



NMHH

Nemzeti Média- és Hírközlési Hatóság

DOCUMENTATION OF THE
AUCTION PROCEDURE
ANNOUNCED FOR FREQUENCY
USE ENTITLEMENTS RELATED TO
WIRELESS BROADBAND
SERVICES SPECIALLY
SUPPORTING THE
INTRODUCTION OF 5G

Published: 23 July 2019

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- (1) This document is the tender documentation (hereinafter: **Documentation**) of the auction procedure for entitlement to frequency use related to the broadband services available on the 700 MHz, 2100 MHz, 2600 MHz and 3600 MHz frequency bands (hereinafter: **Auction** or **auction procedure**) issued by the Office of the National Media and Infocommunications Authority (1015 Budapest, Ostrom u. 23–25., hereinafter: **Auctioneer**) specifying the detailed rules of the Auction and the application process thereof.

1 Fundamental provisions

1.1 Abbreviations of legislation

- (2) This Documentation uses the following abbreviations of legal acts.

| Abbreviation of the legislation | Title of the legislation |
|--|---|
| GPAP Act | Act CL of 2016 on General Public Administration Procedures |
| ANFT | NMHH Decree 3/2011(IX.26.) on the National Allocation Plan of electronic communications network identifiers |
| Ápszr. | NMHH Decree 4/2011 (X. 6.) on the rules of auction or tender for obtaining frequency use entitlements |
| Fee Decree | NMHH Decree 1/2011 (III. 31.) on frequency reservation and usage fees |
| Electronic Communications Act | Act C of 2003 on electronic communications |
| Electronic Administration and Trust Services Act | Act CCXXII of 2015 on the General Rules for Electronic Administration and Trust Services. |
| Credit Institutions Act | Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises |
| CCP Act | Act I of 2017 on the Code of Administrative Court Procedure |

| Abbreviation of the legislation | Title of the legislation |
|--------------------------------------|--|
| NFFF | NMHH decree 7/2015 (XI.13.) on the national frequency allocation and on the rules of using frequency bands |
| National Assets Act | Act CXCVI of 2011 on National Assets |
| Decree on civil frequency management | NMHH Decree 7/2012 (I. 26.) on certain administrative procedures of civilian spectrum management |
| Civil Code | Act V of 2013 on the Civil Code |
| Secondary Trading Decree | NMHH Decree 7/2013 (IX. 19.) on the secondary trading of radio frequencies |
| Competition Act | Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices |

1.2 Definitions

(3) In the application of the Documentation:

| Term | Definition |
|------------------------|--|
| Offer | Bidding Sheet(s) as shown in Annex 4 of this Documentation, performance guarantee, and procedural grantee, together. |
| theoretical user block | A continuous frequency band section created from the total amount of lots in the frequency range acquired by the participant within the current auction procedure, the position of which is not defined within the frequency band. |

| Term | Definition |
|---|--|
| lot | A separate, theoretical frequency range within the frequency bands defined in Section (25) and created from the basic blocks as per the NFFF, for which Initial bids can be made. |
| economic entity | An economic entity as defined in Act CXXX of 2016 on the Code of Civil Procedure. |
| Authority | National Media and Infocommunications Authority |
| onsite bidding | A procedural act held by the Auctioneer with the personal participation of the participants, which will be held if, for some frequency band, the total number of lots to be acquired by the participants based on their valid Initial Bids exceeds the number of lots created and available for the specific frequency band. |
| control, direct and/or indirect control or control rights | Legal relationship as specified in the Competition Act |
| Application | The sum of the documents specified in Section (109). |
| affiliated undertaking | A concept defined in Act C of 2000 on Accounting. |
| Initial Bid | For each frequency band specified in Section (26), the number of lots selected by the applicant for the specific frequency band on the Bidding Sheet as per Annex 4 of the Documentation. |
| bid | The quantity of lots in the specific frequency band in the first three bidding stages of the onsite bidding that the participant wishes to obtain in a given bidding round of the onsite bidding. |
| Bidding Support System | The totality of hardware and software assets used by the Auctioneer to support onsite bidding. |

