of the Licensee which is incidental to the conveyance of a voice telephony message;

(ag) "Long Line Public Telecommunications Operator" means a public telecommunications operator who is authorised by a Licence to provide telecommunication

services consisting in the conveyance of Messages by fixed links run by him over distances greater than 50 linear kilometres;

(ah) "Major Office" means the Licensee's registered office and such other offices as the Director, having consulted the Licensee, may direct;

(ai) "Message" means anything falling within paragraphs (a) to (d) of section 4(1) of the Act;

(aj) "Message Service" means a service which consists of, or includes, the sending of speech, music or other sounds or signals to any person who obtains access to that service by means of a Public Switched Network;

(ak) "Minimum Figure" means £185 per annum or such other amount as the Director and the Licensee may agree for the time being in respect of any Call Box or any description of Call Boxes, after consultation with the advisory bodies established by the Secretary of State under section 54(1) of the Act;

(al) "Mobile Radio Telecommunication Service" means any telecommunication service consisting in the conveyance of Messages by means of a telecommunication system where every Message that is conveyed thereby has been, or is to be, conveyed through the agency of Wireless Telegraphy to or from a telecommunication system which is designed or adapted to be capable of being used while in motion;

(am) "Network Connecting Apparatus" means telecommunication apparatus comprised in the Applicable Systems which is not Network Termination and Testing Apparatus and is connected to another telecommunication system;

(an) "Network Termination Point" means any point:

(i) within an item of Network Connecting Apparatus at which energy of any of the forms specified in section 4(1) of the Act is conveyed directly to or from apparatus comprised in a telecommunication system other than one in which that Network Connecting Apparatus is comprised; or

(ii) within an item of Network Termination and Testing Apparatus at which such energy is conveyed directly to any Relevant Terminal Apparatus;

(ao) "Network Termination and Testing Apparatus" means an item of telecommunication apparatus comprised in the

Applicable Systems installed in a fixed position on Served Premises which enables:

(i) Approved Apparatus to be readily connected to, and disconnected from, the Applicable Systems;

(ii) the conveyance of Messages between such Apparatus and the Applicable Systems; and

(iii) the due functioning of the Applicable Systems to be tested,

but the only other functions of which, if any, are:

(1) to supply energy between such Apparatus and the Applicable Systems;

(2) to protect the safety or security of operation of the Applicable Systems; or

(3) to enable other operations exclusively related to the running of the Applicable Systems to be performed or the due functioning of any system to which the Applicable Systems are or are to be connected to be tested (separately or together with the Applicable Systems);

(ap) "Number" means any identifier which would need to be used in conjunction with any public switched service for the purposes of establishing a connection with any Network Termination Point, user, telecommunication apparatus connected to any Public Switched Network or service element, but not including any identifier which is not accessible to the generality of users of a public switched service;

(aq) "Numbering Plan" means a plan describing the method adopted or to be adopted for allocating and re-allocating a Number to any Network Termination Point, user, telecommunication apparatus or service element;

(ar) "Operator" means any person who is authorised by a Licence to run a Relevant Connectable System;

(as) "Parent Undertaking" has the same meaning as in section 258 of the Companies Act 1985 as substituted by section 21 of the Companies Act 1989;

(at) "Point of Connection" means a point at which the Applicable Systems and an Operator's system are connected;

(au) "Prepayment Apparatus" means telecommunication apparatus which has as its function, or one of its

functions, the automatic enabling of Messages to be transmitted or received on the prior provision of consideration by means of the insertion in the apparatus of cash, or tokens, or cards, or by similar means;

(av) "Private Call Box" means a Call Box owned by or supplied to a person other than the Licensee or another public telecommunications operator at which Call Box Services are or may be provided;

(aw) "Private Leased Circuit" means a communication facility which is:

(i) provided by means of one or more public telecommunication systems;

(ii) for the conveyance of Messages between points, all of which are points of connection between telecommunication systems referred to in paragraph 1(aw)(i) and other telecommunication systems;

(iii) made available to a particular person or particular persons;

(iv) such that all of the Messages transmitted at any of the points mentioned in paragraph 1(aw)(ii) are received at every other such point; and

(v) such that the points mentioned in paragraph 1(aw)(ii) are fixed by the way in which the facility is installed and cannot otherwise be selected by persons or telecommunication apparatus sending Messages by means of that facility;

(ax) "Public Call Box" means a Call Box to which the public has access at all times which is neither a Private Call Box nor a Temporary Call Box and at which Call Box Services are or may be provided;

(ay) "Public Emergency Call Service" means a telecommunication service by means of which any member of the public may, at any time and without incurring any charge, by means of any item of telecommunication apparatus which is lawfully connected to the Applicable Systems and which is capable of transmitting and receiving unrestricted two-way voice telephony services when so connected, communicate as swiftly as practicable with any of the Emergency Organisations for the purpose of notifying them of an Emergency;

(az) "Public Switched Network" means a public telecommunication system by means of which two-way telecommunication services are provided whereby Messages are switched incidentally to their conveyance, and, for the avoidance of doubt, a Public Switched Network does not include Private Leased Circuits or International Private Leased Circuits;

(ba) "Relevant Apparatus" means any apparatus which is, or is to be, connected to the switched Applicable Systems;

(bb) "Relevant Company" means:

(i) the Licensee; or

(ii) a Parent Undertaking in relation to the Licensee;

(bc) "Relevant Connectable System" means a Connectable System which is authorised to be run under a Licence which authorises the provision by means of that system of Connection Services for reward to the general public, or any class of the general public, not being a system:

(i) authorised to be run under a Licence granted to all persons or persons of any class; and

(ii) for the connection of which, and for the provision of matters necessary for such connection, the Licensee offers standard terms and conditions which satisfy the requirements of Condition 8 of Schedule 1,

and not being a system which the Director has determined ought not to be deemed a Relevant Connectable System for the purposes of this Licence;

(bd) "Relevant Consumer Body" means any of the bodies referred to in Condition 15 of Schedule 1;

(be) "Relevant Intellectual Property Right" means any right, which is wholly or partly controlled by the Licensee or a member of the Licensee's Group, in Industrial or Intellectual Property or is subject to an agreement, an arrangement or concerted practice to which the Licensee or a member of the Licensee's Group is a party;

(bf) "Relevant Local Authority" means the smallest unit of local authority for the area where the Public Call Box is located;

(bg) "Relevant Person" means a person:

(i) who requests that a telecommunication service be provided by means of or in relation to the Applicable Systems, or for whom or on whose behalf such a telecommunication service is provided; or

(ii) who requests that telecommunication apparatus or a telecommunication system be supplied or to whom or on whose behalf such apparatus or system is supplied; or

(iii) who requests that any telecommunication system or telecommunication apparatus be connected to the Applicable Systems or for whom or on whose behalf such a system or such apparatus is so connected;

(bh) "Relevant System" means a Connectable System which is, or is to be, connected to any of the switched Applicable Systems;

(bi) "Relevant Terminal Apparatus" means:

(i) "Terminal Apparatus" that is to say any telecommunication apparatus installed on Served Premises by means of which Messages are initially transmitted or ultimately received except a Call Office; and

(ii) any other telecommunication apparatus directly connected to Terminal Apparatus (including apparatus which is Terminal Apparatus by virtue of this paragraph) which would, if it were run with such Terminal Apparatus and any other apparatus by means of which it is so connected, constitute a system authorised to be run by the person running that Terminal Apparatus under a Licence;

(bj) "Revenue", in relation to services provided at any Public Call Box, means the actual amounts received by the Licensee in respect thereof, together with a notional sum equal to 25 per cent (or such other percentage as the Director and the Licensee may agree for the time being) of the aggregate of such amounts representing revenue earned in respect of transfer charge, credit and similar facilities provided at that Call Box and of services provided and paid for elsewhere which involve conveyance of Messages to that Call Box;

(bk) "Served Premises" means a single set of premises in single occupation where apparatus has been installed for the purpose of the provision of

telecommunication services by means of the Applicable Systems at those premises;

(bl) "Service Provider" means any person who is in the business of providing Mobile Radio Telecommunication Services to another by means of a telecommunication system lawfully connected to the Applicable Systems or who is in the business of securing the provision of such services by such means;

(bm) "Shares" has the meaning given to it in section 259(2) of the Companies Act 1985, as substituted by section 144(1) of the Companies Act 1989, and the term "Shareholding" is to be construed accordingly;

(bn) "Specified Numbering Scheme" means a scheme for the allocation and re-allocation of Numbers for the purposes of any of the switched Applicable Systems and the systems of other licensed operators which is specified by the Director for the purpose of this Licence and described in a list kept for that purpose by him and made available by him for public inspection;

(bo) "Subscriber" means a person (other than a public telecommunications operator, a Service Provider or a person who is in the business of providing any telecommunication service which is not a Mobile Radio Telecommunication Service to another by means of a telecommunication system lawfully connected to the Applicable Systems or who is in the business of securing the provision of such services by such means) to whom there are provided switched voice telephony services by means of the Applicable Systems;

(bp) "Subsidiary" has the meaning given to it in section 736 of the Companies Act 1985 as substituted by section 144(1) of the Companies Act 1989;

(bq) "Supplemental Services Business" means the following activities of the Licensee taken together:

(i) the provision in the United Kingdom by the Licensee of Value Added Or Data Services;

(ii) the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of any apparatus used solely to provide a Value Added Or Data Service; and

(iii) the conveyance by means of the Applicable Systems, but only to the extent that they are used for this purpose, of Messages comprised in Value Added Or Data Services provided by the Licensee;

(br) "Switching Point" means the point at which a Message which is conveyed by means of the Applicable Systems is first switched incidentally to such conveyance or the point at which such a Message is last switched incidentally to such conveyance and, for the avoidance of doubt, a Switching Point shall not include a Base Station Controller or a Base Transceiver Station;

(bs) "Systems Business" means the following activities of the Licensee and of any wholly owned Subsidiary to the extent that they are undertaken in the United Kingdom taken together:

(i) the running of the Applicable Systems except where such running is part of the Supplemental Services Business;

(ii) the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of any apparatus comprised or to be comprised in the Applicable Systems where those activities are not part of the Supplemental Services Business;

(iii) without prejudice to the generality of paragraph 1(bs)(i) or 1(bs)(ii) the Bringing into Service of any item of telecommunication apparatus or telecommunication system connected or to be connected to the Applicable Systems whether comprised in those systems or not; and

(iv) without prejudice to the generality of paragraph 1(bs)(i) the conveyance of Messages (not including switching) by means of the Applicable Systems and switching incidental to such conveyance where such conveyance is not part of the Supplemental Services Business;

(bt) "Telephone" means an item of telecommunication apparatus capable when connected to the Licensee's public switched system, of transmitting and receiving uninterrupted simultaneous two-way speech conveyed, or, as the case may be, to be conveyed, by means of the Applicable Systems;

(bu) "Temporary Call Box" means a Call Box run by the Licensee which is mobile or is installed for a limited period or is permanently installed but at which Call Box Services are provided to the public or a class of the public for limited periods of time;

(bv) "United Kingdom" includes any area to which the provisions of the Act apply by virtue of section 107;

(bw) "Utility Services" means services consisting in the provision of gas, water or electricity;

(bx) "Value Added Or Data Service" means any telecommunication service consisting in the conveyance by means of the Applicable Systems of Messages, other than:

(i) the conveyance of television programmes or sound programmes or both comprised in services that require to be licensed under the Broadcasting Act 1990 for delivery or subsequent delivery to two or more Dwelling-Houses; and

(ii) a telecommunication service which forms the whole or part of a service, provided by means of the Applicable Systems, the only substantial element of which is conveyance of telex Messages or live speech; and

(by) "Wireless Telegraphy" and "Station for Wireless Telegraphy" have the same meaning as in the Wireless Telegraphy Act 1949.

2 Any reference in any Condition in this Schedule, however expressed, to the Director notifying the Licensee about any matter, affording the Licensee an opportunity to make representations, taking representations by the Licensee into account, or explaining, or giving reasons for, any matter to the Licensee, shall be without prejudice to any obligation of due process or similar obligation which the Director is or may be under by virtue of any rule or principle of law or otherwise.

3 Expressions cognate with those referred to in this Schedule shall be construed accordingly.

4 For the avoidance of doubt it is hereby declared that for the purpose of these Conditions references to the supply of telecommunication apparatus do not include the making available of apparatus comprised or to be comprised in the Applicable Systems.

5 Nothing which the Licensee may do, or omit to do, after the date on which any provision of the Conditions in this Schedule enters into force shall be held to constitute a failure to comply with an obligation imposed by or under those Conditions to the extent that the Licensee is obliged to do or to omit to do (as the case may be) that thing by the terms of any contract subsisting immediately before 28 June 1985.

PART 2: SPECIAL CONDITIONS REFERRED TO IN SECTION 8 OF THE ACT

Condition 1

REQUIREMENTS TO PROVIDE TELECOMMUNICATION SERVICES

1.1 The Licensee shall keep installed and run the Applicable Systems in such a way as:

(a) to provide, or offer to provide, to Service Providers and the persons described in paragraph 1.2 a Mobile Radio Telecommunication Service in an area where 90% of the United Kingdom population live; and

(b) to ensure that all reasonable demands for the provision by means of the Applicable Systems of that Service in that area are capable of being satisfied.

1.2 For the purposes of paragraph 1.1, the persons described are:

(a) the Crown;

(b) Emergency Organisations;

(c) any person who is engaged in the provision of Utility Services or in public administration and who is for the time being specified for the purposes of this Condition by the Director.

1.3 Subject to Condition 29, if:

(a) the Licensee is, in the opinion of the Director, a well established operator in the provision of any telecommunication service of a particular description other than a Mobile Radio Telecommunication Service in the United Kingdom or within any part or locality thereof; and

(b) the arrangements made by the Licensee are inadequate to secure the availability of such a service within the United Kingdom or within that part or locality thereof to any person who may reasonably request it,

the Director may direct the Licensee to install, keep installed and run the Applicable Systems in such a way as to secure that such a service is available by means of the Applicable Systems within that part or locality of the United Kingdom to any person who may reasonably request it and the Licensee shall comply with any such direction.

1.4 Any specification made by the Director under paragraph 1.2 shall be described in a list kept for that purpose by the Director and made available by him for inspection by the general public.

1.5 Paragraph 1.1(b) shall not apply to the extent that the Director, after consultation with the Licensee, determines, taking into account in particular:

(a) whether the current and prospective demand for such telecommunication services to be provided by means of any additions to the Applicable Systems that would need to be installed within that area and the revenues likely to be derived from providing such services would not be sufficient to enable the Licensee to recover the costs incurred in installing and running any such additions to the Applicable Systems; and

(b) any other factor involved in the sound commercial development of the Applicable Systems.

1.6 In this Condition, "well established operator" means that the Licensee has 25% or more of what is in the opinion of the Director the relevant market.

DIRECTORY INFORMATION

2.1 Subject to paragraph 2.5, the Licensee shall:

(a) on receiving a request from a Subscriber, provide to that Subscriber a directory information service in respect of any other Subscriber;

(b) on the written request of any person in the United Kingdom supply to that person such directories as the Licensee, for the purpose of facilitating the use by others of any switched telecommunication service it provides by means of the Applicable Systems, publishes and makes available generally to persons to whom there are provided those services.

2.2 Subject to paragraph 2.5, where the Licensee provides voice telephony services by means of Applicable Systems that are connected to another public telecommunication system in the United Kingdom by means of which switched voice telephony services are provided ("the Other System"), it shall:

(a) to the extent that the operator of the Other System makes available directory information to the Licensee and to persons to whom that operator provides voice telephony services, take all reasonable steps to ensure that Subscribers can obtain such directory information;

(b) supply to the operator of the Other System directory information about Subscribers (whether by providing directories of the kind described in paragraph 2.1(b), by providing on-line access to an electronic database of the Licensee containing names, addresses and telephone numbers, or by providing all the relevant contents of that database in machine readable form), for the purpose of enabling that operator itself to provide such directory information and to route calls; directory information so supplied shall be in a form that is sufficient to meet any reasonable request of that operator for those purposes, having regard in particular to the cost to the Licensee, and the desirability of that operator being able to use complete and up to date directory information; and

(c) where the operator of the Other System requests the Licensee in accordance with paragraph 2.2(b) to provide access to an electronic database, the Licensee shall grant such access on reasonable terms (which may include recovery of fully allocated costs

and a reasonable return on capital employed) provided that:

(i) that operator undertakes to use the information only to provide directory information services or to route calls; and

(ii) the provision by the Licensee of such information is not unlawful and the Licensee is not in particular required to do anything contrary to the Data Protection Act 1984.

2.3 Subject to paragraph 2.5, where the Applicable Systems are connected to a public telecommunication system that in turn is connected to a telecommunication system outside the United Kingdom used to provide voice telephony services ("the Third System"), the Licensee shall supply to Subscribers information about how they may avail themselves of the directory information service provided in respect of the Third System, and shall take all reasonable steps to secure that that can be done.

2.4 The directory information service provided by the Licensee under paragraphs 2.1(a) and 2.3 and the information made available under paragraph 2.2(a) shall include a service or information as the case may be satisfactory to the Director whereby directory information is made available in a form which is appropriate to meet their needs to persons who are so blind or otherwise disabled as to be unable to use a telephone directory in a form in which it is generally available to persons to whom the Licensee provides services; and the service so provided to such persons shall from the date on which this Licence enters into force be provided free of charge or, if the Director is satisfied that that is not practicable, the Licensee shall provide, in accordance with arrangements agreed with the Director, appropriate reasonable compensation in respect of charges that are paid.

2.5 The obligations in paragraphs 2.1 and 2.2 shall not apply when the directory information requested relates to a person who has requested the Licensee, or the operator of the connected system, or a Service Provider of whom that person is a customer in respect of services provided by means of the Applicable Systems not to provide such information in relation to that person.

2.6 This Condition is without prejudice to Condition 5.

PUBLIC EMERGENCY CALL SERVICES

3.1 The Licensee shall ensure, except to the extent that the Director determines is not reasonably practicable, that both the numbers 999 and 112 are available as emergency call numbers so that any member of the public by dialling either the number 999 or the number 112 on telecommunication apparatus which is lawfully connected to the Applicable Systems at any place in the United Kingdom and which is capable of transmitting and receiving unrestricted two-way voice telephony services when so connected is provided with a Public Emergency Call Service.

3.2 Where the Director has made a determination in accordance with paragraph 3.1 the Licensee shall take all reasonable steps to ensure that persons to whom there are provided by means of the Applicable Systems services which do not include a Public Emergency Call Service are notified in writing that the services so provided do not include a Public Emergency Call Service.

3.3 For the purposes of this Condition telecommunication apparatus shall be regarded as capable of transmitting and receiving unrestricted two-way voice telephony services only if it is capable of both:

(a) transmitting for conveyance by means of an Applicable System specific signals designated by the Licensee for the purpose of establishing communication with voice telephony apparatus controlled by the Emergency Organisations; and

(b) transmitting and receiving uninterrupted simultaneous two-way speech conveyed, or as the case may be to be conveyed, by means of that Applicable System.

3.4 In this Condition, the United Kingdom does not include any area to which the Act is extended under section 107.

PLANNING AND IMPLEMENTATION OF SPECIAL ARRANGEMENTS FOR EMERGENCIES

4.1 The Licensee shall, after consultation with the authorities responsible for Emergency Organisations and such departments of central and local government as the Director may from time to time determine and whose names are notified to the Licensee by him for the purpose, make plans or other arrangements for the provision or, as the case may be, the rapid restoration of such telecommunication services as are practicable and may reasonably be required in Emergencies.

4.2 The Licensee shall, on request by any such person as is designated for the purpose in the relevant plans or arrangements, implement those plans or arrangements insofar as it is reasonable and practicable to do so.

4.3 Nothing in this Condition precludes the Licensee from:

(a) recovering the costs which it incurs in making or implementing any such plans or arrangements from those on behalf of or in consultation with whom the plans or arrangements are made; or

(b) making implementation of any plans or arrangement conditional upon the person or persons for whom or on whose behalf that plan or arrangement is to be implemented indemnifying the Licensee for all costs incurred as a consequence of the implementation.

REQUIREMENT TO PROVIDE CONNECTION SERVICES

5.1 Without prejudice to Condition 2 and subject to the following provisions of this Condition the Licensee shall, unless it is impracticable to do so, enter into an agreement with an Operator if that Operator requires it to do so:

(a) to connect, and keep connected, to the Applicable Systems, or to permit to be so connected and kept connected, any Relevant Connectable System run by the Operator and accordingly to establish and maintain such one or more Points of Connection as are reasonably required and are of sufficient capacity and in sufficient number to enable Messages conveyed or to be conveyed by means of the Operator's system to be conveyed by means of the Applicable Systems in such a way as conveniently to meet all reasonable demands for the conveyance of Messages between the Relevant Connectable System and the Applicable Systems;

(b) without prejudice to paragraph 5.1(a), where the Operator is a Long Line Public Telecommunications Operator, to establish and maintain such Points of Connection as will enable persons running telecommunication systems connected to the Operator's system and persons running telecommunication systems connected to the Applicable Systems to exercise freedom of choice as to the extent to which Messages are conveyed by means of the Applicable Systems and in routing Messages so conveyed; and

(c) to provide such other telecommunication services (including the conveyance of Messages which have been, or are to be, transmitted or received at such Points of Connection), information and other services as the Director determines are reasonably required (but no more than reasonably required) to secure that Points of Connection are established and maintained and to enable the Operator effectively to provide the Connection Services which he provides or proposes to provide.

5.2 The Licensee shall not be obliged under paragraph 5.1 to enter into an agreement to do anything if:

(a) in the opinion of the Licensee it would be liable to cause the death of or personal injury to, or damage to the property of, the Licensee or any person engaged in the Licensee's business, or materially to impair the quality of any telecommunication service

provided by means of the Applicable Systems or any telecommunication system (other than the Operator's system) connected thereto and the Director has not expressed a contrary opinion; or

(b) in the opinion of the Licensee:

(i) it would require an adjustment to, or modification of, the Applicable Systems whether by incorporation of apparatus or otherwise or the provision by the Licensee of services or information which in any particular case would not be reasonably required; or

(ii) it would not be reasonably practicable to require the Licensee to do that thing, or permit it to be done, at the time or in the manner required by the Operator, having regard to the state of technical development of the Applicable Systems or any other relevant matter,

and the Director has not expressed a contrary opinion.

5.3 The Licensee may require that an agreement to be entered into under paragraph 5.1 should be subject to terms and conditions, but only such terms and conditions as are permitted in relation to that agreement in accordance with paragraphs 5.4, 5.5 and 5.7.

5.4 Subject to paragraphs 5.5 and 5.7, terms and conditions are permitted if they are agreed between the Operator and the Licensee and relate to all or any of the following matters:

(a) the charges to be paid by the Operator for anything done under an agreement of the kind described in paragraph 5.1 or as a result of such agreement;

(b) the method adopted or to be adopted to make or maintain the connection;

(c) the Points of Connection in the Applicable Systems at which the connection is or is to be made (including arrangements for determining the point at which Messages will be transferred from one system to another and arrangements for conveying and rerouting Messages in cases of Emergency or difficulty);

(d) any restrictions on the telecommunication services to be provided by the Licensee or the Operator being restrictions needed to satisfy international obligations or recommendations applying to and accepted by Her Majesty's Government or to which the

Director consents from time to time;

(e) the time when and period for which the Licensee or the Operator is to be obliged to do anything or to permit anything to be done and any arrangements for reviewing the terms and conditions of the agreement;

(f) the form and manner in which Messages are to be transmitted or received at the Points of Connection including arrangements for numbering and the use of appropriate call progress tones and announcements;

(g) the means of securing that any Message will be received by means of the connection with a signal quality which is in accordance with any obligations and recommendations of the International Telecommunication Union which apply to Her Majesty's Government and are accepted by it or with any other standard to which the Director consents for the purpose from time to time;

(h) arrangements for charging customers and others in respect of Messages conveyed by virtue of the agreement;

(i) arrangements for Messages conveyed or to be conveyed outside the United Kingdom;

(j) provision by the Operator of a reasonable indemnity against any loss or damage sustained by the Licensee in consequence of the agreement in circumstances where the Licensee provides to the Operator an equivalent indemnity; and

(k) any other matter of which the Director is satisfied that account should be taken in the special circumstances of any particular case or which is agreed between the Licensee and the Operator.

5.5 If after a period which appears to the Director to be reasonable for the purpose the Licensee has failed to enter into an agreement as required by the Operator under paragraph 5.1 then the Director shall, on the application of the Operator or the Licensee, determine the permitted terms and conditions for the purpose of that agreement which have not been agreed between the Licensee and the Operator being terms and conditions relating to the matters mentioned in paragraph 5.4 which appear to the Director reasonably necessary (but no more than reasonably necessary) to secure:

(a) that the cost of anything done pursuant to or in connection with the agreement including fully allocated costs attributable to the services to be provided and taking into account relevant overheads and a reasonable rate of return on attributable assets is apportioned equitably between the Licensee

and the Operator;

(b) that the Licensee is properly indemnified against any liabilities to third parties or damage to the Applicable Systems or loss arising from such damage which may result from the performance of the agreement;

(c) that the Licensee is reasonably able in all the circumstances (including its obligations and reasonably foreseeable obligations to permit other Operators to provide services by means of Points of Connection under this Condition) to finance the other services which it is required by this Licence to provide and to recover costs which are incurred for the provision of those other services or are necessarily incidental thereto;

(d) that the quality of any telecommunication services provided by means of the Applicable Systems and any systems (other than the Operator's system) connected thereto is maintained;

(e) that the requirements of fair competition are satisfied;

(f) that proper account is taken of any other matter reasonably required for the protection of the interests of the Licensee to the extent that no interest of the Operator is unduly prejudiced, including the need to ensure:

(i) that arrangements for connection accord with good engineering principles and practice;

(ii) that the commercial development of the Applicable Systems is not unduly impeded;

(iii) that charging arrangements take account of the overall pattern of the Licensee's costs;

(iv) that Messages which originate on one system and are conveyed by another should pass through a Point of Connection as near as reasonably practicable to the place from which they are initially sent or at which they are ultimately received;

(v) that the Operator does not rely unduly upon services provided by the Licensee as a means of satisfying his own obligations under his licence;

(vi) that the Licensee's obligations to the Operator are determined having due regard to its obligations and reasonably foreseeable

obligations to establish Points of Connection for others;

(vii) that arrangements made under this Condition are so far as circumstances allow in as similar a form as practicable notwithstanding the variety of Operators entitled to such arrangements under this Condition;

(viii) that commercial and confidential information of the Licensee is properly protected; and

(ix) that the technical evolution and numbering arrangements of the Applicable Systems are not unreasonably constrained; and

(g) that without prejudice to paragraph 5.6 the Licensee may be required to carry out any work which the agreement requires it to carry out within an appropriate period of time having regard to all the circumstances which would be reasonable for an efficient telecommunications operator who was not required to give the particular work priority over work for the Licensee's customers generally.

5.6 Where in pursuance of such an application as is referred to in paragraph 5.5 the Director determines any charge (or the means of calculating any charge) payable in respect of the establishment of a connection between the Applicable Systems and the system of the Operator, he shall do so in accordance with the following provisions:

(a) any costs incurred in the establishment of such a connection, including (without limitation) the provision of dedicated capacity at a Point of Connection, but not transmission capacity, shall be shared between the parties according to the proportions in which each of them will bill the customers originating calls which are to be conveyed over the Point of Connection. These proportions shall be derived from forecasts by each party of the capacity required to convey those calls for which the respective parties will bill customers originating them. These costs shall be assessed on the basis of:

(i) the Licensee's or the Operator's respective fully allocated costs of the establishment of the connection including a reasonable contribution to relevant overheads; and

(ii) the application to relevant capital employed of a reasonable rate of return on attributable assets;

(b) any determination of any charge (or the means of calculating the same) to be payable under paragraph 5.6(a) may include a provision that no such charge shall be payable where the party imposing the charge fails to provide the connection within six months (or such longer period as the Licensee and the Operator may agree) of the date of the request therefore, provided that this provision shall not apply in any particular case unless it is reasonable in all the circumstances for it to apply. It shall be deemed not to be reasonable if:

(i) it was not reasonably practicable for any reason, for the first party to provide the connection in time;

(ii) the other party's request for the connection was unreasonable in quantum having regard to its current and future needs; or

(iii) in order to comply with the time period the Licensee would have had to give priority to making the connection beyond that given to its own customers generally;

(c) the period referred to in paragraph 5.6(b) shall be extended by such period as equates to or, if there is no period that equates, as is reasonably commensurate with, delays attributable to any default or lack of co-operation by the Operator, or to force majeure of any kind; and

(d) where one party has in pursuance of a provision in the agreement, required the other party to provide a connection and subsequently cancels the order, it shall reimburse the other party for all costs (assessed on the basis of that party's fully allocated costs, together with a reasonable rate of return on attributable assets) incurred by the other party in the provision of the connection up to the date of cancellation.

5.7 Where the Licensee is required to enter into an agreement to do anything under paragraph 5.1(b) the permitted terms and conditions may relate to all or any of the matters mentioned in paragraph 5.4 but in determining the terms and conditions in the event of failure to agree under paragraph 5.5 the Director shall have regard to (in addition to the matters specified in paragraph 5.5) the need to ensure:

(a) that, insofar as any freedom of choice is conferred upon persons running telecommunication systems connected to the Operator's system as to the extent to which Messages are conveyed by means of the Applicable Systems and in routing messages so conveyed, a corresponding freedom of choice is

conferred so far as reasonably practicable on persons running telecommunication systems connected to the Licensee's system; and

(b) that the requirements of fair competition, including the need for those to whom telecommunication services are provided to have a reasonable means of learning by whom the Messages sent by them are conveyed, are satisfied,

but paragraph 5.5 shall have effect for this purpose with the omission of paragraph 5.5(f)(iv).

5.8 The Licensee shall not be obliged to enter into any agreement under paragraph 5.1 if he refuses to do so, giving his reasons in writing to the Operator and to the Director, and the Director determines that those reasons are proper ones having regard to the matters mentioned in paragraph 5.5.

5.9 Where:

(a) an agreement has been entered into under paragraph 5.1 but for any reason (whether breach of that agreement or otherwise) anything which the Licensee is required to do under the agreement is not being done; and

(b) the Director considers that the thing ought to be done in order to ensure that a connection made pursuant to that agreement is maintained or that a connection is established pursuant to that agreement, and that Messages are conveyed by means of the connection in accordance with the agreement; and

(c) the Director is satisfied that the Operator is not able satisfactorily to enforce the agreement so that that thing is done within such time as the Director considers necessary,

then, if the Director so directs, the Licensee shall do that thing subject to such conditions as the Director determines to be reasonable in the circumstances, having regard, in particular, to the permitted terms and conditions which apply and to any thing which he may reasonably require the Operator to do in order to mitigate the effects of the Licensee's failure to do the thing which he is required to do.

5.10 Where:

(a) an Operator establishes a prima facie case that the Licensee is unreasonably not performing an obligation which he is required to perform under an agreement entered into under paragraph 5.1;

(b) the Director considers that:

(i) the obligation ought to be performed in order to achieve the purposes of paragraph 5.1;

(ii) the Operator is not able satisfactorily to enforce the agreement so that the obligation is performed within such time as the Director considers necessary and the balance of convenience requires the Director to take action under this paragraph rather than leave it to the Courts; and

(iii) the Operator has performed all its obligations which are relevant to the Licensee's obligation that is allegedly not being performed; and

(c) paragraph 5.9 does not apply,

the Director may require the Licensee to perform the obligation subject to such conditions as are reasonable in the circumstances having regard, in particular, to the permitted terms and conditions which apply and to anything which the Operator may reasonably be expected to do in order to mitigate the effects of the Licensee's failure to perform its obligation.

5.11 Before making a requirement under paragraph 5.10 the Director shall notify the Licensee of the prima facie case established by the Operator, his conclusions thereon, and on the matters referred to in paragraph 5.10(b) and the direction he proposes to make, affording the Licensee adequate time in which to make representations.

5.12 Notwithstanding, and without prejudice to, any of the foregoing provisions of this Condition, if the Director considers that there is likely to be a category comprising a sufficient number of Operators seeking determinations under paragraph 5.5 for whom standard terms and conditions would be appropriate, he may require the Licensee to publish standard provisions (including, without limitation, charges and the method for calculating them) which set out the terms on which the Licensee will enter into an agreement under this Condition with Operators of that particular category.

5.13 If on an application by an Operator in the category mentioned in paragraph 5.12 the Director is satisfied that the Operator has established a prima facie case that any such standard term or condition proposed by the Licensee is unreasonable and that the Licensee has acted unreasonably in relation to negotiations on that term or condition, the Director may, if he considers it necessary to do so, either determine that the Licensee shall modify that standard provision in such a way as to make the term reasonable, in any agreement with the Operator, or modify that standard provision in such a way in the provisions published under paragraph 5.12.

5.14 In applying paragraph 5.13:

(a) any such standard provision shall be confined to the subject matter of the term or condition proposed by the Licensee except that, where the Director considers that a term or condition is essential in relation to subject matter not covered by any term or condition proposed by the Licensee, he may determine a term or condition to cover the subject matter;

(b) the Licensee shall not be deemed to have acted unreasonably merely by virtue of having proposed the term or condition in question; and

(c) no determination may be made in relation to any provision which would be subject to the Unfair Contract Terms Act 1977.

5.15 Before making a determination under paragraph 5.13 the Director shall notify to the Licensee and the Operator the grounds of the Operator's application and his conclusions thereon and the modification he proposes to make or require the Licensee to make, and shall afford the Licensee and the Operator adequate time, being not less than 28 days, in which to make representations.

5.16 Where an Operator makes an application to the Director under paragraph 5.5 the Director may treat the application as an application under paragraph 5.13 and act accordingly.

5.17 For the avoidance of doubt the provisions of paragraphs 5.5 and 5.6 shall apply in respect of any determination made under paragraph 5.13 as they apply in relation to a determination made under paragraph 5.5.

5.18 An agreement made pursuant to this Condition shall not contain any restrictive provision unless, before the agreement is made, the Director has expressly consented to the inclusion of such a provision or has determined that that provision should be included under paragraph 5.5 and, for the purposes of this paragraph, a provision in an agreement is a restrictive provision if by virtue of the existence of such a provision (taken alone or with other provisions) the agreement is one to which the Restrictive Trade Practices Act 1976 would apply but for paragraph 1(1) of Schedule 3 to that Act.

5.19 Where the Director so directs the Crown shall be treated for the purposes of this Condition as a person authorised to run a Relevant Connectable System and where he does so he may also direct that the Crown is to be treated as a Long Line Public Telecommunications Operator for those purposes.

CONNECTION OF OTHER SYSTEMS AND APPARATUS

6.1 Subject to Conditions 37 and 38 and to the following provisions of this Condition, the Licensee shall at the written request of:

(a) a Service Provider to whom the Licensee is obliged to provide Mobile Radio Telecommunication Services; or

(b) in any case where the Licensee has agreed to provide Mobile Radio Telecommunication Services to a person who is not a Service Provider, that person,

connect or permit the connection of the Applicable Systems to any telecommunication system designed or adapted to be capable of being used while in motion which is composed of apparatus which either is approved under section 22 of the Act for connection to the Applicable Systems or is Compliant Terminal Equipment and shall not discontinue a connection of any such system lawfully made.

6.2 Subject to Conditions 37 and 38 and to the following provisions of this Condition and at the written request of:

(a) a person to whom the Licensee is obliged to provide telecommunication services other than Mobile Radio Telecommunication Services; or

(b) in any case where the Licensee has agreed to provide telecommunication services other than Mobile Radio Telecommunication Services to a person who is not a Service Provider, that person,

the Licensee:

(aa) shall connect or have connected, at a Network Termination Point within Network Termination and Testing Apparatus, the Applicable Systems to:

(i) any item of telecommunication apparatus which is approved for the time being for connection to the Applicable Systems under section 22 of the Act or is Compliant Terminal Equipment; or

(ii) any other telecommunication system to which this Condition applies which is or is to be run by the Crown or which is composed of apparatus which is approved for connection to that system or is Compliant Terminal Equipment,

which is owned by or supplied to another person

where such connection is or is to be made by means requiring the use of a tool; and

(bb) shall permit any person to connect, or to keep connected, at a Network Termination Point within Network Termination and Testing Apparatus comprised in the Applicable Systems any such apparatus or other such system where such connection is or is to be made by means that do not require the use of a tool,

and shall not discontinue any such connection of any such apparatus or system lawfully made.

6.3 Apparatus shall not be regarded as approved for connection to any system for the purposes of paragraphs 6.1 or 6.2 unless that apparatus is Compliant Terminal Equipment or has been so approved for connection:

(a) by the Secretary of State; or

(b) by some other person by virtue of an authorisation given by the Secretary of State being an authorisation which required the person authorised, before approving any apparatus or designating any standard to which apparatus must conform if it is to be approved, to be satisfied that connection of the apparatus to the system would not be likely:

(i) to cause the death of, or personal injury to, or damage to the property of the Licensee or any person engaged in the running of that system; or

(ii) materially to impair the quality of any telecommunication service provided by means of that system or any system connected to it (other than the system being connected).

6.4 No apparatus or system is required under paragraphs 6.1 or 6.2 to be, or to be permitted to be, connected or kept connected to the Applicable Systems if that system or any apparatus comprised in that system:

(a) conformed to any relevant standard or standards for the time being designated under section 22(6) of the Act at the time when the connection to the Applicable Systems was made but has, since that time, ceased to do so yet does not conform to the current relevant standard or standards (if any) so designated; or

(b) was at the time when the connection to the Applicable Systems was made, but has since ceased to be, Compliant Terminal Equipment; or

(c) while continuing to conform to any relevant standard, is in the opinion of the Licensee liable to cause the death of, or personal injury to, or damage to the property of, the Licensee, or any person engaged in the running of the Applicable Systems or materially to impair the quality of any telecommunication service provided by means of the Applicable Systems, unless the Director otherwise directs.

6.5 For the purposes of this Condition apparatus shall not be regarded as constituting a system if it would not, but for its connection to the Applicable Systems, constitute such a system and this Condition applies to any apparatus or system which is not a Relevant Connectable System.

PROVISION BY OTHERS OF SERVICES BY MEANS OF THE APPLICABLE SYSTEMS

7.1 Without prejudice to the provisions of Condition 5.1, the Licensee shall permit any person who is:

(a) running a telecommunication system lawfully connected to the Applicable Systems; and

(b) licensed to run a Connectable System under a Licence which authorises him to provide telecommunication services to others, including Connection Services,

to provide such services whilst that Connectable System is connected to the relevant Applicable System.

7.2 Subject to the provisions of Condition 29, the Licensee shall permit any person:

(a) using telecommunication apparatus which has been lawfully connected to the Applicable Systems or which is connected to another telecommunication system which itself has been lawfully connected to the Applicable Systems; or

(b) running a telecommunication system which is so connected,

to provide by means of the Applicable Systems any service other than the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of telecommunication apparatus comprised in the Applicable Systems.

7.3 Where the Director determines that the Licensee has 25% or more of what is in the Director's opinion the relevant market as respects the provision of any telecommunication service of a particular description other than a Mobile Radio Telecommunication Service in any part or locality of the United Kingdom paragraphs 7.4 to 7.9 of this Condition shall come into force in respect of such services in such part or locality of the United Kingdom specified in that determination and on such date as the Director shall specify.

7.4 The Licensee shall, following a request by any Service Provider to do so, provide to that Service Provider any description of telecommunication service specified in any determination made under paragraph 7.3 and which the Licensee at the time the request is made offers to its customers generally and which is specified in the request, on terms which would not prohibit the Service Provider from contracting with another person to provide that person with that

description of service.

7.5

(a) If on an application by a Service Provider the Director is satisfied that the Service Provider has established a prima facie case that any charge, term or condition proposed by the Licensee is unreasonable and that the Licensee has acted unreasonably in relation to negotiations on it, the Director may, if he considers it necessary to do so, determine that the Licensee shall modify that provision in such a way as to make it reasonable, in the agreement with the Service Provider.

In applying this paragraph:

(i) no determination made shall affect any exclusion or restriction equivalent to one which is, at the relevant time, included in the Licensee's current usual terms and conditions upon which the Licensee provides the same description of service to the generality of the Licensee's customers in a way which would or might have the effect of rendering the position of the Licensee in relation to the provision of the service the subject of the determination worse than the position of the Licensee in relation to the provision of the same description of service to the generality of the Licensee's customers;

(ii) any such modified provision shall be confined to the subject matter of the term or condition proposed by the Licensee except that, where the Director considers that a term or condition is essential in relation to subject matter not covered by any term or condition proposed by the Licensee, he may determine a term or condition to cover that subject matter;

(iii) the Licensee shall not be deemed to have acted unreasonably merely by virtue of having proposed the term or condition in question; and

(iv) no determination may be made in relation to any provision which would be subject to the Unfair Contract Terms Act 1977.

(b) Before making a determination under paragraph 7.5(a) the Director shall notify to the Licensee and the Service Provider the grounds of the Service Provider's application and his conclusions thereon and the modification he proposes to make or require the Licensee to make, and shall afford the Licensee and the Service Provider adequate time, being not

less than 28 days, in which to make representations.

7.6

(a) Subject to the terms of this paragraph, any charge determined under paragraph 7.5 by the Director shall be determined by reference to the Licensee's usual charge ("the usual charge") for the provision to its customers generally of the service of the description in question ("the Service").

(b) Any charge determined under paragraph 7.5 by the Director shall not be:

(i) less than the usual charge for the Service by an amount which exceeds any cost savings of the Licensee which are shown to be likely; or

(ii) less than the usual charge for the Service plus any additional costs of the Licensee which are shown to be likely.

(c) Where the cost to the Licensee of the provision of a service to a Service Provider exceeds the usual charge no charge determined under paragraph 7.5 shall be less than the usual charge.

(d) In this paragraph "costs" means fully allocated costs and a reasonable rate of return on capital employed.

7.7 If at any time it appears to the Director that the Service Provider no longer satisfies the criteria within paragraph 7.9(a), the Director may, on giving not less than three months notice to both the Licensee and the Service Provider of his intention to do so, direct the Licensee to cease providing that description of telecommunication service to the Service Provider.

7.8 Where a direction given by the Director under paragraph 7.7 contains a statement that it appears to him that the need to protect the customers of the Service Provider or to protect any other person requires that the direction should be made without delay, the Director shall not be required to give the notice required to be given by paragraph 7.7 or any notice.

7.9 In this Condition "Service Provider" means:

(a) any person proposing to carry on the business of reselling any description of telecommunication service proposed to be provided to that person by the Licensee and in respect of whom the Licensee has no reason to believe that such person will be unable to carry on that business effectively, economically and efficiently; or

(b) any person actually carrying on that business from time to time; or

(c) where, on the application of any person proposing to carry on that business to whom the Licensee has refused to provide any telecommunication service, the Director is satisfied that such service has been refused and has determined that such service should be provided by the Licensee to such person, that person;

but does not in any case mentioned in paragraph 7.9(a), 7.9(b) or 7.9(c) include any person who carries on or would carry on that business by means which necessarily involve the running of a telecommunication system by that person or on that person's behalf.

PUBLICATION OF CHARGES, TERMS AND CONDITIONS TO BE APPLIED

8.1 The Licensee shall, except insofar as the Director may otherwise consent in writing and except in respect of charges, terms and conditions which have been or could be determined under Condition 5:

(a) publish in the manner and at the times specified in paragraph 8.3 a notice specifying, or specifying the method that is to be adopted for determining, the charges and other terms and conditions on which it offers from time to time:

(i) to provide each description of telecommunication services provided by means of the Applicable Systems;

(ii) to maintain, adjust, repair or replace any apparatus comprised in the Applicable Systems;

(iii) to connect to the Applicable Systems any other system which is not and is not to be comprised in the Applicable Systems; or

(iv) to grant permission to connect such systems to, or to provide services by means of, the Applicable Systems;

and

(b) where it does any of the things described in paragraphs 8.1(a)(i) to 8.1(a)(iv), do those things at the charges and on the other terms and conditions so published and not depart therefrom.

8.2 The requirement to publish under paragraph 8.1 shall not apply in respect of:

(a) any service which is materially different from any service already provided by the Licensee by means of the Applicable Systems until such time as it is provided; or

(b) any telecommunication service of a particular description, other than Mobile Radio Telecommunication Services, within any part or locality of the United Kingdom in respect of which the Director has not determined that the Licensee has 25% or more of what is in the opinion of the Director the relevant market as respects that particular service and that particular locality.

8.3 Publication of the notice shall be effected by:

(a) in respect of Mobile Radio Telecommunication Services, sending a copy thereof to the Director to arrive not more than 28 days after the date on which the Licensee first provides services under the Licence and thereafter not later than the last working day before any proposal to amend any charge, term or condition or the method of determining the same is to become effective;

(b) in respect of services other than Mobile Radio Telecommunication Services, sending a copy thereof to the Director to arrive not more than 28 days after the date on which the Licensee first provides such services under the Licence and thereafter not less than 28 days before any proposal to amend any charge, term or condition or the method of determining the same is to become effective;

(c) placing as soon as practicable thereafter a copy thereof in a publicly accessible part of every Major Office of the Licensee in such a manner and in such a place that it is readily available for inspection free of charge by members of the general public during such hours as the Secretary of State may by order prescribe under section 19(4) of the Act that the register of Licences and final and provisional orders is to be open to public inspection or, in the absence of any such order having been made by the Secretary of State, during normal office hours; and

(d) sending a copy thereof or such part or parts thereof as are appropriate to any person who may request such a copy.

8.4 Where the Licensee offers to provide a Value Added Or Data Service paragraph 8.1(a)(i) shall be deemed to be satisfied in respect of each telecommunication service comprised in that Value Added Or Data Service if the Licensee publishes, in the manner and at the times specified in paragraph 8.3, a notice specifying, or specifying the method that is to be adopted for determining, the aggregate charge and other terms and conditions on which it offers to provide the Value Added Or Data Service.

PROHIBITION ON UNDUE PREFERENCE AND UNDUE DISCRIMINATION

9.1 The Licensee shall not (whether in respect of the charges or other terms or conditions applied or otherwise) show undue preference to, or exercise undue discrimination against, particular persons or persons of any class or description (including in particular persons in rural areas) as respects:

(a) the provision by means of the Applicable Systems of any telecommunication service;

(b) the connection to the Applicable Systems of any other system which is not and is not to be comprised in the Applicable Systems; and

(c) the granting of permission to connect such systems to, or to provide services by means of the Applicable Systems.

9.2 The Licensee may be deemed to have shown such undue preference or to have exercised such undue discrimination if it unfairly favours to a material extent a business carried on by it in relation to the doing of any of the things mentioned in paragraph 9.1 so as to place at a significant competitive disadvantage persons competing with that business.