| Term | Definition |
|-----------------------|--|
| offered unit price | In the fourth bidding stage of the onsite bidding, the unit price offered by the Participants for a lot. |
| closing list | The document produced by the Auctioneer in the frequency band, including the number of lots obtained by the participants in the given frequency band and their prices. At the closing of the onsite bidding stages of each frequency band, the Auctioneer shall draw up a stage closing list, and in other the cases specified in the Documentation the final closing list. |
| majority influence | The provisions of Article 8:2 of the Civil Code shall apply to the concept and assessment of majority influence. |
| Malfunction | A permanent or temporary failure of the system supporting the bidding, or any other technical issue restricting or rendering impossible the intended use. |
| group of undertakings | <p>Enterprises, economic entities which</p> <ul style="list-style-type: none"> a) have majority influence in each other, or one has a majority influence in the other, or wherein the same third person or organization has a majority influence, b) are controlled by each other, or one has direct or indirect controlling rights over the other, or all are subject to the direct or indirect control of the same third person or organization, or c) qualify as related undertakings in the sense set down in the Act on Accounting; <p>In the case of undertakings or economic entities belonging to a single group of undertakings, the direct or indirect equity holdings or voting rights of close relatives as defined in the Civil Code shall be applied concurrently (aggregated).</p> |

- (4) All other terms used in the Documentation shall mean as defined elsewhere in the Documentation or in the absence of such definitions as defined in the relevant legislative provisions.

1.3 Legal background and detailed rules for the auction procedure

- (5) The auction procedure is an administrative case and an administrative proceedings within the Auctioneer's competence of authority. The auction procedure is subject to the applicable provisions of the Ápszr., the Electronic Communications Act, and the GPAP Act.
- (6) The Documentation defines the detailed rules of the auction procedure pursuant to Section 3 (3) of the Ápszr..
- (7) The Documentation shall apply in issues arising during the auction procedure.

1.4 Communications, representatives

1.4.1 General rules of communication and representation

- (8) Unless otherwise provided by the Documentation, the Auctioneer shall communicate in writing with the applicant/participant and, in the event of a representation with the representative, as stipulated in Section 26 (1) of the GPAP Act.
- (9) Pursuant to Section 9 of the Electronic Administration and Trust Services Act, the economic entity applicants/participants must use electronic means of communication (contact and administration) in the current procedure, except for those procedural actions where applicants/participants must be physically present.
- (10) The rules of representation are set out in Sections 13-14 of the GPAP Act.
- (11) For the sake of more efficient and faster communications, the Auctioneer may simultaneously send the documents dispatched via official means during the auction procedure also by email with unchanged content, provided that the applicant has provided an email address and has consented to the use of email for its communications. Any communication via email is void of any legal effect.
- (12) In order to ensure the efficiency and speed of communication, the Applicant shall name at least one representative with whom the Auctioneer may communicate directly (hereinafter: contact representative. To this end, Applicants shall, as part of the application for participation as per Section representative (111), identify their contact representative by name, personal ID, and contact details, such as phone number, telefax number, email, mailing address in Hungary. As part of the application for participation, the applicant must also expressly and irrevocably declare, without any legal reservation, that it accepts the fact that any communication via the contact representative as per Article 26 (1) of the GPAP Act shall qualify as legal effective notice for the applicant/participant.
- (13) Any changes in the identity or data of the contact person or the representative must be immediately, but no later than within 3 days, reported to the Auctioneer in writing.