9.3 Any question relating to whether any act done or course of conduct pursued by the Licensee amounts to such undue preference or such undue discrimination shall be determined by the Director, but nothing done in any manner by the Licensee shall be regarded as undue preference or undue discrimination if and to the extent that the Licensee is required to do the thing in that manner by or under any provision of this Licence.

9.4 This Condition applies only:

(a) in respect of Mobile Radio Telecommunication Services;

(b) where the Licensee provides to a person ("the first person") any telecommunication service comprising conveyance of Messages, other than Mobile Radio Telecommunication Services, by means of the Applicable Systems, in respect of the provision of telecommunication services to a person providing or seeking to provide to the first person any service which when conveyed by the Licensee is a Value Added Or Data Service; and

(c) in respect of any service of a particular description other than Mobile Radio Telecommunication Services, where the Director has determined that the Licensee has 25% or more of what is in the opinion of the Director the relevant market as respects that particular service and the particular locality.

PART 3: OTHER CONDITIONS INCLUDED UNDER SECTION 7 OF THE ACT

Condition 10

ESSENTIAL INTERFACES

10.1 This Condition operates without prejudice to the provisions of Condition 5.

10.2 The Director may, having first notified the Licensee of his proposal and given the Licensee not less than 28 days in which to make representations, specify an Essential Interface.

10.3 Where in pursuance of paragraph 10.2 the Director specifies an interface as an Essential Interface, and the Licensee thereafter makes that interface available to an Operator in relation to its Applicable Systems, it shall do so in such a manner as it considers appropriate, but shall ensure such availability in compliance with a Relevant Standard if the Operator so requires.

10.4 For the purposes of paragraph 10.3 "Relevant Standard" means:

(a) an appropriate European or other international standard; or

(b) in the absence of such a standard, any other standard specified by the Director after he has notified the Licensee of his proposal to make the specifications in question and allowed the Licensee not less than 28 days in which to make representations, provided that the Director shall not specify a standard if an appropriate European or other international standard is expected to be promulgated within a reasonable time, including, by way of example, if the European Telecommunications Standards Institute have published a work programme for the development of such a standard,

to the extent that such a standard is necessary to ensure interoperability.

10.5 Where in pursuance of paragraph 10.4(b) the Director specifies a standard as a Relevant Standard, he shall include in that Relevant Standard a technical specification, using all reasonable endeavours to obtain the agreement of the Licensee and other relevant licensees to a technical specification applicable to that Relevant Standard, being a specification defined if possible by reference to:

(a) an appropriate European or other international specification; or

(b) in the absence of such a specification, a specification defined by reference to any other standard having currency within the European Community at the time.

10.6 Where after a reasonable time the Director has been unable in accordance with paragraph 10.5 to secure the agreement of the Licensee and other relevant licensees to a technical specification, the Director shall adopt for inclusion in the Relevant Standard an appropriate technical specification which has been promulgated by a recognised standards body, including, by way of example, the European Telecommunications Standards Institute, or the British Standards Institute, or such other body as the Director considers to be representative of all relevant telecommunications interests.

10.7 The Director shall specify a Relevant Standard in pursuance of paragraph 10.4 only if the owners of relevant intellectual property rights have agreed to grant any necessary licences in respect thereof to the Licensee on reasonable terms.

10.8 For the avoidance of doubt this Condition shall not:

(a) without prejudice to paragraph 10.3, prevent the Licensee using such interfaces as it considers appropriate in relation to the Applicable Systems; or

(b) where it makes available to an Operator an interface which the Director has specified as an Essential Interface, require the Licensee to comply with the Relevant Standard if the Operator does not require it to do so.

10.9 When implementing an Essential Interface, the Licensee shall not be obliged to conform with a Relevant Standard:

(a) if to do so would necessitate the Licensee:

(i) acquiring apparatus, software or other goods or supplies of any kind, or implementing any operation, incompatible with, as the case may be, apparatus, software or such other goods or supplies already in use at the time, or the subject of contracts for their procurement for use, in connection with the Applicable Systems, or, in the case of an operation, incompatible with any other operation being carried out at the time in connection therewith; or

(ii) incurring any cost, or having to resolve technical difficulties, disproportionate to the benefits to be gained from the implementation of the Relevant Standard,

provided that the Licensee shall take reasonable steps to incorporate the Relevant Standard in its plans for network development, with a view to implementation of that Standard in the Applicable Systems, but without the Licensee incurring any incremental expenditure which, but for the implementation of the Relevant Standard, would not have been incurred;

(b) if the Relevant Standard is inappropriate for a particular application for any reason, including, without limitation:

(i) that it does not afford the Licensee adequate protection for the security of the Applicable Systems;

(ii) that its implementation would be liable to cause material impairment in the quality of any telecommunication service provided by means of the Applicable Systems;

(iii) that it does not cater adequately for billing, metering or other customer administration systems; or

(iv) that it is technically inadequate in the light of technical developments which have taken place since it was originally created;

(c) if the Essential Interface concerned is of a genuinely innovative nature and accordingly the use in connection with it of the Relevant Standard would not be appropriate;

(d) if compliance with the Relevant Standard would involve the infringement by the Licensee of any intellectual property right vested in any person; or

(e) if the Director so agrees.

10.10 Where the Licensee considers that paragraph 10.9(b) or 10.9(c) applies, the Licensee shall notify the Director thereof in writing, providing an explanation why.

10.11 It is a precondition of any obligation on the Licensee under this Condition that an equivalent Condition to this Condition is included in the respective Licences of all Operators running telecommunication systems that are connected to the Applicable Systems.

CUSTOMER INTERFACE STANDARDS

11.1 The Licensee shall ensure that on each occasion on which it introduces an interface provided or to be provided at a Network Termination Point on the Applicable Systems not previously so provided a notice is published specifying the technical characteristics of the interface introduced.

11.2 The technical characteristics to be included in such a notice shall include:

(a) physical, electrical and other relevant characteristics;

(b) network interworking and service management protocols; and

(c) reference to national and international standards and recommendations with which the interface complies,

in sufficient detail for compatible terminal apparatus to be produced, tested and approved.

11.3 Subject to paragraph 11.4, any notice under this Condition shall be published in a manner appropriate for bringing the matters to which the notice relates to the attention of persons likely to be affected by or to have an interest in them.

11.4 Where the Director following any representation or observation made to him reasonably concludes that a notice under paragraph 11.1 has not been published in an appropriate manner he may direct the Licensee to carry out such further publication as he considers reasonably necessary to meet the requirements of paragraph 11.3.

ALTERATIONS TO THE APPLICABLE SYSTEMS

12.1 The Licensee shall from time to time inform the Director and provide him with such additional information as he may reasonably require about any proposals for changes to the Applicable Systems or to any apparatus comprised therein or to any stored commands or protocol, which the Licensee reasonably believes from the facts known to it would or might when made have the effect of requiring any person:

(a) running any Connectable System which is or is to be connected to the Applicable Systems; or

(b) producing or supplying telecommunication apparatus for connection to the Applicable Systems without becoming comprised in them,

materially to modify, or, as the case may be, to replace or cease to produce or supply, any item of telecommunication apparatus connected or to be connected to the Applicable Systems.

12.2 The Licensee shall adhere to the procedures set out in the statement notified to the Director on 9 December 1987 of its procedures for consulting, and giving advance notice to, the persons likely to be affected by such changes (including in particular the British Standards Institution and any person appointed by the Secretary of State under section 25 of the Act) but nothing in this paragraph shall preclude the Licensee from modifying the statement from time to time with the consent of the Director.

12.3 In this Condition:

(a) "to modify" in relation to any Other Apparatus or System means to make any alteration to that Apparatus or System which may be necessary to ensure that any Message which has been or is to be conveyed by means of the Applicable Systems connected or to be connected to that Other Apparatus or System is capable of being properly conveyed by that Other Apparatus or System or by that Applicable System as the case may be; and

(b) "Other Apparatus or System" means any telecommunication apparatus or telecommunication system together with any protocol, message format or stored command in such apparatus or system connected or to be connected to but not comprised in the Applicable Systems.

CODE OF PRACTICE FOR CONSUMER AFFAIRS

13.1 The Licensee shall comply with the code of practice prepared in consultation with the Director and published on 14 May 1990, giving guidance in respect of any disputes or complaints relating to the provision of telecommunication services by means of, or in relation to, the Applicable Systems and shall secure that any contract between the Licensee and any Service Provider shall contain a provision obliging that Service Provider to act in accordance with that code of practice.

13.2 The Licensee shall consult the Director on the issue of this Licence and thereafter not less frequently than once every three years about the operation of the code of practice, and shall make such changes to the code of practice as the Director, as a result of those consultations, may direct.

13.3 The Licensee shall publish in the like manner as a notice published under Condition 8.3 the code of practice as amended from time to time in accordance with paragraph 13.2.

ARBITRATION OF DISPUTES WITH CONSUMERS

14.1 The Licensee shall secure that in respect of telecommunication services provided to consumers, whether by Service Providers or directly by itself, there shall be included in the terms and conditions under which such services are provided by means of the Applicable Systems terms and conditions which give consumers the opportunity to refer to an inexpensive independent arbitration procedure, instead of to a court of law, any dispute relating to the provision of those services which does not involve a complicated issue of law or a sum greater than such sum as the Director may from time to time determine. The arbitration procedures and the method of appointment of the arbitrators shall be subject to consultation with the Director and the Licensee shall consult the Director not less frequently than once every five years about the operation of the arbitration procedures.

BODIES RECOGNISED TO BE REPRESENTING THE INTERESTS OF CONSUMERS

15.1 The Licensee shall give due consideration to any matter which relates to:

(a) telecommunication services provided by means of or in relation to the Applicable Systems;

(b) the connection to the Applicable Systems of any telecommunication system run by any person other than the Licensee,

and which is the subject of a representation made to the Licensee by either:

(aa) a body recognised by the Secretary of State under section 27 of the Act, after consultation with the Licensee, as representing the interests of consumers, purchasers and other users of such telecommunication services or system; or

(bb) an advisory body established by the Secretary of State under section 54(1) of the Act.

15.2 The Licensee shall, if requested by the Director or if it sees fit, furnish to the Director particulars of any matter that has been duly considered by the Licensee under this Condition or a digest of activities undertaken in any period in pursuance of this Condition.

METERING AND BILLING ARRANGEMENTS

16.1 As regards any description of meter in use on a date specified by the Director in connection with the Applicable Systems and which has been specified by the Director, the Licensee shall apply for approval as soon as is practicable and in any case not later than such date as the Director may determine in relation to that description of meter.

16.2 As regards any description of meter specified by the Director and not in use in connection with the Applicable Systems on the date specified under paragraph 16.1, the Licensee shall, unless the Director consents otherwise, apply for approval not later than such date as is further specified by the Director or not fewer than six months before the date on which the Licensee intends to bring that meter into such use, whichever shall be the later.

16.3 The Licensee shall not, after such date as the Director may determine in relation to any description of meter specified by him, keep in use or bring into use in connection with the Applicable Systems, any meter of a description so specified which is not approved or for which the Licensee has not made an application for approval.

16.4 Where approval is not granted to or is withdrawn from a particular description of meter the Licensee shall, as soon as is reasonably practicable, either:

(a) inform the Director of the action to be taken by the Licensee to remedy the absence of approval in relation to that description of meter and the expected date of such approval; or

(b) inform the Director that the Licensee intends to cease use of meters of that description in connection with the Applicable Systems within a time reasonably practicable for the Licensee, whereupon, on the request of the Director, the Licensee shall provide the Director with a timetable for the withdrawal of that description of meter.

16.5 The Licensee shall not render any bill in respect of any description of telecommunication service provided by means of the Applicable Systems unless every amount (other than an indication of unit charge) stated in that bill is no higher than an amount which represents the true extent of any such service actually provided by the Licensee in respect of the Number in question, but this paragraph does not apply to any bill rendered to an Operator.

16.6 Without prejudice to the generality of paragraph 16.5, the Licensee shall at all times maintain in operation such a billing process as facilitates compliance by the Licensee with, and is calculated to prevent contravention by it of, that paragraph.

16.7 The Licensee shall not be regarded as being in contravention of its obligation under paragraph 16.5 except where the failure is in relation to the billing process and the Licensee has failed to take all reasonable steps to prevent a contravention of that obligation.

16.8 The Licensee shall keep such records as may be necessary or as may be determined by the Director to be necessary for the purpose of satisfying the Director that the billing process has the characteristics required by paragraph 16.6, provided that nothing in this paragraph shall require the Licensee to retain any records for more than 2 years from the date on which they came into being.

16.9 For the purpose of giving the Director an independent quality assurance from time to time that the billing process has the characteristics required by paragraph 16.6, the Licensee shall where the Director has reasonable grounds to believe the billing process does not have those characteristics and has so notified the Licensee, extend its prompt co-operation to the Director and, in particular, on request by the Director shall:

(a) furnish to the Director in accordance with the Director's reasonable requirements any information, document (including any facility enabling him to read data not held in readable form) or other thing;

(b) carry out (or cause to be carried out by such person having such special expertise as the Director may specify and to whom the Director has raised no reasonable objection) in such manner as the Director may specify an examination of the whole or of any part of the billing process and as soon as practicable after the conclusion of such examination furnish to the Director a written report by the Licensee or such specified person, as the case may be, of the results of such examination;

(c) on reasonable notice by him allow at all reasonable times the Director and, in the case of any member of his staff, on production of his special authority in that behalf, access to any relevant premises, plant or equipment of the Licensee;

(d) on reasonable notice by him allow at all reasonable times the Director and, in the case of any member of his staff, on production of his special authority in that behalf, to examine or test the whole or any part of the billing process including any plant or

equipment whether or not forming part of the Applicable Systems;

(e) for the purpose of paragraphs 16.9(c) and 16.9(d), allow the Director to be accompanied by any person as the Director may specify and to whom the Licensee has raised no reasonable objection whose assistance might reasonably be required for the purpose described at the beginning of this paragraph provided that the Director shall have given the Licensee at least 5 working days notice (save in exceptional circumstances) of the identity of that person; and

(f) install and keep installed any equipment (whether or not supplied by the Director) for the purpose of verifying:

(i) the accuracy and reliability of any equipment or apparatus (including any meter) of the Licensee; and

(ii) in the case of any meter which is or is required to be approved and is in use in connection with the Applicable Systems, compliance with any conditions or other matters which may be required as regards such use of that meter.

16.10 When this Condition first comes into force paragraphs 16.1, 16.2, 16.3 and 16.4 shall apply only to any description of meter for voice frequency switched telecommunication services.

16.11 In this Condition:

(a) "approved" means approved under section 24 of the Act;

(b) "billing process" means metering systems and billing systems taken together, where "billing system" means the totality of all apparatus, data, procedures and activities which the Licensee employs to determine the charges to be sought for service usage recorded by a metering system based on published or previously negotiated pricing structures and to present these charges on bills and "metering system" means the totality of all apparatus, data, procedures and activities which the Licensee employs to determine the extent of any telecommunication services provided by means of the Applicable Systems;

(c) "information" includes accounts, estimates and returns;

(d) "meter" means any system or apparatus constructed or adapted for use in ascertaining the extent of telecommunication services provided by the Licensee by means of the Applicable Systems; and

(e) "service" includes any service provided by any person to whom the Licensee is bound to account for any part of the amount charged by the Licensee.

SUPPLY AND CONNECTION OF APPARATUS FOR DISABLED PEOPLE

17.1 The Licensee shall consult the Director from time to time about the arrangements made, or to be made, for the connection to the Applicable Systems of telecommunication apparatus designed or adapted to assist disabled people to obtain telecommunication services and shall, if requested by the Director to do so:

(a) discuss with the Director the availability of telecommunication apparatus designed or adapted to meet the reasonable demands of disabled people; and

(b) participate in the work of the advisory body established by the Director under section 54(4) of the Act for matters affecting people who are disabled or of pensionable age.

SPECIAL TELEPHONES FOR THE HEARING IMPAIRED

18.1 If the Licensee or a Subsidiary of the Licensee engages in the supply of Telephones in the United Kingdom, the Licensee shall ensure that there are available for supply in such a way as to meet all reasonable demands for them Telephones of the following descriptions:

(a) Telephones capable of being inductively coupled to hearing aids which have been designed to be so coupled to Telephones; or

(b) Telephones incorporating sound amplification facilities.

NUMBERING ARRANGEMENTS

19.1 Any Numbering Plan in force on the date that this Licence enters into effect shall remain in force until the adoption of any Numbering Plan amending or replacing the same under any of the following provisions of this Condition.

19.2 The Numbering Plan on the date on which this Licence enters into force shall be the numbering arrangements applied immediately before that date but the Licensee shall from time to time thereafter consult:

(a) the Director about the arrangements for the allocation and re-allocation of Numbers within the Numbering Plan; and

(b) in one body approved by the Director for the purpose and representative of public telecommunications operators and other persons whom the Director considers appropriate about any developments of, additions to or replacements of, the Numbering Plan.

19.3 The Licensee shall furnish to the Director if the Director so requires, proposals for developing, adding to or replacing the Numbering Plan in force on the date of entry into effect of this Licence and changing the switched Applicable Systems to the extent necessary to secure that:

(a) sufficient Numbers are made available, having regard to the expected growth in demand for telecommunication services, for a Number or Numbers to be allocated without undue delay;

(b) Numbers include as few digits as practicable and their allocation does not confer any undue advantage on the Licensee or undue disadvantage on persons running Relevant Systems;

(c) the cost of changing any of the switched Applicable Systems or any Relevant Apparatus or Relevant System in order to accommodate the revised Numbering Plan is reasonable; and

(d) any inconvenience caused by the alteration of the Numbering Plan to the Licensee and to persons using Relevant Apparatus or Relevant Systems in respect of which Numbers have previously been allocated is minimised.

19.4 If the Director determines that the Numbering Plan submitted in accordance with paragraph 19.3, with any developments, additions and replacements submitted in

accordance with that paragraph, is sufficient to provide compatibility with the numbering arrangements applied or to be applied by other public telecommunications operators and to meet the objectives specified in that paragraph, the Licensee shall adopt the Numbering Plan but, if the Director determines that it is not compatible with numbering arrangements applied or to be applied by another public telecommunications operator or will not be sufficient to achieve the objectives specified in that paragraph, then the Licensee shall adopt the Numbering Plan with such developments, additions or replacements as the Director may determine are best calculated to secure those objectives.

19.5 Before making a determination under paragraph 19.4 the Director shall take account of:

(a) the state of technical development of the Applicable Systems and the Licensee's plans for their commercial development;

(b) the balance of advantage between:

(i) making developments of, additions to or replacements of numbering arrangements applied or to be applied, or making changes to systems run, by others; and

(ii) making any requirement of the Licensee;

(c) the cost to the Licensee and to those to whom there are provided telecommunication services by means of the Applicable Systems arising from any determination;

(d) any obligations and recommendations of the International Telecommunication Union which apply to Her Majesty's Government and are accepted by it and any other standard to which the Director consents for the purpose from time to time; and

(e) the views of the Licensee and such other persons (including operators of public telecommunication systems, those to whom telecommunication services are provided or telecommunication apparatus is supplied and producers of telecommunication apparatus) as appear to the Director to have an interest in the matter.

19.6 Where the Licensee has adopted a Numbering Plan in accordance with paragraph 19.3, or the Director has made a determination under paragraph 19.4 (by virtue of which the Licensee shall adopt the Numbering Plan), the Numbering Plan so adopted shall be the Licensee's Numbering Plan until the Licensee adopts a Numbering Plan pursuant to the following provisions of this Condition. The Numbering Plan referred to in the following provisions of this Condition is the Numbering

Plan adopted pursuant to those provisions.

19.7 The Director may determine a Specified Numbering Scheme (the "Scheme") in accordance with the National Numbering Conventions ("the Conventions") published in accordance with paragraph 19.11 and he will allocate Numbers from this Scheme to the Licensee in accordance with the Conventions. The initial allocation of Numbers to the Licensee shall be of those Numbers to which the Numbering Plan referred to in paragraph 19.1, 19.3 or 19.6 relates and of any other Numbers to which any other Numbering Plan in force immediately before such allocation relates, provided that, at such time of initial allocation, those Numbers are currently in use by the Licensee, and where not so in use, the Director shall have due regard to the Licensee's plans and future requirements for its use and allocation of additional Numbers. The Director shall, at the request from time to time of the Licensee, allocate to it:

(a) such quantity of additional Numbers as it may require; and

(b) in accordance with the Conventions, such specific Numbers as it may request and which the Director is satisfied are not required for other purposes.

19.8 The Licensee shall adopt a Numbering Plan for such Numbers as the Director may allocate to it from time to time in accordance with the Conventions. It shall within three months of being notified of such allocation furnish details of the Numbering Plan to the Director, and keep him informed of material changes to the Numbering Plan as they occur. The Licensee shall also furnish details of the Numbering Plan together with any material changes to that Numbering Plan on request to any other person having a reasonable interest. Except where the Director agrees otherwise, the Numbering Plan shall be consistent with the Conventions published in accordance with paragraph 19.11. If the Numbering Plan is not consistent with those Conventions, the Director may direct the Licensee to adopt and furnish him with a new Numbering Plan or to take such other reasonable remedial action which does not cause undue inconvenience to persons other than operators of public telecommunication systems to whom telecommunication services are provided by means of the switched Applicable Systems, as may be necessary to ensure consistency.

19.9 The Licensee shall install, maintain and adjust its switched Applicable Systems so that those Systems route Messages and otherwise operate in accordance with the Numbering Plan, including any requirement relating to Portability contained in a Direction made under paragraph 19.13. The Licensee shall not use Numbers other than those allocated to it from the Scheme except:

(a) with the written consent of the Director; or

(b) where the use of those Numbers is the subject of an agreement to which Condition 5 applies.

19.10

(a) The Licensee shall provide to the Director on request, such information about its operations under its Numbering Plan as he may reasonably require to administer the Scheme and in particular on:

(i) the percentages of Numbers in significant ranges which have already been allocated to end-users or which for other reasons are unavailable for further allocation;

(ii) any allocation of blocks of Numbers to any person for purposes other than end use;

(iii) Numbers whose use has been transferred at an end-user's request to another Operator; and

(iv) the Licensee's current forecasts of all of the above matters.

(b) The Licensee shall not be required to provide information about individual end-users.

(c) In making any such request the Director shall ensure that no undue burden is imposed on the Licensee in procuring and furnishing such information and, in particular, that the Licensee is not required to procure or furnish information which would not normally be available to it, unless the Director is satisfied that such information is essential to the administration of the Scheme.

19.11

(a) The Conventions referred to in this Condition will be a set of principles and rules published from time to time by the Director after consultation with interested parties who are members of the Telecommunications Numbering and Addressing Body and, if the Director deems it appropriate, with end-users.

(b) In consulting the said interested parties, the Director shall afford a reasonable period, not being less than 28 days, for them to make representations, and he shall take the said representations into account when publishing the Conventions. The Conventions shall govern the specification and application of the Scheme and the Numbering Plan of the Licensee and may also include such other matters relating to the use and management of Numbers as (but not limited to):

(i) criteria and procedures relating to the application for, allocation of and withdrawal of Numbers;

(ii) dialling plans;

(iii) access codes;

(iv) prefixes;

(v) standard ways of recording Numbers for convenience or ease of use, such as the grouping of digits in Numbers of particular lengths;

(vi) methods of enabling end-users to understand the meaning implicit in Numbers or other dialled digits, and in particular the rate at which services provided in respect of a particular Number will be chargeable; and

(vii) arrangements for the transfer of Numbers between Operators as a result of Portability.

(c) The Director may from time to time amend or withdraw a Convention already published, after consultation with interested parties who are members of the Telecommunications Numbering and Addressing Body. The Licensee shall not be required to comply with any such amendment or withdrawal unless the Licensee has been given a reasonable period of notice, such notice not being less than three months. Numbers allocated to the Licensee may be withdrawn only after similar consultation and notice, and the Director shall consult end-users affected by such withdrawal. Subject to overriding national interests, or where there is no alternative solution available, the power to withdraw Numbers shall not apply to any Numbers which the Director has approved from time to time as part of a specific service of the Licensee, which, as a result of investment by the Licensee, has a recognised identity and quality associated with that particular Number and which the Licensee is using and plans to continue to use.

19.12 In deciding on the details of and any subsequent changes to the Scheme and the Conventions, and when making or changing Number allocations within the Scheme or making determinations under this Condition, the Director shall ensure that the Scheme complies with the Conventions and shall have regard to:

(a) the need for sufficient Numbers to be made available, having regard to the anticipated growth in demand for telecommunication services, together with the need for good husbandry of that supply at

any time;

(b) the need to ensure Compatibility with the Numbering Plans adopted or to be adopted by other public telecommunications operators;

(c) the convenience and preferences of end-users;

(d) the requirements of effective competition;

(e) the practicability of implementing the Conventions in licensed systems by the date when the Conventions are intended to apply;

(f) any costs or inconvenience imposed on the Licensee, other network operators, end-users and other interested parties (including those overseas);

(g) any relevant international agreements, recommendations or standards;

(h) the views of the Licensee and other interested parties; and

(i) any other matters he regards as relevant.

19.13 If directed to do so by the Director, the Licensee shall provide Portability to the extent set out in paragraph 19.14.

19.14 The Portability referred to in paragraph 19.13 shall be such as will enable:

(a) (i) a person provided with a telecommunication service by the Licensee and requiring the allocation of a Number at a fixed point at a set of premises to retain the same Number at that fixed point if, instead of that service, he should arrange for such telecommunication or other telecommunication service to be provided by the operator of a telecommunication system run under a separate Licence; and

(ii) a person provided with a telecommunication service by the operator of a telecommunication system run under a separate Licence and requiring the allocation of a Number at a fixed point at a set of premises to retain the same Number at that fixed point if he should arrange for such telecommunication or other telecommunication service to be provided instead by the Licensee;

(b) (i) a person to whom a Number has been allocated for the purpose of the provision of any switched Mobile Radio Telecommunication Service

to that person by means of the Applicable Systems to retain the same Number if he arranges instead for such a Service to be provided to him by means of a system operated by another public telecommunications operator; and

(ii) a person to whom a Number has been allocated for the purpose of the provision of any switched Mobile Radio Telecommunication Service to that person by means of a telecommunication system operated by another public telecommunications operator to retain the same Number if he arranges instead for such a Service to be provided to him by means of the Applicable Systems.

19.15 A direction or determination under this Condition will not determine how the costs of Portability are to be borne and a direction under paragraph 19.13 will not be made unless:

(a) it is technically feasible for such Portability to be provided by the Applicable Systems;

(b) (i) the Director has carried out a cost-benefit analysis comparing the likely benefits to telecommunications customers to be gained from the introduction of Portability with all costs likely to be incurred, including opportunity costs, which analysis indicates that where Portability is expected to be provided in accordance with either paragraph 19.14(a) or, as the case may be, paragraph 19.14(b), the gains outweigh the likely costs;

(ii) when carrying out the cost-benefit analysis referred to in paragraph 19.15(b)(i), the Director shall consult the Licensee and the other relevant telecommunications operators, affording them each a reasonable period, being not less than 28 days, in which to make representations. On conclusion of the analysis, it shall be made available to the Licensee and to those telecommunications operators; and

(c) any operator of a telecommunication system run under a separate Licence or any public telecommunications operator referred to in paragraph 19.14 is willing to enter into an agreement with the Licensee to introduce and provide reciprocal Portability, and provides such Portability accordingly.

19.16 A direction under paragraph 19.13 may specify the dates on which such Portability is to be introduced and the

geographical area in which such Portability is to be provided and any agreement or determination under Condition 5 may specify the methods by which calls are to be routed between the Applicable Systems and any Relevant Connectable System run by another telecommunications operator for the purposes of providing Portability.

19.17 The Licensee shall not, unless the Director consents otherwise, charge any person for a Number which is allocated to him (other than a coveted Number allocated to a person who is not a public telecommunications operator at the request of such a person), but nothing in this Condition shall preclude the Licensee from recovering from the operator of a Relevant System the reasonable costs associated with allocating Numbers to and routing calls to that Relevant System; save that in the case of any dispute or difference as to those costs the Director may determine them and the Licensee shall not be obliged so to allocate Numbers and route calls unless such operator agrees to bear the costs so determined.

19.18 For the avoidance of doubt, it is hereby declared that this Condition applies notwithstanding any arrangements for numbering arising by virtue of any agreement to which Condition 5 applies. But nothing in this paragraph shall affect the operation of any such agreements entered into before the coming into force of this Licence.

19.19 The Numbers to which this Condition applies are Numbers which:

(a) are of a class described in CCITT Recommendation E.160, E.163, E.164, E.165, E.166 or F.69 or their functional successors; or

(b) are of a class described in CCITT Recommendation X.121 and which include any data network identification code which has been:

(i) allocated before 14 November 1986 in accordance with a Numbering Plan furnished to the Director; or

(ii) specified by the Director for the purposes of this Licence and described in a list kept for that purpose by the Director and made available by him for inspection to the general public.

19.20 In this Condition "Telecommunications Numbering and Addressing Body" means a body approved by the Director as representative of the Licensee, other public telecommunications operators and other persons whom the Director considers it appropriate to include in consultations about the content of the Conventions and the Scheme.

NUMBERING ARRANGEMENTS IN RESPECT OF VALUE ADDED OR DATA SERVICES

20.1 The Licensee shall from the date on which it first provides by means of the Applicable Systems a Value Added Or Data Service adopt a Numbering Plan ("the Value Added Or Data Services Numbering Plan"), in respect of the Value Added Or Data Services provided or to be provided, for the allocation of any Numbers which:

(a) are not allocated in accordance with a Specified Numbering Scheme; and

(b) are used or are intended to be used:

(i) by any licensee under a Licence, other than a public telecommunications operator, who provides a Value Added Or Data Service which the Licensee could provide in accordance with the provisions of this Licence; or

(ii) by any other public telecommunications operator; and

(c) are necessary for access to each separately distinguishable element of each Value Added Or Data Service.

20.2 The Value Added Or Data Services Numbering Plan shall describe the method adopted and to be adopted for allocating and re-allocating Numbers of a kind described in paragraph 20.1. That method shall allow for sufficient Numbers to be available in relation to all telecommunication services, having regard to the reasonably foreseeable growth in demand for such services.

20.3 The Licensee shall on or before the date on which it first provides a Value Added Or Data Service or as soon as practicable thereafter, furnish details of the Value Added Or Data Services Numbering Plan to the Director and, on request, to any other person having a reasonable interest.

20.4 The Licensee shall furnish to the Director details of any proposals that the Licensee may have from time to time to change the arrangements for allocating or re-allocating Numbers within, or to develop, add to or replace, the Value Added Or Data Services Numbering Plan adopted and furnished in accordance with paragraphs 20.1, 20.2, and 20.3.

20.5 Where any arrangements for allocating or re-allocating Numbers within the Value Added Or Data Services Numbering Plan or any developments, additions or replacements

furnished in accordance with paragraph 20.4:

(a) are insufficient to provide Compatibility with the numbering arrangements applied or to be applied by any other public telecommunications operator or by any licensee other than a public telecommunications operator under a Licence, who provides a Value Added Or Data Service which the Licensee could provide in accordance with the provisions of this Licence;

(b) do not allow for sufficient Numbers to be available in relation to all telecommunication services, having regard to the reasonably foreseeable growth in demand for such services; or

(c) are not consistent with any obligations and recommendations of the International Telecommunication Union which apply to and are accepted by Her Majesty's Government,

the Licensee shall adopt the Value Added Or Data Services Numbering Plan with such developments, additions or replacements as are best calculated to secure such Compatibility, availability or consistency.

20.6 The Licensee shall allocate and re-allocate Numbers in accordance with the Value Added Or Data Services Numbering Plan that it has adopted.

20.7 In this Condition "Number" means any identifier (including any name or address) of any user, telecommunication apparatus, or telecommunication service-related element.

20.8 The Numbers to which this Condition applies do not include Numbers which:

(a) are of a class described in CCITT Recommendations E.160, E.163, E.164, E.165, E.166 or F.69 or their functional successors; or

(b) are of a class described in CCITT Recommendation X.121 and which include a Data Network Identification Code which has been specified by the Director for the purposes of Condition 19 or the equivalent Condition in any Licence granted to a public telecommunications operator and described in a list kept for that purpose by the Director and made available by him for inspection by the general public.

PUBLIC CALL BOX SERVICES

21.1 The Licensee shall not provide Call Box Services at any Public Call Box comprised in or connected to the Applicable Systems unless the Director has determined on the application of the Licensee that there is a reasonable demand for such services to be provided.

21.2 If the Director determines that there is a reasonable demand for such Services the Licensee shall before providing any Call Box Services at any Public Call Box comprised in or connected to the Applicable Systems and from time to time thereafter publish in accordance with Condition 8.3 guidelines for determining when Public Call Boxes should be installed (whether to be comprised in or connected to the Applicable Systems) which have been approved by the Director and shall thereafter:

(a) install Public Call Boxes in accordance with those guidelines;

(b) provide Call Box Services or permit Call Box Services to be provided at any Public Call Box so installed; and

(c) secure that any Call Box Services provided by it at Public Call Boxes continue to be provided.

21.3 The Licensee may cease to provide Call Box Services at any Temporary Call Box at any time but may cease to provide such Services to any Public Call Box only if:

(a) their continued provision is impracticable;

(b) the Revenue from the services provided at that Call Box in any period of twelve months ending not more than six months before the cessation has fallen below the Minimum Figure applying to that Call Box or Call Boxes of that description and the Licensee is not entitled to receive the difference between the Revenue and that Figure from any other person;

(c) the Call Box in question is located near another Public Call Box at which such Services continue to be provided and which is readily accessible from the place where the Call Box at which Services will cease to be provided is situated;

(d) the Licensee has, before the cessation, agreed with the Director that it will provide such Services at another Public Call Box to be installed near to, and readily accessible from, the place where the Call

Box at which they are no longer to be provided is situated;

(e) such Services are available to the public at a Private Call Box:

(i) which is near to, and readily accessible from, the place where the Public Call Box at which Services will cease to be provided is situated; and

(ii) the person controlling that Private Call Box has entered into a contract with the Licensee undertaking to give the public unrestricted access to the Private Call Box at all times (or for such periods of each day as the Director determines in relation to that Call Box or all Call Boxes of that description) for the purpose of obtaining such Services and that that Private Call Box has installed in it apparatus enabling persons using hearing aids designed for use in conjunction with Telephones to use such hearing aids when voice telephony services are provided to them, and the Licensee takes all reasonable steps necessary to ensure that the terms of any such contract are observed;

(f) any person with power to require the removal of the Call Box in question requests the Licensee to remove it;

(g) the Director is satisfied that all reasonable demands for Call Box Services in any particular area are being met at Public Call Boxes installed there by another public telecommunications operator or under arrangements made by such an operator similar to those described in paragraph 21.3(e); or

(h) the Director agrees that such Services need no longer be provided at the Call Box in question for any other reason.

21.4 Where the Licensee ceases to provide Call Box Services at any Public Call Box on the ground that their continued provision there is impracticable, it shall use its best endeavours to provide such Services at another Public Call Box near to, and readily accessible from, the place where the first mentioned Call Box was situated, failing which it shall send by registered post or recorded delivery or by hand to the Director and to the Relevant Local Authorities and Relevant Consumer Bodies for the area in which the Public Call Box is situated a notice specifying the reasons why it considers that the continued provision of Call Box Services at that Public Call Box is no longer practicable and inviting those Authorities and Bodies to make representations in regard to the proposed cessation to the Director within a period of

42 days from the giving of notice. The Licensee shall as soon as reasonably practicable resume the provision of Services at a Public Call Box installed in the same place as, or in a place which is near to, and readily accessible from, the place where the Public Call Box at which Services are no longer provided was situated, if the Director, after considering the terms of the notice and any representations and objections received by him in connection with it, concludes that the provision of Call Box Services either in the place where the first mentioned Call Box was situated or in a place near to, and readily accessible therefrom, is practicable and within 70 days of the giving of the notice requires the Licensee to do so.

21.5 Where the Licensee proposes to cease to provide Call Box Services at any Public Call Box on the ground set out in paragraph 21.3(b) of this Condition, it may cease to provide those Services at that Call Box only if it has:

(a) posted prominently in or on that Call Box a notice specifying:

(i) that the Licensee is proposing to cease to provide Services there;

(ii) the reasons for the proposal;

(iii) the Minimum Figure;

(iv) the steps (whether in the form of financial contributions or the provision of services) which if taken by others would oblige the Licensee to continue to provide Services at that Call Box;

(v) the address of the Licensee's office to which representations and objections with respect to the proposal may be made; and

(vi) the period (not being less than 28 days commencing with the date when the notice is first posted in or on that Call Box) within which representations and objections with respect to the proposal may be made;

(b) sent by registered post or recorded delivery or by hand a copy of that notice to the Relevant Local Authority and Relevant Consumer Bodies for the area in which that Call Box is situated;

(c) considered any representation or objection duly made with respect to the proposal within the period specified in paragraph 21.5(a)(vi); and

(d) sent to the Director by registered post or recorded delivery or by hand a copy of the notice described

in paragraph 21.5(a) together with copies of any representations and objections that the Licensee has received with respect to the proposal and its comments and conclusions thereon,

and 28 days have elapsed after the material specified in paragraph 21.5(d) has been sent to the Director.

21.6 The Licensee shall install and take all reasonable steps to keep installed in all Public Call Boxes at which it provides Call Box Services apparatus enabling persons using hearing aids designed for use in conjunction with Telephones of the kind installed in Public Call Boxes to use such hearing aids when voice telephone services are provided at Public Call Boxes.

21.7 Except in so far as the Director may otherwise consent in writing, the Licensee shall secure that any Prepayment Apparatus which the Licensee installs in a Public Call Box or Temporary Call Box is for the time being approved for connection to any of the Applicable Systems under section 22 of the Act.

ARRANGEMENTS FOR INTERNATIONAL SIMPLE RESALE SERVICES

22.1 This Condition shall apply only:

(a) if it appears to the Secretary of State to be requisite or expedient for this Condition to apply in the interests of maintaining or promoting effective competition in the conveyance of Messages to or from one or more countries or territories designated under paragraph 3(c)(ii)(A) of Schedule 3;

(b) if, having consulted the Director, the Secretary of State has given 28 days' notice of his intention that this Condition should apply; and

(c) in respect of such countries or territories and for such period ("the first period") as the Secretary of State has specified in that notice and has not, by a further notice given before the expiry of the first notice varied or cancelled that specification.

22.2 Any notice given under paragraph 22.1(b) or 22.1(c) shall appear in a list kept by the Director and made available by him for inspection by the general public.

22.3 Subject to paragraph 22.4, in respect of each country or territory specified in a notice given under paragraph 22.1(b) as varied by a notice (if any) given under paragraph 22.1(c), the Licensee shall secure that in the first period the ratio ("the first ratio") between:

(a) the volume of Messages comprised in International Simple Data Resale Services and International Simple Voice Resale Services which are conveyed by means of the Applicable Systems and are delivered to the United Kingdom from that country or territory; and

(b) the volume of Messages comprised in International Simple Data Resale Services and International Simple Voice Resale Services which are conveyed by means of the Applicable Systems and are sent from the United Kingdom to that country or territory

does not differ from the ratio ("the second ratio") for the previous specified period ("the second period") (the second ratio and the second period both being specified in the notice) between:

(c) the total volume of all Messages delivered to the United Kingdom from that country or territory; and

(d) the total volume of all Messages sent from the United Kingdom to that country or territory.

22.4 Where the Secretary of State is unable for any reason to specify the second ratio and has informed the Licensee accordingly, the Licensee shall secure that in the first period the volume of Messages of the sort described in paragraph 22.3(a) shall be equal to the volume of Messages of the sort described in paragraph 22.3(b).

22.5 This Condition shall not have effect in respect of the services specified in paragraphs 3(c)(i) and 3(d) of Schedule 3.

ARRANGEMENTS FOR INTERNATIONAL CONNECTION SERVICES

23.1 The Licensee shall not enter into or vary any agreement or arrangement with a person running a telecommunication system outside the United Kingdom for or with a view to the provision of International Connection Services, being an agreement or arrangement establishing or relating to international accounting methods, rates and divisions unless it has:

(a) given the Director notice at the earliest possible moment that it is considering entering into or varying any such agreement or arrangement; and

(b) in any event, first given the Director 28 days notice of its intention to enter into or vary such an agreement or arrangement.

23.2 Where, whether as a result of receiving notice under paragraph 23.1 or otherwise, the Director considers that any, or any variation of, such an agreement or arrangement would be liable to prejudice the interests of providers and users of International Connection Services in the United Kingdom, he may, after consulting the Licensee, make a direction to the Licensee not to enter into or vary the agreement or arrangement, as the case may be, and the Licensee shall comply with such direction.

23.3 The Licensee shall not, unless the Director consents to its doing so, enter into any agreement or arrangement with any person running a Cellular System outside the United Kingdom which unfairly precludes or restricts the provision of Mobile Radio Telecommunication Services by a public telecommunications operator of a Cellular System consisting in the conveyance by means of his Cellular System of Messages which have been, or are to be, conveyed by means of a Public Switched Network or its equivalent outside the United Kingdom.

PROHIBITION OF LINKED SALES

24.1 The Licensee shall not make it a condition of:

(a) providing any telecommunication service by means of or in relation to the Applicable Systems; or

(b) connecting any other telecommunication system or telecommunication apparatus to the Applicable Systems,

that any Relevant Person should acquire from the Licensee or from any other person specified or described by the Licensee:

(aa) any telecommunication service other than the telecommunication service requested save where that service cannot be provided without the provision of that other telecommunication service; or

(bb) any telecommunication apparatus save where the telecommunication service requested cannot otherwise be provided or the telecommunication apparatus requested cannot otherwise be used.

24.2 Except where the Director has agreed otherwise, the Licensee shall not do any one or more of the things described in paragraphs 24.1(a) and 24.1(b) together with any other of those things in a manner or for charges or on terms or conditions more favourable than would be available for doing that thing or those things without that other thing or those other things.

24.3 Notwithstanding paragraphs 24.1 and 24.2 the Licensee may:

(a) impose such terms and conditions as are permitted terms and conditions under Condition 5;

(b) where it provides by means of or in relation to the Applicable Systems and as part of the same transaction or an interconnected series of transactions, two or more telecommunication services which are of the same description or which are so related as to permit economies of scale when they are provided together, offer such quantity discounts or such more favourable terms and conditions in respect of quantity for those services as have been published in accordance with Condition 8; or

(c) where the Director consents, impose such other conditions of the kind referred to in paragraph 24.1 as are incidental to the provision of the telecommunication service or the supply of the apparatus requested by the Relevant Person.

PROHIBITION OF CERTAIN EXCLUSIVE DEALING ARRANGEMENTS

25.1 The Licensee shall not, except with the written consent of the Director, make the acquisition from any person in the United Kingdom by the Licensee or the installation or servicing by any person in the United Kingdom for the Licensee of any telecommunication apparatus of any description conditional upon agreement:

(a) to supply to the Licensee or to supply or not to supply to any other person apparatus of a different description;

(b) to provide to the Licensee or to provide or not to provide to any person any telecommunication service of a different description; or

(c) to transfer to the Licensee or to any other person any interest in Industrial or Intellectual Property with a view to restricting unreasonably the freedom of the supplier of the apparatus or the provider of the service in question to exploit his Industrial or Intellectual Property in order to confer on the Licensee or some other person an unfair competitive advantage.

25.2 If the Director is satisfied that persons in the United Kingdom, who are not genuinely willing to give to the Licensee the sole right to purchase or to give any member of the Licensee's Group the sole right to supply to customers telecommunication apparatus supplied by those persons, are being so required by the Licensee then the Director may direct the Licensee to comply with the condition in paragraph 25.3.

25.3 The condition referred to in paragraph 25.2 is that the Licensee shall not, except with the written consent of the Director, make the acquisition of telecommunication apparatus, or of telecommunication apparatus specified by the Director or of a description so specified, by the Licensee or any member of the Licensee's Group from any person in the United Kingdom or any such person specified by the Director or such persons of a description specified by the Director conditional upon the agreement of the supplier not to supply to any other person apparatus of the same description as that to be supplied to the Licensee.

25.4 Notwithstanding paragraph 25.1 or any direction under paragraph 25.2, the Licensee shall be free:

(a) to require that other telecommunication apparatus should be supplied or another telecommunication service should be provided with or in connection

with any apparatus or service where the supply of that other apparatus or the provision of that other service is reasonably related to that supply or provision;

(b) to require the transfer to the Licensee or any member of the Licensee's Group of any interest in Industrial or Intellectual Property which the Director agrees is necessary or desirable to facilitate the running of the Applicable Systems;

(c) to dispose of any interest in Industrial or Intellectual Property owned by the Licensee or any member of the Licensee's Group free from all encumbrances and restrictions of whatsoever nature arising out of or under this Licence;

(d) to require the transfer to the Licensee or any member of the Licensee's Group by any person of any interest in Industrial or Intellectual Property arising out of any work done in pursuance of any agreement made between the Licensee or any member of the Licensee's Group and that person for any research or development to be carried out by him, unless the Director otherwise directs;

(e) to require the transfer to the Licensee or any member of the Licensee's Group or any other person of any interest in Industrial or Intellectual Property to the extent that that is reasonably necessary for the purpose of enabling the Licensee to secure alternative sources of supply of telecommunication apparatus; or

(f) to require any person who supplies telecommunication apparatus or who provides telecommunication services to enter into an agreement of the kind referred to in paragraph 25.1, 25.2 or 25.3 where the Licensee or any member of the Licensee's Group makes available research, design or development work to that person or where the Licensee or such member agrees to finance such work on terms that an agreement of that kind will be entered into.

CODE OF PRACTICE ON THE CONFIDENTIALITY OF CUSTOMER INFORMATION

26.1 The Licensee shall take all reasonable steps to ensure that its employees observe the provisions of the code of practice agreed with the Director and notified to him on 18 December 1985 as amended from time to time which:

(a) specifies the persons to whom they may not disclose information which has been acquired in the course of the Licensee's business about a customer of the Licensee or a customer of a Service Provider without the prior consent of that customer; and

(b) regulates the information about any such customer, which may be disclosed without his consent.

26.2 The Licensee shall within three months of first offering a Value Added Or Data Service agree with the Director additional provisions for the code of practice, and confirm in writing to the Director that it has taken all reasonable steps to ensure that those of its employees who are engaged in the Supplemental Services Business are observing those additional provisions which shall:

(a) specify the persons to whom those employees may not disclose information which has been acquired in the course of that business about a customer of the Licensee or about that customer's business without the prior consent of that customer; and

(b) regulate the information about any such customer or his business which may be disclosed without his consent.

26.3 The Licensee shall consult the Director not less than once every 3 years about the operation of the code of practice and shall make such changes to the code of practice as the Director may direct following such consultation.