1.4.2 Special rules of representation and communication at the onsite bidding

- (14) During onsite bidding, the Auctioneer shall communicate orally with the clients as per Article 26 (1) of the GPAP Act.
- (15) On the onsite bidding of a given frequency band, the Entitled participant shall be required to ensure continuous personal presence and representation in the onsite bidding as per Section (245).
- (16) At the onsite bidding of a particular frequency band, each participant may simultaneously have up to two (2), and must have at least 1 (one) representative present at the onsite bidding in the auction hall, each authorized to bid, and make individual statements related to the onsite bidding. All participants may have up to two further representatives present at the onsite bidding, but not inside the auction hall.
- (17) The legal consequences of failure to appear for the onsite bidding specified in Section (105) d) shall be accepted by the Applicant expressly, irrevocably and without any legal reservation in the declaration submitted as part of the application for participation as per Section (111).
- (18) Participants may be represented by different representatives at the onsite bidding of each frequency band, at each bidding day of a particular frequency band, and at different stages of the bidding as per the rules in Annex 5.
- (19) The representative shall provide proof of identification with a suitable document certifying their identity and right of representation at the onsite biddings.
 - a) In the case of legal representation, if the right of representation cannot be established from a public or statutory public register, the representative shall certify the right of representation by the original of the document, from which the right of representation of the representative may be established, and shall also submit a notarized specimen of signature or a specimen of signature countersigned by a lawyer or the chamber's legal advisor.
 - b) In the case of authorized representation, the representative shall, in addition to those in Section (a), present their power of attorney to bid at onsite biddings and make statements related to onsite biddings, and present the notarized specimen of signature of the person or persons signing the power of attorney, or their own specimen of signature countersigned by the lawyer or the chamber's legal adviser.
- (20) Additional rules of representation related to onsite bidding are included in Annex 5 of the Documentation.

1.5 Contact details of the Auctioneer

- (21) Contact details of the Auctioneer:

Address: 1015 Budapest, Ostrom u. 23-25.

Mailing address: 1525. Pf. 75.

Phone: +36 1 468 0579

Fax: +36 1 468 0682

E-mail: mfcn2019@nmhh.hu

Cégkapu (Company portal):

Short name of the Authority: NMHH

Full name of the Authority: National Media and Infocommunications Authority

KRID: 516334978

2 General provisions

2.1 Purpose of the Auction

- (22) The basic purpose of this auction procedure is to facilitate the development of Hungary's digital economy through the sale of frequency assets which can be used to provide new generation, so called 5G services as well.
- (23) Additional goals of the Auction:
- a) facilitating the deployment of networks supporting 5G services, promoting network developments, and improving coverage in a technologically neutral manner;
 - b) promoting the efficient use of the radio spectrum;
 - c) promoting innovation and business development, and
 - d) opening up the frequencies required for a significant increase in data transmission speeds, for low delays enabling real-time control and communication, for a drastic increase of networkable devices (sensors and other smart devices), and for a significant increase in the secure availability of services.
- (24) These goals are also required to meet the requirements of Article 54 of the European Electronic Communications Code¹ requiring EU Member States to take all necessary measures until 31 December 2020 to allow for the use of the frequency band 3400-3800 MHz facilitating the deployment of 5G. In addition, pursuant to Decision (EU) 2017/899 of the European Parliament and of the Council of 17 May 2017 on the use of the 470-790 MHz frequency band in the Union, Member States shall make available the 694-790 MHz frequency band for terrestrial systems capable of providing wireless broadband electronic communications services by 30 June 2020. Accordingly, this auction also serves the purpose of applying and implementing European Union rules for technological harmonization, and other legal acts of European Union coordinate timing of frequency assignments in Hungary in a timely manner.

¹ Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code (OJ L321, 17.12.2018, p. 36)

2.2 Scope of the Auction

(25) The scope of this auction procedure encompasses those portions of the following frequency bands

- a) 694–790 MHz frequency band (700 MHz frequency band)
- b) 1920–1980/2110–2170 MHz (2100 MHz frequency band)
- c) 2500–2690 MHz frequency band (2600 MHz frequency band) and
- d) 3400–3800 MHz frequency band (3600 MHz frequency band)

which the NFFF allows for allocation, but which have not been allocated for the purposes of the auction before the auction procedure has started, i.e. the following frequency ranges: 708–733/763–788 MHz, 1965–1980/2155–2170 MHz, 2600–2615 MHz and 3490–3800 MHz.