26.4 This Condition is without prejudice to the general duties at law of the Licensee towards its customers.

INTELLECTUAL PROPERTY

27.1 Where it appears to the Director that any Relevant Intellectual Property Right has been, is being or is likely to be exercised (whether by the Licensee or any other person in pursuance of an agreement, arrangement or concerted practice to which the Licensee is a party) so as to prevent:

(a) any telecommunication system, which may lawfully be connected to the Applicable Systems, from being so connected either at all or on reasonable charges, terms and conditions; or

(b) any service, which may lawfully be provided by means of the Applicable Systems or any telecommunication system connected to the Applicable Systems, from being so provided or obtained either at all or on reasonable charges, terms and conditions,

he may direct the Licensee in writing in accordance with paragraph 27.2 or 27.3.

27.2 Where the exercise of a Relevant Intellectual Property Right prevents a product from being made available either at all or on reasonable charges, terms and conditions to the person wishing to make such a connection or to provide or obtain such a service as is described in paragraph 27.1, the Director may direct the Licensee to take such steps as are within the power of the Licensee and are, in the opinion of the Director, reasonable and necessary in all the circumstances to secure that that product is made available to that person on charges, terms and conditions acceptable to that person or which (in default of agreement) are, in the opinion of the Director, reasonable to enable such connection to be made or such service to be provided or obtained.

27.3 Where paragraph 27.1 applies in circumstances other than those described in paragraph 27.2, the Director may direct the Licensee to take such steps as are within the power of the Licensee and are, in the opinion of the Director, reasonable and necessary in all the circumstances to secure that the person wishing to make such a connection or to provide or obtain such a service is enabled to make use of the Relevant Intellectual Property Right, for the purpose of making the connection or of providing or obtaining the service, upon charges, terms and conditions acceptable to that person or which (in default of agreement) are, in the opinion of the Director, reasonable for such purpose.

27.4 Nothing in this Condition shall require the Licensee to do anything which would contravene the terms of or would result in revocation of a licence or assignment of a Relevant

Intellectual Property Right granted or made to the Licensee or a member of the Licensee's Group on or before 28 June 1985 or which would result in the Licensee or a member of the Licensee's Group incurring any liability under such a licence or assignment.

PROHIBITION OF NON-STATUTORY TESTING REQUIREMENTS

28.1 Where the Director notifies the Licensee in writing that this Condition applies in circumstances specified or described in the notification, the Licensee shall not in such circumstances (whether in pursuance of any agreement, arrangement, concerted practice or otherwise) make it a condition of any telecommunication system being connected or kept connected to the Applicable Systems or of any telecommunication service being provided by means of the Applicable Systems that any such system, apparatus or service shall obtain the approval of, comply with any standard designated by, or pass any test set by, any person other than the Secretary of State or the Director or by a person appointed under section 25 of the Act, except insofar as the Director otherwise agrees.

28.2 Nothing in this Condition shall prevent the Licensee from requiring the passing of any test which the Director agrees is reasonably necessary or desirable for the purpose of determining whether:

(a) any telecommunication system which is, or is to be, connected to the Applicable Systems is authorised to be so connected; or

(b) notwithstanding such authorisation, the Licensee is obliged to connect it or to permit its connection to the Applicable Systems.

CONTROLLED SERVICES

29.1 The Licensee may provide a Controlled Service in whole or part by means of the Applicable Systems (whether or not Messages comprised in, or resulting from the provision of, such Services have previously been or are subsequently conveyed by any other public telecommunication system) only where the Relevant Condition is satisfied.

29.2 The Licensee may provide a telecommunication service to another person by means of the Applicable Systems by means of which that person, to the knowledge of the Licensee, provides a Controlled Service (whether or not Messages comprised in, or resulting from the provision of, such Services have previously been or are subsequently conveyed by any other public telecommunication system) only where the Relevant Condition is satisfied.

29.3 The Relevant Condition is that there is in effect at the time the Controlled Service concerned is provided, a Code of Practice governing the provision of such a Service, which has been recognised by the Director for the purposes of this Condition after consultation with the Licensee and with any body which he considers to be representative of those wishing to provide such Services.

29.4 A Code of Practice shall be recognised for the purposes of paragraph 29.3 only if the Director is satisfied that:

(a) its provisions are capable of properly regulating the provision of the Controlled Services to which it relates and, without prejudice to the generality of the foregoing, make adequate provision for compensating those who suffer as a result of the provision of such Services; and

(b) adequate arrangements have been made for the constitution of a body of persons to apply and administer the Code.

29.5 A Code of Practice is recognised for the purposes of this Condition where it is specified as such in a determination made by the Director, and the Director may, at any time after such a Code is recognised and after giving not less than one month's notice in writing of his intention to the body of persons applying and administering the Code, determine that its recognition should be revoked if he is satisfied that its provisions are not capable of properly regulating the provision of the Controlled Services to which it relates or that it is not being properly applied and administered.

29.6 For the purposes of this Condition the Director may recognise a Code of Practice in relation to any description of Controlled Service or to all Controlled Services and the provisions of this Condition shall apply accordingly.

29.7 If a recommendation is made to the Director by the body of persons applying and administering a Code of Practice recognised under paragraph 29.3 that any person (including the Licensee) should no longer be permitted or should not be permitted to provide a particular Controlled Service or any Controlled Services (whether or not he is providing it or them when the recommendation is made) and the Director considers it appropriate, he may direct the Licensee to cease to provide, or, as the case may be, not to provide that person or any other person with any service facilitating or enabling the provision of the relevant Controlled Service or Services or, as the case may be, itself cease to provide, or, as the case may be, not to provide the relevant Controlled Service or Services.

29.8 The Director may determine, subject to such conditions as he thinks fit, that:

(a) any Controlled Service of any description, or any individually specified such Service provided by a person named in the determination, is not to be treated as a Controlled Service for the purposes of this Condition; and

(b) any individually specified Controlled Service in respect of which a determination under paragraph 29.8(a) has been made or which is within a description of Controlled Services in respect of which such a determination has been made, is to be treated as a Controlled Service for those purposes notwithstanding such determination,

and where a determination of the kind specified in paragraph 29.8(b) is made the provisions of this Condition shall apply to such a Service from the date specified in the determination.

29.9 Subject to paragraph 29.8, the provisions of this Condition apply only to a Controlled Service in respect of which:

(a) the person providing the Service obtains the whole or any part of his revenue from the Licensee (or, where that person is the Licensee, that part of the Licensee's business which provides the Service is credited with revenue from that part of its business which conveys the Messages comprised in, or resulting from the provision of, the Service); and

(b) the person responsible for paying the charges for the Service is billed for them by the Licensee or by

a Service Provider who provides services by means of the Applicable Systems and the bill includes charges in respect of the generality of telecommunication services provided to that person by means of the Applicable Systems.

29.10 effect on Condition The provisions of this Condition shall cease to have the making of a direction by the Director under 30 to the extent specified in the direction.

29.11 The provisions of this Condition and Condition 30 shall come into force on such day as the Director may determine and different days may be so determined for different provisions or different purposes.

PROVISION OF SPECIAL FACILITIES

30.1 The Licensee shall comply or shall take all reasonable steps to ensure that Service Providers who provide telecommunication services which are provided by means of the Applicable Systems comply with any direction made under this paragraph which requires such of the facilities listed in paragraph 30.2 as are specified in such a direction to be made available. A direction under this paragraph shall be made by the Director after consultation with the Licensee and shall specify only facilities which the Director considers that it will be technically and economically practicable for the Licensee or a Service Provider to provide. The direction shall also specify the date by which each such facility is to be provided and the class or description of person (whether described by reference to area or otherwise) to whom it is to be provided and shall be subject to such conditions as the Director thinks fit.

30.2 The facilities referred to in paragraph 30.1 are:

(a) the provision to any person who requests it, and who is charged by the Licensee or a Service Provider for voice telephony services provided by means of the Applicable Systems, of a bill or invoice showing, by reference to the number used to access the service, and to the date and time on which access was obtained, the amount of any charge imposed by the Licensee or a Service Provider for a telephone call to any service to which this Condition applies;

(b) the notification to such a person who requests it, as soon as is reasonably practicable, of:

(i) the date on which the total charges accrued within the standard billing period of the Licensee or a Service Provider for voice telephony services and any other service to be included in the bill or invoice for such services exceed an amount specified by that person being an amount, or one of a number of amounts, from time to time specified by the Licensee as being suitable for the purpose; or

(ii) the date on which the aggregate charges accrued in any such period in respect of services to which this Condition applies exceed an amount determined from time to time by the Director; and

(c) the barring, by means of apparatus forming part of the Applicable Systems, on request by any such

person, of access from any telecommunication system specified by that person which is lawfully connected to the Applicable Systems and in respect of which that person is responsible for paying any charge, to all services to which this Condition applies.

30.3 The services to which this Condition applies are those Chatline Services and Message Services in respect of which:

(a) the person providing the service obtains the whole or any part of his revenue in respect of such service from the Licensee (or, where that person is the Licensee, that part of the Licensee's business which provides the service is credited with revenue from that part of its business which conveys the Messages comprised in, or resulting from the provision of, the service); and

(b) the person responsible for paying the charges for the service is billed for them by the Licensee or by a Service Provider who provides services by means of the Applicable Systems and the bill includes charges in respect of the generality of telecommunication services provided to that person by means of the Applicable Systems.

NOTIFICATION OF CHANGES IN SHAREHOLDINGS

31.1 The Licensee shall notify the Secretary of State if an undertaking becomes a Parent Undertaking in relation to the Licensee.

31.2 Subject to paragraph 31.3, the Licensee shall notify the Secretary of State of:

(a) any change in the proportion of the Shares held in a Relevant Company by any person; or

(b) the acquisition of any Shares in a Relevant Company by a person not already holding any such Shares, and the proportion of any such Shares held by that person immediately after that acquisition.

31.3 The Licensee shall be obliged to notify the Secretary of State of any acquisition of Shares or change in the Shareholding of a Relevant Company by any person only if, by reason of that acquisition or change, the total number of Shares in that Relevant Company held by that person otherwise than as Trustee or nominee for another person together with any shares held by a nominee or trustee for that person immediately after that change or acquisition:

(a) exceeds 15 per cent of the total number of Shares in that company (where it did not exceed 15 per cent prior to that change or acquisition);

(b) exceeds 30 per cent of the total number of Shares in that company (where it did not exceed 30 per cent prior to that change or acquisition); or

(c) exceeds 50 per cent of the total number of Shares in that company (where it did not exceed 50 per cent prior to that change or acquisition),

provided that where a Relevant Company is a public company as defined in section 1 of the Companies Act 1985, the obligation shall be discharged by forwarding to the Secretary of State as soon as practicable all information in respect of that acquisition or that change as is entered on or received for entry on the register required to be maintained by that Relevant Company under section 211 Companies Act 1985.

31.4 In any case referred to in paragraph 31.1 or 31.2, notification shall be given by a date which is 30 days prior to the taking effect of such change or acquisition, as the case may be, or as soon as practicable after that date.

LICENSEE'S GROUP

32.1 Without prejudice to the Licensee's obligations under these Conditions in respect, in particular, of anything done on its behalf, where:

(a) any member of the Licensee's Group does anything which the Licensee is prohibited from doing under these Conditions or fails to do anything which the Licensee is in the circumstances required to do; and

(b) the Director is of the opinion that the Licensee is in a material and substantial way thereby seeking to avoid or is avoiding obligations which would apply under these Conditions if the thing had been done or had not been done by the Licensee,

then the Licensee shall take such reasonable steps to ensure that that member of the Licensee's Group does or ceases to do that thing or otherwise to remedy the matter as the Director directs the Licensee to take.

32.2 Where these Conditions apply in respect of the Applicable Systems they do not apply in respect of any other telecommunication system, whether run by the Licensee or another.

32.3 Where any person becomes a member of the Licensee's Group then the Licensee shall not be subject to paragraph 32.1 before that is reasonably practicable but shall be so not later than one year after that person becomes such a member or at such later date as the Director may determine.

32.4 This Condition shall not apply to any particular member of the Licensee's Group if and to the extent that the Director so determines.

PRE-NOTIFICATION OF JOINT VENTURES

33.1 Unless the Director otherwise agrees the Licensee shall notify the Director not later than 30 days before the taking effect of any of the agreements or arrangements to which this Condition applies giving particulars of those agreements or arrangements.

33.2 Those agreements and arrangements are:

(a) an agreement with any person for the establishment or control of any body corporate for the purpose of:

(i) the running of a telecommunication system which requires a Licence; or

(ii) providing telecommunication services in the United Kingdom which necessarily involve the running of such a system; or

(iii) the production of telecommunication apparatus for supply in the United Kingdom where that production would lead to a monopoly situation which would not otherwise exist in relation to the supply of telecommunication apparatus of any description in the United Kingdom; or

(b) an agreement for the establishment of a partnership for any of those purposes and in those circumstances; or

(c) any other agreement or arrangement in the nature of a joint venture for the purpose of running a telecommunication system which requires a Licence or for the purpose of providing telecommunication services in the United Kingdom which necessarily involve the running of such a system.

33.3 Paragraphs 33.2(a) and 33.2(b) apply in relation to an agreement or arrangement for the establishment or control of any body corporate or partnership where the Licensee has or is to have not less than 20% of the voting power in any organ controlling that body.

33.4 For the purposes of this Condition a monopoly situation shall be taken to exist where such a situation would be taken to exist for the purpose of any of the provisions of section 6 of the Fair Trading Act 1973 but with the substitution of the words "one fifth" for the words "one quarter" whenever they appear in that section.

33.5 In any case where circumstances beyond the Licensee's control require him to enter into an agreement or arrangement, if he is to enter into it at all, without having made a notification in accordance with paragraph 33.1 he shall notify the Director as soon as reasonably practicable but otherwise in accordance with the provisions of this Condition.

PAYMENT OF FEES

34.1 The Licensee shall pay the following amounts to the Secretary of State at the times stated:

(a) on the grant of this Licence the sum of £34,500;

(b) on 1 April 1994 and annually thereafter a renewal fee of (at the option of the Director) either £20,000 (the second and subsequent renewal fees being adjusted to take account of any fall or increase in the value of money since that date) or such amount which shall represent a fair proportion, to be determined each year by the Director according to a method that has been disclosed to the Licensee, of the estimated costs to be incurred in that fiscal year by the Director in the regulation and enforcement of telecommunication licences and in the exercise of his other functions under the Act. The first renewal fee shall be increased by the proportion which the period from the date of granting of this Licence until the next following 1 April bears to the period of one year; and

(c) where the Director so determines, on 1 January 1995 and annually thereafter a special fee which shall represent a fair proportion, to be determined each year by the Director according to a method that has been disclosed to the Licensee of the amount, if any, by which the aggregate of:

(i) the costs estimated to have been already incurred in that fiscal year by the Director in the regulation and enforcement of telecommunication licences and in the exercise of his other functions under the Act;

(ii) the costs estimated to have been already incurred in that fiscal year by the Monopolies and Mergers Commission following licence modification references under section 13 of the Act; and

(iii) the estimated costs to be incurred in the remainder of that fiscal year:

(A) by the Director in the regulation and enforcement of telecommunication licences and in the exercise of his other functions under the Act; and

(B) by the Monopolies and Mergers Commission following licence modification references under section 13 of the Act,

exceeds the renewal fee for that year,

save always that the aggregate of the renewal fee and the special fee for any fiscal year shall not exceed 0.08% of the annual turnover of the Systems Business in the financial year before the last complete financial year of the Licensee before the renewal fee is payable, or £35,000 (adjusted in the manner described in paragraph 34.1(b)), whichever is the greater (the "normal aggregate fee"), unless the Director determines that the costs incurred in any fiscal year by him and the Monopolies and Mergers Commission in respect of the Licensee's activities exceeds the normal aggregate fee, in which case the aggregate of the renewal fee and the special fee for the following year shall be such amount (not exceeding 0.4% of the annual turnover of the Systems Business in the financial year before the last complete financial year of the Licensee before the renewal fee is paid) as the Director determines is sufficient to take account of that excess as well as of the other costs to be incurred as mentioned in this paragraph.

REQUIREMENT TO FURNISH INFORMATION TO THE DIRECTOR

35.1 The Licensee shall furnish to the Director, in such manner and at such times as the Director may reasonably request, such documents, accounts, estimates, returns or other information and procure and furnish to him such reports as he may reasonably require for the purpose of exercising the functions assigned or transferred to him by or under Parts II and III of the Act.

35.2 In making any such request the Director shall ensure that no undue burden is imposed on the Licensee in procuring and furnishing such information and, in particular, that the Licensee is not required to procure or furnish a report which would not normally be available to it unless the Director considers the particular report essential to enable him to exercise his functions.

35.3 Without prejudice to the generality of paragraph 35.1 and notwithstanding paragraph 35.2, the Licensee shall, in such manner and at such times as he may reasonably request, furnish to the Director particulars of a sample of call revenues disaggregated, in such manner as the Director may reasonably require, by categories of call.

RESTRICTIONS ON LOCAL FIXED LINKS

36.1 Until 1 April 1995 the Licensee shall not convey Messages through the agency of Wireless Telegraphy between, or any part of the distance between, a Base Transceiver Station and a Switching Point, except where the Base Transceiver Station is installed in the same building as the Switching Point.

36.2 For the avoidance of doubt the prohibition in paragraph 36.1 shall include the conveyance of Messages through the agency of Wireless Telegraphy between a Base Transceiver Station and a Base Station Controller and between a Base Station Controller and a Switching Point.

36.3 Until 1 April 1995, the Licensee shall not connect the Applicable Systems to a telecommunication system that is:

(a) used to convey Messages that the Licensee is prohibited from conveying by virtue of paragraph 36.1; and

(b) run by:

(i) any member of the Licensee's Group; or

(ii) any company in respect of which the Licensee has an interest which the Director considers to be a participating interest as defined by Part VII of the Companies Act 1985 as amended by section 21 of the Companies Act 1989; or

(iii) any person to whom the Licensee has transferred or made available anything (including any service or money) produced, or acquired or otherwise at the Licensee's disposal for the purpose of that person's business on terms which in the reasonable opinion of the Director are other than the terms on which such a transfer would be made in the open market between a willing seller and a willing buyer; or

(iv) any person on behalf of whom the Licensee enters into or has entered into any guarantee of any obligation under any loan, agreement or contract.

36.4 Until 1 April 1995 the Licensee shall not own, operate or maintain the telecommunication apparatus used to convey such Messages as the Licensee is prohibited from conveying by virtue of paragraph 36.1.

36.5 Paragraphs 36.1 to 36.4 shall not apply in respect of the conveyance of Messages through the agency of Wireless Telegraphy between Base Transceiver Stations where all the following circumstances apply:

(a) requests to supply services consisting in the conveyance of such Messages through the agency of Wireless Telegraphy between the Base Transceiver Stations in question have been made in writing to British Telecommunications plc and Mercury Communications Ltd within 28 days of the installation of the Base Transceiver Stations involved and neither company has been able to meet such a request within 60 working days of receipt of such a request; and

(b) all such Messages are conveyed by the Licensee only until such time as British Telecommunications plc or Mercury Communications Ltd are able to provide the service requested.

PROVISION OF MOBILE RADIO TELECOMMUNICATION SERVICES TO SERVICE PROVIDERS

37.1 Subject to the following provisions of this Condition, the Licensee shall at the written request of a Service Provider or a person intending to be a Service Provider provide Mobile Radio Telecommunication Services by means of the Applicable Systems to that Service Provider or that person if that Service Provider or that person is able to demonstrate to the reasonable satisfaction of the Licensee that:

(a) during the most recent year for which published accounts of that Service Provider are available not less than 80% by value of the telecommunication services provided by the Licensee to that Service Provider by means of the Applicable Systems were resold to persons outside that Service Provider's Group; or

(b) in the event that no such telecommunication services were provided to that person for resale during that financial year not less than 80% by value of the telecommunication services to be provided by the Licensee to that person by means of the Applicable Systems during the following financial year will be resold to persons outside that person's Group.

37.2 The Licensee shall not be obliged under paragraph 37.1 or under Condition 1.1 or 1.3 to provide services to a Service Provider if in the opinion of the Licensee there is reasonable cause to doubt the likelihood (for whatever reason) of that Service Provider:

(a) providing services to others in a proper and efficient manner; or

(b) financing the provision of services,

and the Director has not given a written contrary direction.

FAILURE OF SERVICE PROVIDER TO PROVIDE SERVICES

38.1 Where the contract of a Service Provider with the Licensee for the provision by the Licensee of any Mobile Radio Telecommunication Service is terminated by the Licensee or by that Service Provider or where, for any reason, a Service Provider ceases to provide such Service by way of resale, the Licensee may provide such Service to any person to whom that Service Provider provided such Service immediately prior to such cessation if the Licensee:

(a) gives notice in writing to the Director within two working days of starting to provide such Service; and

(b) provides to the person receiving such Service within seven working days of starting to provide that Service a list of the names and addresses of all other Service Providers together with a statement that those other Service Providers are able to provide services to that person in competition with the Licensee.

38.2 During the first three months in which the Licensee provides any Mobile Radio Telecommunication Service to any person pursuant to paragraph 38.1, the Licensee shall not, in providing that person with any information concerning any Mobile Radio Telecommunication Service authorised to be provided by paragraph 3 of Schedule 3 or in providing any assistance to that person in relation to the provision of any such Service, unfairly promote any Service Provider or any business carried on by the Licensee in relation to the provision of such Service so as to place at a significant competitive disadvantage persons competing with that Service Provider or that business.

38.3 For the avoidance of doubt, paragraphs 38.1 and 38.2 override the general right of the Licensee to provide services otherwise than to Service Providers.

SEPARATION OF ACTIVITIES AND PREPARATION OF ACCOUNTS

39.1 If the Licensee carries on any of the activities of the Direct Business, the Licensee shall:

(a) carry on those activities separately from the other businesses of the Licensee; and

(b) record in its accounting records maintained in accordance with this Condition the cost of:

(i) providing any telecommunication service;

(ii) supplying any apparatus; or

(iii) doing any other thing connected with the provision of telecommunication services or the supply of apparatus,

to or for a person who is not:

(1) a Service Provider;

(2) the Crown, an Emergency Organisation or a person for the time being specified under Condition 1.2(c);

(3) the operator of a Relevant Connectable System; or

(4) a person running a telecommunication system or providing telecommunication services outside the United Kingdom,

and shall do any of the things specified in paragraphs 39.1(b)(i), 39.1(b)(ii) and 39.1(b)(iii) at a cost at least equal to the amount which the Licensee would have charged for the provision of that telecommunication service or the supply of that apparatus or the doing of that thing to or for a Service Provider; and

(c) not do any of the things specified in paragraphs 39.1(b)(i), 39.1(b)(ii) and 39.1(b)(iii) for or to any particular person if to do so would contravene Condition 38.

39.2 The Licensee shall, if it carries on any activities comprised in any of the following businesses, that is to say the Apparatus Supply Business, the Apparatus Production Business, the Direct Business, the Systems Business or the Supplemental Services Business or any other distinct business

carrying on any commercial activity connected with telecommunications carried on by the Licensee, maintain accounting records in such form that the activities of each of those businesses which it does carry on are separately identifiable or separately attributable in the books of the Licensee, being records sufficient to show and explain the transactions of each of those businesses.

39.3 The Licensee shall:

(a) prepare in respect of each complete financial year of the Licensee during which this Licence is in force, or of such lesser periods as the Director may specify but not more frequently than quarterly, accounting statements setting out and in the case of yearly statements fairly presenting the costs (including capital costs), revenue and financial position of the businesses specified or described in paragraph 39.2 which are carried on by the Licensee in that period and including a reasonable assessment of the assets employed in and liabilities attributable to those businesses and showing separately, in the case of yearly accounting statements, the amount of any material item of revenue, cost, or any asset or liability which has been either:

(i) charged from or allocated to the business of any member of the Licensee's Group together with a description of the basis of the value on which that charge or allocation was made; or

(ii) determined by apportionment or attribution from an activity common to the Licensee's Group and, if not otherwise disclosed, the basis of that apportionment or attribution;

(b) at the request of the Director, procure in respect of each of the accounting statements prepared in respect of a complete financial year of the Licensee a report by the Licensee's Auditor stating whether in his opinion that statement is adequate for the purposes of this Condition; and

(c) at the request of the Director, deliver to the Director a copy of each of the accounting statements and of the reports relating thereto required under paragraphs 39.3(a) and 39.3(b) as soon as reasonably practicable and in any event not later than six months after the end of the period to which they relate.

39.4 In this Condition references to the costs of any business do not include profits of that business.

PROHIBITION ON CROSS-SUBSIDIES

40.1 Except where the Director agrees otherwise, the Licensee shall record at full cost in its accounting records any material transfer between it and any other member of the Licensee's Group and between any of the following businesses:

(a) the Apparatus Supply Business;

(b) the Apparatus Production Business;

(c) the Direct Business;

(d) the Supplemental Services Business; and

(e) the Systems Business.

40.2 Where it appears to the Director that the Licensee is unfairly cross-subsidising any of the businesses specified in paragraph 40.1 or any activity carried out by another member of the Licensee's Group within the United Kingdom it shall take such steps as the Director may direct for the purpose of remedying the situation.

40.3 For the purposes of this Condition:

(a) "supply and provision" includes the supply and provision in the course of one business of the Licensee for the purposes of another such business notwithstanding that there is no provision to any other person;

(b) a transfer from one business to another business or company takes place when anything (including any service or money) produced or acquired by, normally used in, or otherwise at the disposal of, the first mentioned business is made available for the purposes of the other business or company; and

(c) "full cost" in the case of money transferred includes the market rate of interest for that money.

40.4 This Condition shall apply with the omission of paragraph 40.1(a) if and for so long as no monopoly situation within the meaning of section 6 of the Fair Trading Act 1973 exists in relation to the supply of telecommunication apparatus of any description by the Licensee.

40.5 In considering whether any cross-subsidy of the Supplemental Services Business is unfair, the Director shall have regard to the extent to which the Licensee has cross-subsidised that business for the purposes of satisfying any obligation under Condition 1 or 3.

PART 4: EXCEPTIONS AND LIMITATIONS

Condition 41

EXCEPTIONS AND LIMITATIONS ON OBLIGATIONS IN SCHEDULE 1

41.1 Unless the context otherwise requires and subject to paragraph 41.10, the Licensee's obligations under these Conditions have effect subject to the following exceptions and limitations.

41.2 The Licensee is not obliged to do anything which is not practicable.

41.3 The Licensee shall not be held to have failed to comply with an obligation imposed upon it by or under these Conditions if and to the extent that the Licensee is prevented from complying with that obligation by any physical, topographical or other natural obstacle, by the malfunction or failure of any apparatus or equipment due to circumstances beyond the control of the Licensee, by the act of any national authority, local authority or international organisation or as the result of fire, flood, explosion, accident, Emergency, riot or war.

41.4 The obligation to provide any telecommunication service shall not apply:

(a) where there is no reasonable demand for it;

(b) where provision of the service requested would expose any person engaged in its provision to undue risk to health or safety;

(c) where the Licensee is unable to obtain (either because it has not been developed or for some other reason beyond the Licensee's control) anything necessary to provide a service of the quality or standard required by the person who requests the provision of the service and, in the event of dispute, the Director's decision as to whether anything is necessary shall be final;

(d) where the person to whom the Licensee would otherwise be under an obligation to provide any service requests a service at a place in which the apparatus necessary to provide that service in that area has not been installed (or in which the installation of such apparatus has not been completed) or as the case may be such apparatus has not been adapted or modified to make it capable of providing the service of the kind requested or the

trained manpower necessary to provide the service is not available in that area, provided that in every case where the Licensee declines to provide a service to which this sub-paragraph relates it shall have published, or furnished to the Director, or within 28 days (or such longer period as the Director considers reasonable) following receipt by it of the request that service be provided shall have furnished to the Director, proposals for:

(i) progressively installing or completing the installation or for the adaptation or the modification of the apparatus; or

(ii) the allocation of the trained manpower,

necessary for the provision of that service in that area and the Director has not determined that those proposals are unreasonable or are not being effectively carried out;

(e) where the person to whom the Licensee would otherwise be under an obligation to provide any service requests a service at a place in an area in which the demand or the prospective demand for the service is not sufficient, having regard to the revenue likely to be earned from the provision of the service in that area, to meet all the costs reasonably to be incurred by the Licensee in providing the service there, including:

(i) the cost of apparatus necessary for the provision of the service there;

(ii) the cost of installing, maintaining and operating such apparatus for the purpose of providing the service there; and

(iii) the cost of the trained manpower necessary to provide the service there; or

(f) where in the opinion of the Director it is not reasonably practicable in all the circumstances for the Licensee to provide the service requested at the time or place demanded.

41.5 The Licensee shall not be obliged to connect, or to keep connected to the Applicable Systems, or to permit to be so connected or kept connected any telecommunication system or telecommunication apparatus or to provide telecommunication services or to permit the provision of any service if the person to or for whom that is or is to be done:

(a) has not entered or will not enter into a contract for the purpose with the Licensee for reasons other than the unreasonable refusal of the Licensee to

agree terms for the purpose but this paragraph does not apply in a case where the Director is satisfied that:

(i) the Licensee has not published standard terms and conditions which it proposes to apply for the purpose in question, or the transaction is not fit to be governed by such terms and conditions; and

(ii) the Licensee has unreasonably refused to agree terms and conditions for the purpose;

(b) is, or in the Director's opinion has given reasonable cause to believe that person may become:

(i) in breach of a contract with the Licensee for the provision of telecommunication services by the Licensee; or

(ii) in default in regard to any debt or liability owed to the Licensee in respect of any such contract;

(c) is using, or permitting the use of, such system or apparatus for any illegal purpose or has done so in the past and is likely to do so again; or

(d) has obtained, or attempted to obtain, any telecommunication service from the Licensee by corrupt, dishonest or illegal means at any time.

41.6 Nothing in these Conditions shall prevent the Licensee from ceasing or declining to provide to any person any telecommunication service which the Licensee has notified the Director that it is providing in a limited area, or to a limited class of customers, for the purpose of evaluating the technical feasibility of, or the commercial prospects for, that service.

41.7 Nothing in these Conditions shall require the Licensee to provide any telecommunication service, or to provide any telecommunication service of any particular class or description, if it provides instead a service, or a service of a class or description, which satisfies the purposes of that requirement at least to the same extent.

41.8 Nothing in these conditions shall oblige the Licensee to:

(a) provide a service of any description; or

(b) supply apparatus of any description,

to any person, other than to a person of a description mentioned in Condition 1.2, if it otherwise provides or offers

to provide that service or supplies or offers to supply such apparatus solely to Service Providers or persons who are in the business of providing any telecommunication service which is not a Mobile Radio Telecommunication Service to another by means of a telecommunication system lawfully connected to the Applicable Systems or persons who are in the business of securing the provision of such service by such means.

41.9 This Condition shall apply without prejudice to any limitation or qualification of the requirements imposed by or under any other Condition.

41.10 The exceptions and limitations set out in paragraphs 41.2 to 41.9 shall apply to Conditions 3, 4 and 19 only as follows:

(a) only paragraphs 41.2, 41.3, 41.4(c), 41.5(a), and 41.9 apply to Condition 3;

(b) only paragraphs 41.5(a) and 41.9 apply to Condition 4.2;

(c) only paragraphs 41.2, 41.3, 41.5 and 41.9 apply to Condition 19;

but paragraphs 41.5 and 41.7 do not apply to Condition 4.1.

SCHEDULE 2: REVOCATION

1 Notwithstanding paragraph 3 of the Licence the Secretary of State may at any time revoke this Licence by at least 30 days' notice given to the Licensee in writing in any of the following circumstances:

(a) if the Licensee agrees in writing with the Secretary of State that this Licence should be revoked; or

(b) if either

(i) an undertaking has become a Parent Undertaking in relation to the Licensee; or

(ii) a change or acquisition of a description specified in paragraphs 31.2 and 31.3 of Condition 31 of Schedule 1 to this Licence has taken place;

and either

(iii) the Licensee has duly notified the Secretary of State in accordance with those paragraphs; or

(iv) the Licensee has failed to notify the Secretary of State that such event, change or acquisition has taken place in accordance with an obligation under those paragraphs of that Condition;

and

(v) the Secretary of State has notified the Licensee in writing that he is minded to revoke this Licence on the grounds either that:

(A) the event, change or acquisition would in his opinion be against the interests of national security or relations with the government of a country or territory outside the United Kingdom; or

(B) the Licensee has committed a breach of Condition 31 of Schedule 1; and

(vi) the event, change or acquisition has not been reversed or remedied within 30 days of the receipt by the Licensee of such notification; or

(c) where the Licensee has failed to comply with a final order (or a provisional order confirmed) under section 16 of the Act and the Secretary of State has given the Licensee not less than 30 days' notice in

writing that, if the Licensee fails to comply with the order within that period of 30 days, he intends to revoke the Licence, provided that no such notice of intention shall be given where the question of the validity of the order is the subject of any court proceedings, and where that question becomes so subject during the 30 day notice period, that period shall cease to run until the final disposal of those proceedings (including any Appeal); or

(d) if either British Telecommunications plc, or Securicor Technology Investments Ltd, as the case may be, holds shares in the Licensee entitling that company to cast more than 60% of the total number of those votes which may be cast by members of the Licensee in all circumstances at all general meetings of the Licensee, and for the purpose of this sub-paragraph shares held by both British Telecommunications plc or Securicor Technology Investments Ltd, as the case may be, through a nominee shall be regarded as shares held by that body; or

(e) if the Licensee takes on lease from British Telecommunications plc all or part of the apparatus comprised in the Applicable Systems provided that this Licence may not be revoked solely on the ground that the Licensee has taken on lease all or part of the apparatus from a Subsidiary of British Telecommunications plc; or

(f) if the Licensee:

(i) is deemed to be unable to pay its debts (within the meaning of section 123 of the Insolvency Act 1986 as applied for the purposes of this Licence by paragraph 2(b)), convenes any meeting with its creditors generally with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of its creditors generally; or

(ii) enters into administration, receivership or liquidation; or

(iii) ceases to provide telecommunication services; or

(g) if the Licensee or any other person takes any action for the voluntary winding-up or dissolution of the Licensee; or

(h) if the Licensee enters into any scheme of arrangement under the Insolvency Act 1986 (other than in any such case for the purpose of

reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Secretary of State); or

(i) if an administrator, receiver, trustee or similar officer of the Licensee, or of all or any material part of the revenues and assets of the Licensee, is appointed; or

(j) if any order is made for the compulsory winding-up or dissolution of the Licensee; or

(k) if any amount payable under Condition 34 of Schedule 1 is unpaid 30 days after it becomes due and remains unpaid for a period of 14 days after the Secretary of State notifies the Licensee that the payment is overdue.

2 For the purposes of paragraph 1(f)(i), in applying section 123 of the Insolvency Act 1986:

(a) if a written demand served on the Licensee is satisfied prior to the expiry of the notice of revocation the Secretary of State shall not revoke the Licence; and

(b) the figure of "£750", or such other money sum as may be specified from time to time pursuant to sections 123(3) and 416 of the Insolvency Act 1986, shall be deemed to be replaced by "£250,000" or such higher figure as the Director may from time to time determine.

3 In this Schedule:

(a) "Appeal" includes further appeal and application for leave to appeal or further to appeal;

(b) "Parent Undertaking" has the same meaning as in section 258 of the Companies Act 1985 as substituted by section 21 of the Companies Act 1989; and

(c) "Subsidiary" has the meaning given to it in section 736 of the Companies Act 1985 as substituted by section 144(1) of the Companies Act 1989.

SCHEDULE 3: AUTHORISATION TO CONNECT OTHER TELECOMMUNICATION SYSTEMS AND APPARATUS TO THE APPLICABLE SYSTEMS AND TO PROVIDE TELECOMMUNICATION SERVICES BY MEANS OF THE APPLICABLE SYSTEMS

1 Nothing in this Licence removes any need to obtain any other licence that may be required under any other enactment.

Connection Authorisation

2 Subject to paragraph 1, this Licence authorises the connection to the Applicable Systems of:

(a) any telecommunication system run under a Licence;

(b) any telecommunication system run by the Crown;

(c) any telecommunication system situated on a vessel or hovercraft outside the United Kingdom which, if that system were inside the United Kingdom, would be authorised to be run under a Licence;

(d) any GSM System or any telecommunication system run exclusively for the purpose of connecting a GSM System to the Applicable Systems;

(e) any telecommunication apparatus comprised in a telecommunication system mentioned in paragraphs 2(a) to 2(d);

(f) any telecommunication apparatus not comprised in any of the Applicable Systems which is for the time being Compliant Terminal Equipment or approved for connection to any of the Applicable Systems in accordance with section 22 of the Act; and

(g) any hearing aid.

Service Authorisation

3 Subject to paragraph 1, this Licence authorises the provision by means of the Applicable Systems of any telecommunication service except:

(a) any of the services specified in paragraphs (a) to (c) of section 72(2) of the Broadcasting Act 1990 for simultaneous reception in two or more Dwelling-Houses;

(b) services consisting in the conveyance of Messages that have been or are to be conveyed by means of a telecommunication system of the description specified in paragraph 2(d) to which the Applicable Systems are connected and which are conveyed:

(i) from a telecommunication system in the United Kingdom, other than the Applicable Systems or a Cellular System, which is connected neither to the Applicable Systems nor to a Cellular System, ultimately to a system outside the United Kingdom which is neither connected to nor comprised in a GSM System; or

(ii) from a telecommunication system outside the United Kingdom which is neither connected to nor comprised in a GSM System, ultimately to a telecommunication system in the United Kingdom, other than the Applicable Systems or a Cellular System, which is connected neither to the Applicable Systems nor to a Cellular System;

(c) International Simple Voice Resale Services, unless such services:

(i) consist in the conveyance of Messages which have been or are to be conveyed by means of a telecommunication system of the description specified in paragraph 2(d) to which the Applicable Systems are connected and which are conveyed:

(A) from a telecommunication system in the United Kingdom comprised in or connected to the Applicable Systems or a Cellular System ultimately to a telecommunication system outside the United Kingdom either comprised in or connected to a GSM System; or

(B) from a telecommunication system outside the United Kingdom either comprised in or connected to a GSM System ultimately to a telecommunication system in the United Kingdom comprised in or connected to the Applicable Systems or a Cellular System;

or

(ii) involve the conveyance of Messages conveyed by means of the Applicable Systems which have been or are to be conveyed also by means of the equivalent of a Public Switched Network in any country or territory:

(A) which the Secretary of State has for the time being designated for the purpose ofthis Licence and which is included in a list kept for the purpose by the Director and made available by him for inspection by the general public;

(B) in respect of which the Secretary of State has notified the Licensee that he has made such a designation; and

(C) which is not a country or territory in respect of which the Secretary of State has revoked such designation having given the Licensee not less than 3 months' notice of his intention to do so;

(d) International Simple Data Resale Services, unless:

(i) such services consist in the conveyance of Messages which have been or are to be conveyed by means of a telecommunication system of the description specified in paragraph 2(d) to which the Applicable Systems are connected and which are conveyed:

(A) from a telecommunication system in the United Kingdom comprised in or connected to the Applicable Systems or a Cellular System ultimately to a telecommunication system outside the United Kingdom either comprised in or connected to a GSM System; or

(B) from a telecommunication system outside the United Kingdom either comprised in or connected to a GSM System ultimately to a telecommunication system in the United Kingdom comprised in or connected to the Applicable Systems or a cellular System;

or

(ii) the Secretary of State has specified a description of such services which may be provided by means of the Applicable Systems and such specification is described in a list kept for the purpose by the Director and made available by him for inspection by the general public; and

(e) Telepoint Services other than the running of portable handsets within the services authorised by the Class Licence for the Running of Self Provided Telecommunication Systems granted by the Secretary of State under section 7 of the Telecommunications Act 1984 on 30 July 1992 or any replacement thereof.

Definitions and Interpretations

4 In this Schedule unless the context otherwise requires:

(a) "Applicable Terminal Equipment" means apparatus which is applicable terminal equipment within the meaning of regulation 4 of the Telecommunications Terminal Equipment Regulations 1992;

(b) "Cell" means a geographical area served by a Station for Wireless Telegraphy which is dedicated to transmitting or receiving Messages;

(c) "Cellular System" means a telecommunication system in which:

(i) the area in which telecommunication services are provided is divided up into a number of Cells;

(ii) Stations for Wireless Telegraphy comprised in the system are automatically controlled by a central processor;

(iii) Messages are conveyed through the agency of Wireless Telegraphy between:

(A) Stations for Wireless Telegraphy comprised in the system (the first systems); and

(B) telecommunication apparatus or telecommunication systems which in either case are designed or adapted to be capable of being used while in motion (the second systems);

(iv) the Wireless Telegraphy frequencies used for the purpose of such conveyance are assigned automatically;

(v) there is a control procedure which allows the telecommunication service consisting in the conveyance of Messages between any of the first systems and any of the second systems to be continued to be provided between a different first system and that particular second system as the second system moves from Cell to Cell; and

(vi) the strength of the emissions of the Station for Wireless Telegraphy comprised in the system is automatically controlled so as to secure as far as is technically possible that each such Station for Wireless Telegraphy can effectively provide services only in the Cell in which it is located;

(d) "Compliant Terminal Equipment" means Applicable Terminal Equipment which satisfies the requirements of regulation 8 of the Telecommunications Terminal

Equipment Regulations 1992;

(e) "Dwelling-House" has the same meaning as in section 202 of the Broadcasting Act 1990;

(f) "GSM System" means:

(i) a telecommunication system run outside the United Kingdom and conforming to European Telecommunications Standards adopted for use by the European Telecommunications Standards Institute for use with the pan-European digital cellular radio system generically known as GSM; or

(ii) a telecommunication system run outside the United Kingdom and conforming to a technical standard which replaces or derives from the European Telecommunications Standards mentioned in paragraph 4(f)(i) and which is specified by the Secretary of State for the purpose of this Licence after consultation with the Director and described in a list kept for that purpose by the Director and made available by him for inspection by the general public;

(g) "International Private Leased Circuit" means a communication facility which is:

(i) comprised both in a public telecommunication system and in an equivalent telecommunication system in a country or territory other than the United Kingdom;

(ii) for the conveyance of Messages between points, all of which are points of connection between telecommunication systems referred to in paragraph 4(g)(i) and other telecommunication systems;

(iii) made available to a particular person or particular persons;

(iv) such that all of the Messages transmitted at any of the points mentioned in paragraph 4(g)(ii) are received at every other such point; and

(v) such that the points mentioned in paragraph 4(g)(ii) are fixed by the way in which the facility is installed and cannot otherwise be selected by persons or apparatus sending Messages by means of that facility;

(h) "International Simple Data Resale Services" means telecommunication services consisting in the

conveyance of Messages which do not include two-way live speech but, include only such switching, processing, data storage or protocol conversion as is necessary for the conveyance of those Messages in real time, which have been or are to be conveyed by means of all of the following:

(i) a Public Switched Network;

(ii) an International Private Leased Circuit; and

(iii) the equivalent of a Public Switched Network in another country or territory;

provided that conveyance of a Message by means of a Public Switched Network or, as the case may be, the equivalent of a Public Switched Network in another country or territory shall be disregarded where that Message is so conveyed in circumstances specified for the time being by the Secretary of State as not being material for the purposes of paragraph 3 and included in a list kept for the purpose by the Director and made available by him for inspection by the general public;

(i) "International Simple Voice Resale Services" means telecommunication services consisting in the conveyance of Messages which include two-way live speech which have been or are to be conveyed by means of all of the following:

(i) a Public Switched Network;

(ii) an International Private Leased Circuit; and

(iii) the equivalent of a Public Switched Network in another country or territory;

provided that conveyance of a Message by means of a Public Switched Network or, as the case may be, the equivalent of a Public Switched Network in another country or territory shall be disregarded where that Message is so conveyed in circumstances specified for the time being by the Secretary of State as not being material for the purposes of paragraph 3 and included in a list kept for the purpose by the Director and made available by him for inspection by the general public;

(j) "Message" means anything falling within paragraphs (a) to (d) of section 4(1) of the Act;

(k) "Private Leased Circuit" means a communication facility which is:

(i) provided by means of one or more public telecommunication systems;

(ii) for the conveyance of Messages between points, all of which are points of connection between telecommunication systems referred to in paragraph 4(k)(i) and other telecommunication systems;

(iii) made available to a particular person or particular persons;

(iv) such that all of the Messages transmitted at any of the points mentioned in paragraph 4(k)(ii) are received at every other such point; and

(v) such that the points mentioned in paragraph 4(k)(ii) are fixed by the way in which the facility is installed and cannot otherwise be selected by persons or telecommunication apparatus sending Messages by means of that facility;

(l) "Public Switched Network" means a public telecommunication system by means of which two-way telecommunication services are provided whereby Messages are switched incidentally to their conveyance, and, for the avoidance of doubt, a Public Switched Network does not include Private Leased Circuits or International Private Leased Circuits;

(m) "Telepoint Services" means services provided through the agency of Wireless Telegraphy operating at frequencies in the range 864 to 868 Mhz;

(n) "United Kingdom" includes any area to which the provisions of the Act apply by virtue of section 107; and

(o) "Wireless Telegraphy"and "Station for Wireless Telegraphy" have the same meaning as in the Wireless Telegraphy Act 1949.