(26) The following table shows the quantity and amount of frequency of the lots in each frequency band:

| Name of frequency band | Number of lots | Frequency amounts available for sale | |
|------------------------|------------------------|--------------------------------------|---------|
| 700 MHz | 5 lots of 10 MHz each | 5x2x5 MHz | 50 MHz |
| 2100 MHz | 3 lots of 10 MHz each | 3x2x5 MHz | 30 MHz |
| 2600 MHz | 1 lot of 15 MHz | 1x15 MHz | 15 MHz |
| 3600 MHz | 31 lots of 10 MHz each | 31x10 MHz | 310 MHz |

2.2.1 Reserve price of lots

(27) Reserved price of lots by frequency band:

| Frequency Band | Reserve price (HUF) | |
|-----------------|---------------------|----------------------------------|
| | In numbers | In letters |
| 700 MHz | 5,000,000,000 | five billion |
| 2100 MHz | 4,000,000,000 | four billion |
| 2600 MHz | 1,000,000,000 | one billion |
| 3600 MHz | 1,500,000,000 | one billion five hundred million |

(28) Prices do not include VAT, and pursuant to Article 7 of Act CXXVII of 2007 on value added tax the full auction fee due is VAT-exempt due to the public authority activity nature of this auction procedure.

2.2.2 Restrictions on the acquisition of entitlements to frequency use

(29) Based on NFFF's provisions, the following quantitative limitations apply to frequency use entitlements available in the current auction procedure:

a) 700 MHz frequency band

In the auction procedure for the 700 MHz frequency band, one participant may obtain frequency use entitlements for up to 2 (two) lots, that is for 20 MHz.

Parties entitled for frequency use belonging to a single group of undertakings may only acquire a number of lots, so that entitlement holders within a single group of undertakings may not hold entitlements for more than a total a 2 (two) lots, that is for 20 MHz within the territorial scope of the frequency use entitlement.

b) 2100 MHz frequency band

In the auction procedure for the 2100 MHz frequency band, one participant may obtain frequency use entitlements for up to 3 (three) lots, that is for 30 MHz.

Those applicants holding existing frequency use rights within the 2100 MHz frequency band at the time the auction procedure is started may not end up possessing entitlements for more than 60 MHz in the relevant frequency range as the sum of their existing holdings and their newly acquired entitlements in the current auction procedure.

c) 2600 MHz frequency band

In the auction procedure for the 2600 MHz frequency band, one participant may obtain frequency use entitlements for up to 1 (one) lot, that is for 15 MHz.

d) 3600 MHz frequency band

In the auction procedure for the 3600 MHz frequency band one participant not holding existing frequency use rights at the time the auction procedure is started may obtain frequency use entitlements and rights for up to 14 (fourteen) lots, that is for 140 MHz (maximum acquisition limit) and must bid for no less than 2 (two) lots, that is 20 MHz, to be declared the winner of the auction (hereinafter: minimum acquisition limit).

Those participants holding existing frequency use entitlements within the 3600 MHz frequency band at the time the auction procedure is started, the sum of their existing holdings and the frequency bands for which they newly acquired frequency use rights for the relevant frequency range in the current auction procedure shall be taken into

account. The sum of their existing frequency use rights and their newly acquired entitlements in the current auction procedure may not exceed 140 MHz.

In the auction procedure for the 3600 MHz frequency band one participant holding existing frequency use rights at the time the auction procedure is started may bid for 1 (one) lot, that is 10 MHz.

Parties entitled for frequency use belonging to a single group of undertakings may only acquire a number of lots, so that entitlement to frequency use holders within a single group of undertakings may not hold entitlements for more than a total a 14 (fourteen) lots, that is for 140 MHz.