5 Expressions cognate with those contained in this Schedule shall be construed accordingly.

SCHEDULE 4: EXCEPTIONS AND CONDITIONS RELATING TO THE APPLICATION OF THE TELECOMMUNICATIONS CODE

PART 1: DEFINITIONS, INTERPRETATION AND TRANSITIONAL PROVISIONS RELATING TO THE CONDITIONS IN SCHEDULE 4

1 In this Schedule, unless the context otherwise requires:

(a) "Agricultural" has the meaning given to it by paragraph 1 of Schedule 2 to the Act;

(b) "Appropriate Authority" means a public authority of a type described in subsection 49(6) or, in Scotland, subsection 108(6) of the New Roads and Street Works Act 1991;

(c) "Area of Outstanding Natural Beauty" means an area in England or Wales designated and confirmed as such under section 87 of the National Parks and Access to the Countryside Act 1949 or an area in Northern Ireland designated as such under article 14(1) of the Nature Conservation and Amenity Lands (NI) Order S.I. 1985/170 (NI 1);

(d) "Area of Special Scientific Interest" means an area designated under article 24(1) of the Nature Conservation and Amenity Lands (NI) Order S.I. 1985/170 (NI 1) as amended by Article 10 of the Nature Conservation and Amenity Lands (Amendment) (NI) Order 1989;

(e) "The Broads" means the area in which the Broads Authority exercises power of development control;

(f) "Condition" means a Condition in this Schedule;

(g) "Conservation Area" means:

(i) in relation to England and Wales, any area designated as a conservation area under sections 69 and 70 of the Planning (Listed Buildings and Conservation Areas) Act 1990;

(ii) in relation to Scotland, any area designated as a conservation area under section 262 of the Town and Country Planning (Scotland) Act 1972; and

(iii) in relation to Northern Ireland, any area designated as a conservation area under Article 50 of the Planning (Northern Ireland) Order 1991;

(h) "cost" includes a reasonable profit;

(i) "Cost Price" means the cost of any item of Telecommunication Apparatus, including the full cost of its installation, calculated before any charges for depreciation by the Licensee and modified to take account of any alteration in the CSO Price Index for Buildings and Works since it was installed;

(j) "Duct" means a structure or apparatus (with appropriate entry points) installed underground in such a way that lines can be installed in it without having to break up the surface of the highway;

(k) "Emergency" means an emergency of any kind, including any circumstance whatever resulting from major accidents, natural disasters and incidents involving toxic or radio-active materials;

(l) "Emergency Organisations" means in respect of any locality:

(i) the relevant public police, fire, ambulance and coastguard services for that locality; and

(ii) any other similar organisation in respect of which any public telecommunications operator licensed to operate in the locality in question is providing a Public Emergency Call Service on the day on which this Licence enters into force;

(m) "Emergency Works" has the meaning given to it by section 52 or, in Scotland, section 111 of the New Roads and Street Works Act 1991;

(n) "Gross Book Value", in relation to any period, means the sum of the Cost Price of each piece of Telecommunication Apparatus installed by or on behalf of the Licensee under paragraph 9 of the Telecommunications Code before the beginning of that period;

(o) "Highway Authority" means, in England and Wales, the highway authority as defined in section 1 of the Highways Act 1980 and, in Northern Ireland, the Department of the Environment for Northern Ireland;

(p) "Installation" includes "alteration" within the meaning of paragraph 1(2) of the Telecommunications Code;

(q) "Limestone Pavement Area" means an area in England, Wales or Scotland designated by the Secretary of State or relevant authority under section 34 of the

Wildlife and Countryside Act 1981;

(r) "Line" has the meaning given to it by paragraph (a) of the definition of "Telecommunication Apparatus" in paragraph 1 of Schedule 2 to the Act;

(s) "Maintainable Highway" has the meaning given to it by paragraph 1 of Schedule 2 to the Act, as amended by paragraph 113(1) of Schedule 8 of the New Roads and Street Works Act 1991;

(t) "Major Office" means the Licensee's registered office and such other offices as the Director, having consulted the Licensee, may direct;

(u) "Marine Nature Reserve" means an area designated by the Secretary of State under section 36 of the Wildlife and Countryside Act 1981;

(v) "National Nature Reserve" means any land in Great Britain declared to be a national nature reserve under section 35 of the Wildlife and Countryside Act 1981 by:

(i) in England, English Nature, established under the Environmental Protection Act 1990;

(ii) in Scotland, Scottish Natural Heritage, established under the Natural Heritage (Scotland) Act 1991; and

(iii) in Wales, the Countryside Council for Wales, established under the Environmental Protection Act 1990;

(w) "National Park" means any area in England and Wales designated and confirmed as such under section 5 of the National Parks and Access to the Countryside Act 1949 or any area in Northern Ireland designated as such under Article 12(1) of the Nature Conservation and Amenity Lands (NI) Order 1985;

(x) "National Scenic Area" means any area in Scotland designated as such under the Town and Country (Planning) Scotland Act 1972;

(y) "Natural Heritage Area" means any area in Scotland designated as such under the Natural Heritage (Scotland) Act 1991;

(z) "The New Forest" means the area defined in the New Forest Act 1964;

(aa) "Planning Authority" means:

(i) in relation to England and Wales, the local planning authority for the area in question within the meaning of section 1 of the Town and Country Planning Act 1990;

(ii) in relation to Scotland, at a regional level the general planning authority, otherwise known as the regional planning authority, and at a district level the general planning authority, otherwise known as the district planning authority for the area in question within the meaning of section 172 of the Local Government (Scotland) Act 1973; and

(iii) in relation to Northern Ireland, the Department of the Environment for Northern Ireland;

(ab) "Public Emergency Call Service" means a telecommunication service by means of which any member of the public may, at any time and without incurring any charge, by means of any item of telecommunication apparatus which is lawfully connected to the Applicable Systems and which is capable of transmitting and receiving unrestricted two way voice telephony services when so connected, communicate as swiftly as practicable with any of the Emergency Organisations for the purpose of notifying them of an Emergency;

(ac) "Public Road" has the same meaning as in paragraph 1(1) of Schedule 2 to the Act, as amended by the Roads (Scotland) Act 1984 and the New Roads and Street Works Act 1991;

(ad) "Relevant Authority" means:

(i) in relation to a National Nature Reserve, a Site of Special Scientific Interest or a Marine Nature Reserve:

(A) in England, English Nature, established under the Environmental Protection Act 1990;

(B) in Scotland, Scottish Natural Heritage, established under the Natural Heritage (Scotland) Act 1991; and

(C) in Wales, the Countryside Council for Wales, established under the Environmental Protection Act 1990;

(ii) in relation to an Area of Special Scientific Interest, the Department of Environment for Northern Ireland; and

(iii) in relation to a Natural Heritage Area or a National Scenic Area, Scottish Natural Heritage, established under the Natural Heritage (Scotland) Act 1991;

(ae) "Relevant Event" means:

(i) the revocation of this Licence;

(ii) where the Licensee is not immediately granted another similar licence to run the Applicable Systems, the expiry of this Licence; or

(iii) any of the events specified in paragraph 1(f) of Schedule 2 to this Licence; provided that paragraph 2 of that Schedule shall have effect for the purposes of this definition as it has for the purposes of paragraph 1 of that Schedule;

(af) "Relevant Owner" means any person who owns or operates electric lines for the transport of electricity;

(ag) "Relevant Supplier" means in relation to an area in which the Licensee has installed or proposes to install any apparatus the person who is authorised by a licence granted under paragraph (b) or (c) of section 6(1) of the Electricity Act 1989 to transmit or supply electricity;

(ah) "Relevant Undertaker" has the meaning given to it by paragraph 23(10) of Schedule 2 to the Act, and includes persons mentioned in paragraph 23(10)(b) in respect of services and apparatus for the supply of water, or disposal of sewage, and additionally includes any undertaking for the supply of heat;

(ai) "Road" has the meaning given to it in section 107(1) of the New Roads and Street Works Act 1991;

(aj) "Road Works Authority" has the meaning given to it in section 108(1) of the New Roads and Street Works Act 1991;

(ak) "Roads Authority" has the same meaning as in section 151 of the Roads (Scotland) Act 1984;

(al) "Service Line" means any line placed or intended to be placed for the purpose of providing any telecommunication service to the occupier from time to time of any land, as distinct from lines placed or intended to be placed for the general purposes of any telecommunication system;

(am) "Site of Special Scientific Interest" means an area notified as such under section 28 of the Wildlife and Countryside Act 1981 or an area in respect of which the Secretary of State has made an order under section 29 of that Act;

(an) "Statutory List of Buildings" is the list of buildings of special architectural or historic interest compiled by the Secretary of State under section 1(i) of the Planning (Listed Buildings and Conservation Areas) Act 1990 or under section 52 of the Town and Country Planning (Scotland) Act 1972 or in the case of Northern Ireland, compiled by the Department of the Environment for Northern Ireland under Article 42 of the Planning (Northern Ireland) Order 1991;

(ao) "Street" has the meaning given to it by paragraph 1 of Schedule 2 to the Act, as amended by paragraph 113(1) of Schedule 8 of the New Roads and Street Works Act 1991;

(ap) "Street Authority" has the meaning given to it by section 49 of the New Roads and Street Works Act 1991;

(aq) "Telecommunication Apparatus" has the meaning given to it by paragraph 1 of Schedule 2 to the Act;

(ar) "Traffic Authority" has the same meaning as in the Road Traffic Regulation Act 1984; and

(as) "Urgent Works" has the meaning given in regulation 2 of the Streetworks (Registers, Notices, Directions and Determinations) Regulations 1992.

2 Expressions cognate with those contained in this Schedule shall be construed accordingly.

3 For the avoidance of doubt, it is hereby declared that the Conditions in this Schedule apply in addition to any obligations of the Licensee under the New Roads and Street Works act 1991 and the Public Utilities Street Works Act 1950, insofar as not superseded by the New Roads and Street Works Act 1991.

4 Nothing which the Licensee may do, or omit to do, after the date on which any provision of the Conditions in Schedule 4 of this Licence enters into force shall be held to constitute a failure to comply with an obligation imposed by or under those Conditions to the extent that the Licensee is obliged to do or to omit to do (as the case may be) that thing by the terms of any contract subsisting immediately before 28 June 1985.

PART 2: EXCEPTIONS AND CONDITIONS RELATING TO THE APPLICATION OF THE TELECOMMUNICATIONS CODE

Condition 1

INSTALLATION OF TELECOMMUNICATION APPARATUS ABOVE THE GROUND

1.1 Subject to Condition 16.1, the Licensee shall, before Installing any Telecommunication Apparatus above the ground, give to the Planning Authority written notice of its intention to do so describing the proposed Installation and identifying the place where it is proposing to Install the Apparatus and shall not Install the Apparatus until 28 days after the giving of the notice except with the written consent of the Planning Authority.

1.2 The requirement in paragraph 1.1 does not apply where the Licensee has given notice to the Planning Authority under Condition 4.1 or 5.1.

1.3 On the first occasion after the grant of this Licence on which the Licensee gives written notice to a particular Planning Authority under paragraph 1.1, or Condition 4.1 or Condition 5.1, it shall at the same time furnish that Planning Authority with written details of the expected location of any other Telecommunication Apparatus which it intends to Install above the ground in the area covered by that Planning Authority.

1.4 The Licensee shall Install the Apparatus in accordance with the notice referred to in paragraph 1.1 or, where the Planning Authority gives notice in writing within the period of 28 days beginning with the giving of that notice that the Apparatus should be Installed in accordance with conditions, the Licensee shall Install the Apparatus in accordance with such of those conditions as are reasonable in all the circumstances of the case taking into account the desirability of protecting the visual amenity of the locality in which the Apparatus is to be Installed, the technical requirements of the Licensee's system and the cost of Installing the Apparatus.

1.5 For the avoidance of doubt, paragraph 1.1 does not apply to the Installation of Apparatus in relation to which planning permission is required from the Planning Authority.

Condition 2

INSTALLATION OF LINES AND POLES IN CONSERVATION AREAS

2.1 Subject to paragraph 2.2 and except in the case of Emergency Works, any Line installed by the Licensee after the date on which this Licence enters into force in any Conservation Area shall be installed underground and no pole shall be installed in any such area after that date.

2.2 Notwithstanding paragraph 2.1, nothing in this Condition shall prevent the installation on or above the ground of:

(a) a Line or pole required temporarily for the purpose of Emergency Works;

(b) a Line flown between poles or pylons belonging to a Relevant Owner and used by that Relevant Owner for the transport of electricity at a nominal voltage of at least 6,000 volts; and

(c) any other Line replacing an existing Line provided that the replacement Line is of a not noticeably larger diameter than that of the Line it replaces.

OVERHEAD LINES

3.1 Without prejudice to Condition 2.1 and subject to paragraph 3.4, the Licensee shall take steps to ensure that, wherever practicable, taking into account the need to provide telecommunication services at the lowest reasonable cost, new Lines (other than overhead Service Lines flown from poles) installed after the date on which this Licence enters into force are installed underground.

3.2 The Licensee shall consider carefully a request by any person that any of its existing Lines be resited underground. If the Licensee is satisfied that the person making the request will pay the costs of placing any such Line underground, the Licensee shall, wherever it is reasonable and practicable, so place the Line. In other cases, except where the request is frivolous, the Licensee shall be obliged within 28 days of receiving it, to give notice in writing of its decision whether or not to accede to the request to the person making the request giving, where it decides to refuse, reasons.

3.3 Where telecommunication services are to be provided to a person occupying or proposing to occupy a new development the Licensee shall consider in conjunction with those responsible for the development and any other statutory undertaker providing or proposing to provide a service to persons occupying that development whether Lines can be installed underground on a shared cost basis.

3.4 Nothing in this Condition or Condition 5 shall prevent the Licensee from installing new overhead Telecommunication Apparatus where that Apparatus is supported on poles or pylons belonging to a Relevant Owner and used by that Relevant Owner for the transport of electricity at a nominal voltage of at least 6,000 volts.

LISTED BUILDINGS AND ANCIENT MONUMENTS

4.1 Subject to Condition 16.1, the Licensee shall give written notice to the Planning Authority before Installing Lines, poles or other Telecommunication Apparatus in proximity to a building shown as Grade 1 or, as the case may be, Category A in the Statutory List of Buildings or any building notified to the Licensee in writing by the Department of the Environment for Northern Ireland as being in the Statutory List of Buildings and equivalent to Grade 1 and shall not Install the Apparatus until 40 days after the giving of the notice except with the written consent of the Planning Authority.

4.2 Where the Planning Authority notifies the Licensee in writing within 40 days of the giving of the notice under paragraph 4.1 that the Installation of the Apparatus would detrimentally affect the character or appearance of the building, or its setting, and that the Installation should not take place, the Licensee may Install the Apparatus only if the Planning Authority agrees in writing or if the Secretary of State, after having consulted the Planning Authority, so directs in writing.

4.3 For the avoidance of doubt, paragraph 4.1 does not apply to the Installation of Apparatus in relation to which planning permission or listed building consent or both is required from the Planning Authority.

4.4 For the avoidance of doubt, it is hereby declared that nothing in this Licence affects:

(a) the statutory requirement that the consent of the Secretary of State or, in the case of Northern Ireland, the Department of the Environment (NI), shall be obtained before any work is carried out which will affect the site of an ancient monument scheduled under sections 1 and 2 of the Ancient Monuments and Archaeological Areas Act 1979 or section 7 of the Historic Monuments (Northern Ireland) Act 1971; or

(b) the obligation imposed on the Licensee by virtue of section 7 of the Planning (Listed Buildings and Conservation Areas) Act 1990 (or by section 53 of the Town and Country Planning (Scotland) Act 1972 or by Article 44 of the Planning (Northern Ireland) Order 1991) to obtain listed building consent for any works which affect the character of a building in the Statutory List of Buildings, or involve the demolition of any part of such a building.

CONSERVATION AREAS, NATIONAL PARKS, AREAS OF OUTSTANDING NATURAL BEAUTY, ETC

5.1 Subject to Condition 16.1, before Installing any Telecommunication Apparatus in a Conservation Area, National Park, National Scenic Area, Area of Outstanding Natural Beauty, The Broads, The New Forest or a Limestone Pavement Area, the Licensee shall give the Planning Authority or, in the case of a National Scenic Area, the Relevant Authority, written notice of its intention to do so describing the proposed works and shall not Install the Apparatus until 40 days after the giving of the notice except with the written consent of the Planning Authority or, in the case of a National Scenic Area, the Relevant Authority.

5.2 Where the Planning Authority or, in the case of a National Scenic Area, the Relevant Authority, notifies the Licensee in writing within 40 days of the giving of the notice under paragraph 5.1 that the Installation of the Apparatus would detrimentally affect the character or appearance of the area and that the Installation should not take place, the Licensee may Install the Apparatus only if the Planning Authority or, in the case of a National Scenic Area, the Relevant Authority, agrees in writing or if the Secretary of State or, in the case of Northern Ireland, the Department of the Environment (NI), after having consulted the Planning Authority or, in the case of a National Scenic Area, the Relevant Authority, so directs in writing.

5.3 For the avoidance of doubt, paragraph 5.1 does not apply to the Installation of Apparatus in relation to which planning permission is required from the Planning Authority.

5.4 The Licensee shall not be required to give notice pursuant to paragraph 5.1 where the Apparatus to be installed consists solely of, or where works are to be undertaken on Apparatus consisting solely of a replacement pole installed in a position not substantially different from the pole it replaces but in carrying out any such installation or works as are referred to in this paragraph the Licensee shall have regard to the need to liaise effectively with the Planning Authority or, in the case of a National Scenic Area, the Relevant Authority.

NATIONAL NATURE RESERVES, SITES OF SPECIAL SCIENTIFIC INTEREST, AREAS OF SPECIAL SCIENTIFIC INTEREST, ETC

6.1 Subject to Condition 16.1, before Installing any Telecommunication Apparatus in any National Nature Reserve, Site of Special Scientific Interest, Area of Special Scientific Interest, Marine Nature Reserve or Natural Heritage Area, the Licensee shall give the Relevant Authority written notice of its intention to do so describing the proposed works and shall not Install the Apparatus until 40 days after the giving of the notice except with the written consent of the Relevant Authority.

6.2 Where the Relevant Authority notifies the Licensee in writing within 40 days of the giving of the notice under paragraph 6.1 that the proposed works would be likely to destroy or damage the flora, fauna or geological or physiographical features by reason of which the land is of special interest and that the Installation should not take place, the Licensee may Install the Apparatus only if the Relevant Authority subsequently agrees in writing or, in the case of a National Nature Reserve or Site of Special Scientific Interest, if the Secretary of State or, in the case of Northern Ireland, the Department of the Environment (NI), after having consulted the Relevant Authority, so directs in writing.

6.3 The Licensee shall also comply with any direction given to it in writing by the Secretary of State or, in the case of Northern Ireland, the Department of the Environment (NI), relating to giving notice to and considering representations made by any other authority exercising statutory functions in relation to National Nature Reserves, Sites of Special Scientific Interest or Areas of Special Scientific Interest or such other environmentally sensitive areas as may be specified in the direction.

6.4 The Licensee shall not be required to give notice pursuant to paragraph 6.1 where the Apparatus to be installed consists solely of, or where works are to be undertaken on Apparatus consisting solely of a replacement pole installed in a position not substantially different from the pole it replaces but in carrying out any such installation or works as are referred to in this paragraph the Licensee shall have regard to the need to liaise effectively with the Relevant Authority.

NATIONAL TRUST AND NATIONAL TRUST FOR SCOTLAND

7.1 Except in the case of Emergency Works, before Installing any Telecommunication Apparatus for the purpose of providing a service to the occupier of any land which the National Trust or the National Trust for Scotland has notified the Licensee that it owns, or holds any interest in, the Licensee shall give the relevant regional office of whichever of those bodies is concerned written notice of its intention to do so, describing the proposed works; and shall consider any written representations made within 28 days of the giving of such notice to it by either of those bodies.

MAINTAINABLE HIGHWAYS AND PUBLIC ROADS

8.1 Except in the case of Emergency Works or Urgent Works, before executing any works involving the breaking up of a Maintainable Highway or, in Scotland, a Public Road in connection with the Installation, inspection, maintenance, adjustment, repair or alteration of any Telecommunication Apparatus in that Highway the Licensee shall:

(a) in the case of an overhead Line or an underground Service Line, consider any written representations made by the Highway Authority or, in Scotland, the Road Works Authority within 7 working days after the giving of any such notice as is required to be given to the Highway Authority under section 55 of the New Roads and Street Works Act 1991 or, in Scotland, to the Road Works Authority under section 114 of the New Roads and Street Works Act 1991 or, in Northern Ireland, paragraphs 1(3) and 3(2)(a) of Schedule 3 to the Electricity Supply (NI) Order 1972 as amended by the Telecommunications (Street Works) (NI) Order 1984;

(b) in all other cases, consider any such written representations made within 29 days of the giving of any such notice; and

(c) unless the Highway Authority or, in Scotland, the Road Works Authority consents otherwise, shall not commence those works until the expiry of 7 working days or 29 days as the case may be.

PLACING OF UNDERGROUND LINES IN DUCTS

9.1 All Lines Installed underground after the date on which this Licence enters into force, in a part of a Maintainable Highway which is paved or in a Street which the Highway Authority has notified the Licensee is to be paved, shall, whenever practicable, be Installed in Ducts.

9.2 In Scotland, all lines Installed underground after the date on which this Licence enters into force, in a part of a Road which is paved or in a Road which the Road Works Authority has notified the Licensee is to be paved, shall, whenever practicable, be Installed in Ducts.

HEIGHT OF OVERHEAD LINES

10.1 Lines installed over the carriageway of a Maintainable Highway or, in Scotland, a Public Road shall be placed at a height of not less than 5.5 metres above the carriageway (or in the case of a designated high load route not less than 6.7 metres), except where the Highway Authority or, in Scotland, the Roads Authority has previously otherwise agreed in writing.

MAINTENANCE AND THE SAFETY OF APPARATUS

11.1 The Licensee shall from time to time inspect its Telecommunication Apparatus which is not inside a building and which is on or above the surface of the ground with a view to ensuring that it will not cause physical harm to other persons or property; and the Licensee shall notify the Director and the Highway Authority of its arrangements for inspecting such Apparatus.

11.2 In addition to carrying out inspections of its own Apparatus on or above the surface of the ground, the Licensee shall take such steps as are appropriate in the circumstances to investigate any report (other than a frivolous one) of any of its Apparatus (wherever situated) being in a dangerous state and to remove any danger.

ARRANGEMENTS WITH ELECTRICITY SUPPLIERS

12.1 Before exercising any rights under paragraph 9 of the Telecommunications Code in the authorised area of any Relevant Supplier, the Licensee shall use its best endeavours to enter into an agreement with that Relevant Supplier as to the engineering principles to be adopted and the allocation and apportionment of costs which arise:

(a) when the Licensee Installs and keeps Installed apparatus in proximity to plant which is already Installed and which is the responsibility of a Relevant Supplier; and

(b) when a Relevant Supplier gives notice to the Licensee that it proposes to Install its plant in proximity to any of the Licensee's apparatus which is already Installed.

12.2 The Licensee shall:

(a) within three months of this Licence coming into force; and

(b) after the expiry of the period of three months beginning on the date when this Licence comes into force, within three months of the commencement of any negotiations for the making of any such agreement as is mentioned in paragraph 12.1,

inform the Director of the steps taken to implement paragraph 12.1 and of the terms of any agreement entered into by it with the Relevant Supplier.

12.3 Where the Licensee has not offered to enter into such an agreement as is mentioned in paragraph 12.1 being an agreement which makes reasonable provision for securing that:

(a) the Licensee will, when Installing its apparatus in proximity to plant of the Relevant Supplier which is already Installed, protect its apparatus from electrical interference from that plant; and

(b) the Relevant Supplier will, when Installing its plant in proximity to apparatus of the Licensee which is already Installed, protect that apparatus of the Licensee from electrical interference from that plant,

the Licensee shall only Install apparatus of such a kind and in such a position as will not be adversely affected by or itself adversely affects any plant of the Relevant Supplier

which is already Installed.

12.4 In this Condition the words "authorised area" have the meaning ascribed to them in section 6(9) of the Electricity Act 1989 and, in Northern Ireland, Article 3 of the Electricity (NI) Order 1991.

INSTRUCTIONS FOR THE INSTALLATION OF TELECOMMUNICATION APPARATUS

13.1 Without prejudice to any of its statutory obligations the Licensee shall take all reasonable steps to secure (in particular by giving instructions to its employees and agents) that:

(a) where apparatus is to be Installed underground in a Street or, in Scotland, a Road, the normal practice will be to place it in the verge or footway (or the prospective verge or footway), if any, rather than the carriageway;

(b) provision is made for any new Ducts Installed after the date on which this Licence comes into effect to contain sufficient spare capacity to meet demand which is reasonably foreseeable by the Licensee for telecommunication services provided by it;

(c) where apparatus is to be Installed underground in a Street or, in Scotland, a Road the Street Authority or, in Scotland, the Road Works Authority and Relevant Undertakers are consulted about the appropriate depth of cover for the apparatus and its lateral position in that Street;

(d) effective liaison is maintained with Highway Authorities or, in Scotland, Road Authorities with a view to ensuring that works which entail breaking up the surface of a Maintainable Highway or, in Scotland a Public Road are carried out in advance of scheduled resurfacing works or together with other schemes affecting the highway;

(e) effective liaison is maintained with Relevant Undertakers with a view to avoiding the disruption of the services provided by those persons;

(f) effective liaison is maintained with the Street Authority in order to ensure that:

(i) all works are executed in accordance with the provisions of and made under sections 65 to 69 or, in Scotland, sections 124 to 128 of the New Roads and Street Works Act 1991 or, in Northern Ireland, paragraphs 1 to 5 of Schedule 3 to the Electricity Supply (NI) Order 1972 as amended by the Telecommunications (Street Works) (NI) Order 1984; and

(ii) following the execution of the works, the Licensee discharges its duties of reinstatement of the Street under sections 70 to 73 or, in Scotland, sections 129 to 132 of the New Roads and Street Works Act 1991 or, in Northern Ireland, paragraphs 1 to 5 of Schedule 3 to the Electricity Supply (NI) Order 1972 as amended by the Telecommunications (Street Works) (NI) Order 1984; and

(iii) in England and Wales the Street Works Register or, in Scotland, the Road Works Register contains such information in respect of the works carried out as may be required under section 53 or, in Scotland, section 112 of the New Roads and Street Works Act 1991;

(g) with a view to reducing to a minimum the need for the erection of new poles or the construction of new Ducts, before Installing any such poles or Ducts steps will be taken to investigate the possibility of using poles, Ducts or other conduits which are already Installed;

(h) the minimum practicable number of poles or other items of Telecommunication Apparatus is erected, allowing for estimated growth in demand for telecommunication services to be provided by means of the Applicable Systems;

(i) the visual amenity of properties (in particular buildings in the Statutory List of Buildings which have been notified by the Planning Authority to the Licensee as deserving special consideration) in proximity to which poles or other items of Telecommunication Apparatus are Installed is protected as far as is practicable;

(j) Telecommunication Apparatus is Installed so that it does not present a safety hazard;

(k) underground lines to be Installed in Agricultural land are Installed at such a depth that they will not interfere with the use of the land for Agricultural purposes, unless the occupier, any superior lessee and the freeholder agree otherwise;

(l) effective liaison is maintained with the Planning Authority in respect of the arrangements for the installation of Telecommunication Apparatus in Local Nature Reserves designated under section 21 of the National Parks and Access to the Countryside Act 1949; and

(m) before erecting a new mast or pole the possibility is investigated of:

(i) using an existing mast or pole belonging to the Licensee or any other person (in particular any other public telecommunications operator);

(ii) replacing an existing mast or pole belonging to the Licensee or any other person (in particular any other public telecommunications operator) with a mast or pole for the joint use of the Licensee and that other person; and

(iii) erecting, in co-operation with any other public telecommunications operator, a mast or pole for the joint use of the Licensee and that other operator.

13.2 The Licensee shall, within three months of the date on which this Licence enters into force, and thereafter from time to time as the Director may require, furnish details to the Director of the instructions given in accordance with paragraph 13.1.

13.3 The requirement specified in paragraph 13.1(i) is without prejudice to the requirements of Condition 4.1.

RECORDS OF APPARATUS

14.1 The Licensee shall keep records of any of its apparatus Installed underground after the date on which this Licence enters into force which can be made available in the form of route plans based on Ordnance Survey map backgrounds of one of the following scales (1:500, 1:625, 1:1,250, 1:2,500, 1:10,000) according to the density of development in the area concerned.

14.2 The Licensee shall provide by means of a telecommunication system free of charge, to any Highway Authority or, in Scotland, any Roads Authority or other person who is intending to undertake works in the vicinity of any Telecommunication Apparatus it has Installed underground, a service furnishing information about the location of that Apparatus and shall whenever practicable:

(a) respond to bona fide enquiries; and

(b) where necessary confirm its advice in diagrammatic form and make trained staff available to give on-site advice about such Apparatus so Installed,

and shall also respond to any other reasonable request from a Highway Authority or, in Scotland, a Roads Authority for information about the location of the Licensee's apparatus Installed underground.

14.3 The Licensee shall co-operate in any joint projects involving the Highway Authority or, in Scotland, the Roads Authority or Relevant Undertakers which have as their purpose the recording and making available of information about underground apparatus, unless the Director agrees that it would be inappropriate having regard to its existing practice in the area concerned for it to do so.

FUNDS FOR MEETING LIABILITIES

15.1 Before the Licensee exercises for the first time any of the rights conferred on it by paragraph 9 of the Telecommunications Code it shall:

(a) subject to paragraph 15.3, make arrangements which are adequate to ensure that sufficient funds are available after the Relevant Event occurs for meeting the liabilities described in paragraph 15.2 which have arisen on or before the date on which that Event occurred or may arise thereafter from the exercise of rights conferred upon the Licensee by paragraph 9 of the Telecommunications Code;

(b) give to the Director not less than 42 days notice that it intends to exercise those rights; and

(c) inform the Director of the steps taken to implement this Condition,

and shall inform the Director at least once a year thereafter of the steps taken in that year to comply with this Condition.

15.2 The liabilities referred to in paragraph 15.1 are:

(a) liabilities, including those for the payment of indemnities in respect of costs or expenses incurred, or arising under the New Roads and Street Works Act 1991 towards:

(i) any Appropriate Authority, Traffic Authority or other responsible authority under that Act;

(ii) any other person having authority to execute works in, or having apparatus in, a Street;

(iii) any concessionaire within the meaning of section 1 of that Act;

(b) any other costs or expenses reasonably incurred by any Appropriate Authority or other responsible authority in making good any damage caused by the Installation or removal of Telecommunication Apparatus, whether such damage occurs before or after the Relevant Event; and

(c) any other costs or expenses reasonably incurred by any Appropriate Authority or other responsible authority after the Relevant Event occurs in removing any Telecommunication Apparatus:

(i) which is Installed under, along or across a Street;

(ii) which is not, or is no longer, used for the purposes of any telecommunication system and in relation to which there is no reasonable likelihood that it will be so used; and

(iii) the removal of which is desirable having regard to any harm it may cause to other persons or property, or to the visual amenity of properties in proximity to which the Apparatus is installed.

15.3 The funds available under paragraph 15.1 shall include, in relation to the period extending from the date on which this Licence enters into force until 31 March 1994 and, thereafter, in relation to every period of one year beginning on 1 April:

(a) an amount which is equal to:

(i) 10 per cent of the Gross Book Value; or

(ii) £1,000,000,

whichever is the lesser, or such greater amount as the Director may direct; and

(b) an amount which, having regard to any works begun by the Licensee before the beginning of the period in question, is sufficient to meet any liabilities of the kinds described in paragraph 15.2(a) which may arise.

15.4 Where:

(a) the Licensee has failed to inform the Director in accordance with paragraph 15.1(b) and 15.1(c); or

(b) the Director is not satisfied that the arrangements made by the Licensee are adequate to secure that sufficient funds are available after the Relevant Event occurs for meeting the liabilities described in paragraph 15.1(a),

the Director may direct the Licensee to take such steps as the Director considers appropriate for the purpose of securing that such sufficient funds are available and the Licensee shall comply with any such direction.

EMERGENCY WORKS AND URGENT WORKS

16.1 Without prejudice to the duties of the Licensee under sections 55, 57 and 93 or, in Scotland, sections 116 and 152 of the New Roads and Street Works Act 1991 or, in Northern Ireland, paragraphs 6A and 6 of Schedule 3 to the Electricity Supply (NI) Order 1972 as amended by the Telecommunications (Street Works) (NI) Order 1984 concerning the giving of notice in respect of Emergency Works or Urgent Works, the Licensee shall provide, in addition to the information contained in any such notice, a reasonable estimate of the date by which the Emergency Works or the Urgent Works are expected to be completed and a statement of the grounds for the need to execute those Emergency Works or Urgent Works, as the case may be.

PUBLIC EVENTS AND CONSTRUCTION SITES

17.1 Where the Licensee is to provide telecommunication services for a limited period at the site of a public event or a construction site, it may install overhead Lines and associated poles to provide that service notwithstanding Conditions 2, 4, 5, 6 and 7, provided that the Lines or poles are removed within a reasonable period after the end of the event or after the work at the construction site is complete.

EMERGENCY ORGANISATIONS

18.1 Where the Licensee is to provide any telecommunication service for a limited period to an Emergency Organisation in an Emergency it may, notwithstanding Conditions 2, 4, 5, 6, 7, 8 and 10, install overhead Lines and associated poles for the purposes of providing such services as are made necessary by the Emergency provided that any such Line or pole is removed within a reasonable period after such services cease to be required.

PUBLIC INSPECTION OF CODE RELATED LICENCE CONDITIONS

19.1 The Licensee shall place a copy of this Schedule and of every direction given to the Licensee under section 10(4) of the Act in a publicly accessible part of every Major Office of the Licensee in such a manner and in such a place that it is readily available for inspection free of charge by the general public during such hours as the Secretary of State may by order prescribe under section 19(4) of the Act for the register of licences and orders to be open for public inspection or in the absence of any such order having been made by the Secretary of State, during normal office hours.

Price £16

Copies of this licence are available from OFTEL Library, 50 Ludgate Hill, London EC4M 7JJ (telephone 071 634 8764).

Issued by the Department of Trade and Industry

MO 089601

3/1048/1/149

SECTION 12 TELECOMMUNICATIONS ACT 1984

MODIFICATIONS OF THE CONDITIONS OF THE LICENCE OF TELECOM SECURICOR CELLULAR RADIO LIMITED

Whereas the Secretary of State granted to Telecom Securicor Cellular Radio Limited on 22 March 1994 a licence ("the Licence") under section 7 of the Telecommunications Act 1984 ("the telecommunication systems specified in the Licence;

Whereas the Director General of Telecommunications ("the Director"), in accordance with section 12 of the Act, published, on 26 April 1996 a notice ("the "Notice") stating that he proposed to make the modifications specified in the Notice and setting out their effect, stating the reasons why he proposed to make the modifications and specifying that representations and objections to the proposed modifications could be made no later than 29 May 1996;

Whereas the Director has considered those representations and objections which have been duly made and not withdrawn;

Whereas a copy of the Notice has been sent to the Licensee and the Licensee has consented to the making of the modifications;

Whereas a copy of the Notice has been sent by the Director to the Secretary of State who has not directed the Director not to make any of the modifications;

Therefore the Director, in exercise of the powers conferred on him by section 12 of the Act, makes the modifications to the Conditions in Schedule 1 to the Licence which are set out in the attached Annex.

The Interpretation Act 1978 shall apply to this instrument as though it were an Act of Parliament

DIRECTOR GENERAL OF
TELECOMMUNICATIONS

6 AUGUST 1996

ANNEX

In Part 3 of Schedule 1, insert the following Condition in place of existing Condition 21:-

"PUBLIC CALL BOXES

21.1 At any Public Call Box at which the Licensee provides Call Box Services or permits Call Box Services to be provided the Licensee shall secure that such services shall comprise all Call Box Services and shall take all reasonable steps to secure that such services shall continue to be provided until such time as such services cease to be provided in accordance with Condition 17.4.

21.2 The Licensee shall install and take all reasonable steps to keep installed in all Public Call Boxes at which it provides or secures the provision of Call Box Services apparatus enabling persons using hearing aids designed for use in conjunction with Telephones of the kind installed in Public Call Boxes to use such hearing aids when voice telephony services are provided at Public Call Boxes.

21.3 The Licensee shall display and take all reasonable steps to keep displayed prominently in or on all Public Call Boxes at which it provides or secures the provision of Call Box Services a notice specifying in relation to those services

(i) the minimum charge payable for the connection of a call;

(ii) the means by which the charge may be paid by reference to the particular coins and any other means of payment by credit card or otherwise;

(iii) the amount of the charge payable in respect of Messages conveyed within the United Kingdom by reference to the duration of the call, the distance over which the Message is conveyed and the time or day when the call is made;

(iv) the location of the Public Call Box sufficient to enable it to be located as swiftly as practicable by the Emergency Organisations;

(v) that the Licensee or other person whose name, address and telephone number in either case is specified in the notice will deal with any complaint which is made to them;

(vi) that Public Emergency Call Services are available at the Public Call Box without incurring any charge;

(vii) whether or not the services include the connection of calls to the Public Call Box where the call has not been initiated in the Public Call Box.

21.4 The Licensee shall be entitled to cease to provide or to secure the provision of all (but not some) of the Call Box Services provided at a Public Call Box only if it has displayed prominently in or on that Public Call Box and has taken all reasonable steps to keep so displayed for the period mentioned below a notice specifying -

(i) that the Licensee is proposing to cease to provide such services there on the expiration of the period mentioned in the notice not being less than 42 days commencing with the day on which the notice is first displayed, and

(ii) the name and address of the Licensee,

and such period has expired."

In Part 1 of Schedule 1 delete the following definitions:-

"Minimum Figure"
"Prepayment Apparatus"
"Relevant Consumer Body"
"Relevant Local Authority"
"Revenue"

LICENCE GRANTED UNDER SECTION 7 OF THE TELECOMMUNICATIONS ACT 1984

LICENCE GRANTED TO TELECOM SECURICOR CELLULAR RADIO LTD

MODIFICATIONS, REVOCATIONS, CONSENTS, DETERMINATIONS, ORDERS AND DIRECTIONS MADE BY THE DIRECTOR GENERAL OF OFTEL.

SP 03/94
ISRD/12
DI 059401
ISRD 26
SP1094
DE109407(SNS)
DE SP 02/95
ISRS 0895
ISRD 27

3/1048/1/149

SP/CSR 4/12

DESIGNATION BY THE SECRETARY OF STATE FOR THE PURPOSES OF THE LICENCE GRANTED TO TELECOM SECURICOR CELLULAR RADIO LIMITED ON 22 MARCH 1994

The Secretary of State under paragraph 3(c) of Schedule 3 to the Licence granted to Telecom Securicor Cellular Radio Limited on 22 March 1994 (the "Licence") hereby designates for the purposes of the Licence the following countries:

Australia
Canada
Sweden

In this designation words and phrases shall have the same meaning as in the Licence.

L Beech

L Beech (Miss)
For the Secretary of State

30 March 1994

SP0394001
3/1048/1/L49

SPECIFICATION BY THE SECRETARY OF STATE FOR THE PURPOSES OF THE LICENCE GRANTED TO TELECOM SECURICOR CELLULAR RADIO LIMITED ON 22 MARCH 1994

The Secretary of State under paragraph 3(d) of Schedule 3 to the Licence granted to Telecom Securicor Cellular Radio Limited on 22 March 1994 (the "Licence") hereby specifies for the purposes of the Licence the following description of International Simple Data Resale Services which may be provided by means of the Applicable Systems:

International Simple Data Resale Services of all descriptions to and from the countries listed below:

Australia
Austria
Belgium
Canada
Denmark
Finland
France
Germany
Gibraltar
Greece
Iceland
Ireland
Italy
Luxembourg
Netherlands
Norway
Portugal
Spain
Sweden

In this specification words and phrases shall have the same meaning as in the Licence.

L Beech

L Beech (Miss)
For the Secretary of State

30 March 1994

3/1048/1/149
MO 11 97 01

SCHEDULE

Licence(s) to which the modifications relate

Persons to whom Licence granted	**Date**
TELECOM SECURICOR CELLULAR RADIO	22.03.94

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22-11-97

3/1048/1/149
NO 119701

MODIFICATIONS TO LICENCES GRANTED UNDER THE TELECOMMUNICATIONS ACT 1984

Whereas the Secretary of State granted to each of the persons specified in the attached Schedule ("the Licensee") on the date so specified a licence under section 7 of the Telecommunications Act 1984 ("the Act") for the running of the telecommunication systems specified in the licence;

Whereas the Director General of Telecommunications ("the Director"), in accordance with Section 12 of the Act, published on 27 June 1997 a notice ("the Notice") stating that he proposed to make the modifications specified in the Notice and setting out their effect, stating the reasons why he proposed to make the modifications and specifying that representations or objections with respect to the proposed modifications could be made no later than 28 July 1997;

Whereas the Director has considered those representations or objections to the modifications which have been duly made and not withdrawn;

Whereas a copy of the Notice has been sent to each Licensee and each has consented to the making of the modifications; and

Whereas a copy of the Notice has been sent by the Director to the Secretary of State and the Secretary of State has not directed the Director not to make any of the modifications;

Now therefore the Director, in exercise of the powers conferred on him by section 12 of the Act, hereby makes the following modifications to the Conditions in Schedule 1 to each licence which are set out in the attached Annex;

The Interpretation Act 1978 shall apply to this instrument as though it were an Act of Parliament.

S Chambers

SARAH CHAMBERS
a person authorised in that
behalf under paragraph 8 of
Schedule 1 to the Act

27 November 1997

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Annex

A DELETION OF CONDITIONS

The following conditions shall be deleted from the Licence:

* Condition 14 : Arbitration of disputes with customers

* Condition 24: Prohibition of linked sales

* Condition 25 : Prohibition of certain exclusive dealing arrangements

* Condition 28 : Prohibition of non-statutory testing requirements

* Condition 33: Pre-notification of joint venture

B INSERTION OF NEW CONDITION

The following condition shall be inserted into the licence in the appropriate place:

Condition 14

FAIR TRADING

14.1 The Licencee shall not do anything, whether by act or omission, which has or is intended to have or is likely to have the effect of preventing, restricting or distorting competition where such act or omission is done in the course of, as a result of or in connection with, providing telecommunication services, or any particular description of telecommunication service, or running a telecommunication system.

For the purpose of this Condition such an act or omission will take the form of:

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(a) any abuse by the Licensee, either alone or with other undertakings, of a dominant position within the United Kingdom or a substantial part of it. Such abuse may, in particular, consist in:

(i) directly or indirectly imposing unfair purchase or selling prices or other unfair trading conditions;

(ii) limiting production, markets or technical development to the prejudice of consumers;

(iii) applying dissimilar conditions to equivalent transactions with other parties, thereby placing them at a competitive disadvantage; or

(iv) making the conclusion of contracts subject to acceptance by the other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts; or

(b) the making (including the implementation) of any agreement, the compliance with any decision of any association of undertakings or the carrying on of any concerted practice with any other undertaking which has the object or effect of preventing, restricting or distorting competition within the United Kingdom.

14.2 (a) An act or omission of a kind described in paragraph 14.1 is not prohibited where:

(i) it has or would have no appreciable effect on competition; or

(ii) it has or would have no effect on competition between persons engaged in commercial activities connected with telecommunications and it would have no effect on users of telecommunication services.

(b) An act or omission of a kind described in paragraph 14.1(b) is not prohibited by

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this Condition if the agreement decision or concerted practice contributes to improving the provision of any goods or services or to promoting technical or economic progress, while allowing consumers a fair share of the resulting benefit and does not:

(i) impose on the parties concerned restrictions which are not indispensable to attaining those objectives; and

(ii) afford such parties the possibility of eliminating competition in respect of a substantial part of the goods or services in question.

(c) This Condition shall not apply to any provision of an agreement insofar as it is a provision by virtue of which the Restrictive Trade Practices Act 1976 applies to that agreement.

(d) This Condition shall not apply to a merger situation qualifying for investigation under the Fair Trading Act 1973.

14.3 Whether any act or omission is prohibited by this Condition shall be determined:

(a) with a view to securing that there is no inconsistency with the general principles having application to similar questions of directly applicable competition law, in particular those laid down by the Court of Justice of the European Communities on the scope of the competition rules contained in the EC Treaty and block exemptions adopted by the European Commission under Article 85(3); and

(b) having to regard to:-

(i) any decision taken, or notice issued, by the European Commission in applying the competition rules contained in the EC Treaty and any relevant pronouncement of the Director General of Fair Trading or report of the Monopolies and Mergers Commission; and

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(ii) any guidelines on the application of this Condition from time to time by the Director.

14.4 (a) If it appears to the Director that an act or omission of the Licensee is or was prohibited by this Condition he may make an initial determination to that effect (an "Initial Determination").

(b) Before making an Initial Determination the Director shall give a notice to the Licensee:

(i) stating that he is investigating a possible contravention of this Condition;

(ii) setting out the reasons why it appears to him that this Condition may be being, or may have been, breached, including any matters of fact or law which he thinks relevant;

(iii) requesting within a reasonable period laid down by the Director such further information as he may require from the Licensee in order to complete his Determination; and

(iv) where appropriate, setting out the steps he believes the Licensee would have to take in order to remedy the alleged breach.

14.5 (a) Within 28 days of the Director:

(i) making an Initial Determination;

(ii) making a provisional order; or

(iii) giving notice of his proposal to make a final order under section 17(1) of the Act;

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in respect of the contravention in question, the Licensee may notify the Director that it:-

(iv) requires him to make a final determination (a "Final Determination") of the matter;

(v) requires that in making the Final Determination he take into account a report of a body of experts appointed by him to consider the matter ("the Advisory Body").

(b) Before making a Final Determination the Director shall:-

(i) give a notice to the Licensee setting out the matters referred to in paragraph 14.4(b); and

(ii) if the Licensee has given notice under sub-paragraph (a) (v) above; take into account the report of the Advisory Body on the matter.

(c) The Director shall then determine whether he is satisfied that the act or omission in respect of which the Initial Determination was made is or was prohibited by this Condition.

14.6 (a) Before making his Initial Determination or Final Determination the Director shall give the Licensee, and any other person whom he considers it appropriate to consult, such period within which to make representations (both orally and in writing) in response to the notice as he considers reasonable in all the circumstances.

(b) The Director shall notify the Licensee and any other person whom he considers it appropriate to notify of every Initial Determination and Final Determination made by him and of his reasons for making it; and he shall, if so requested by the Licensee, publish any report of the Advisory Body on the matter, subject to such

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exclusions as he may consider it appropriate to make of matters of a kind mentioned in section 47(2) of the Act.

14.7 The Director shall publish a description of his office's procedure for the enforcement of this Condition including the steps taken to ensure that he has access to appropriate independent advice in enforcing this Condition.

14.8 This Condition shall not limit or affect in any way the Licensee's obligations arising under any other Condition of this Licence nor limit the Director's powers of enforcement under sections 16 to 18 of the Act.

14.9 (a) On the coming into force of any Act or subordinate legislation which:-

(i) contains a prohibition enforceable by the Director, or gives to the Director the power to enforce an existing prohibition, of any behaviour prohibited under paragraph 14.1;

(ii) gives to third parties in respect of a breach of that prohibition at least the rights they have under section 17 of the Act in respect of a breach of a provisional or final order; and

(iii) permits the imposition on the Licensee of monetary penalties in respect of the breach of that prohibition

this Condition shall cease to apply to the behaviour prohibited by or the prohibition enforceable by such Act or subordinate legislation.

(b) If this Condition still has effect on 31st July 2001, it shall cease to have effect after that date.

14.10 The prohibition in paragraph 14.1(b) shall not apply to acts or omissions done prior to the expiry of three months from the date of incorporation of this Condition into this Licence

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in pursuance of agreements entered into before the date of incorporation of this Condition into the Licence.

C CONSEQUENTIAL AMENDMENTS

References to Condition 14 (Fair Trading) shall be included in the appropriate place in the list of conditions in Condition 41 (Exceptions and Limitations) as being a condition to which Condition 41 does not apply.

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27-11-97