2.2.3 Duration of frequency use entitlement, and the initial date for the utilisation of the user blocks

- (30) Having fulfilled all other statutory conditions, the winning participant may legally install and, based on the framework licence, operate terrestrial systems capable of providing broadband electronic communications services, provided all legal requirements are met.
- (31) The terms and conditions for the use of frequency bands under this auction procedure are determined by the NFFF.
- (32) Rules for the transfer and lease of frequency use entitlements acquired as a result of the auction procedure are set down by the NFFF. Rules for the secondary trading of frequency use entitlements acquired as a result of the auction procedure are included in the Secondary Trading Decree.

2.2.3.1 *Duration of frequency use entitlements*

- (33) The duration of frequency use entitlements obtainable as a result of the procedure is 15 years from the acquisition of the exclusive rights described in Section 22 (2) of the Ápszr. This duration does not include the time during which the entitled party is unable to exercise their frequency use entitlements due to a measure stipulated by the CCP Act regarding the implementation of the decision under Section (308). The duration of the obtained frequency use entitlement shall be extended by the aforementioned duration, during which the entitled party was unable to take advantage of their frequency use entitlements.
- (34) The duration of frequency use entitlements may be extended once by an additional five (5) years without a comparative or competitive selection procedure, with unchanged contract terms and conditions and without the payment of an additional one-time fee as incorporated in a decision issued in closing this auction procedure.
- (35) The entitled party may individually request an extension of its frequency use rights by user blocks subject to the decision closing this auction procedure.
- (36) The request for extension may be submitted to the Auctioneer not later than 18 (eighteen) months before the expiry of the frequency usage right. In the event of failure to comply with the deadline, the extension shall be denied.

- (37) The Auctioneer shall make an official decision on the extension of the frequency use entitlements or the rejection of the application(s) for the extension of the entitlement(s) no earlier than 17 (seventeen) months, at the latest 12 (twelve) months prior to the expiration of the rights.
- (38) The Auctioneer does not extend frequency use right obtained in this auction procedure if:
- a) in respect of the given frequency band spectrum regulation resulting from any international commitment, or primary or secondary legal source of the European Union and relevant to spectrum regulation, or court decision excludes the extension of the rights;
 - b) During the duration of the entitlement to frequency use, until the authority decision specified in (37) has been concluded, the Auctioneer or the President concluded in its resolution that the entitled party or assignee has repeatedly violated the provisions set forth in the rules on electronic communications related to frequency use, or
 - c) The application for frequency use right has been submitted by the entitled party past the deadline specified in Section (36).

2.2.3.2 The date of the putting into operation of radio system operating in the user blocks created in the frequency bands being the subject of the Auction

- (39) The description of the rules on individual licence is included in Sections (325)–(330).
- (40) In the 700 MHz frequency band, the operation of the radio system will start on 6 September 2020 at the earliest. The usability of user block(s) for electronic communications services created in the 700 MHz frequency band is/are conditional upon the switch off the foreign terrestrial television broadcasting stations in the 700 MHz frequency band. For more details, please refer to Item 1.A.2. b) of Section 3 of Annex 1 of the Documentation.

2.2.3.3 Usage of the frequency bands obtained in the Auction

- (41) A description of the technical requirements related to spectrum management concerning the use of the frequency bands covered by this auction procedure is contained in Annex 1 of the Documentation.

2.3 Publication of the Notice

- (42) The auction procedure is launched ex officio on the date of publication of the Notice on the Auctioneer's website, on 18 July 2019.

2.4 Registration

- (43) The Documentation is also available to the public on the website of the Auctioneer at <http://nmhh.hu/> and can be downloaded in electronic format free of charge.
- (44) Only persons and entities officially registered as stipulated herein may submit written questions about the Documentation, as allowed for in Section 8. (1) of the Ápszr..

- (45) Registration is allowed from the date of publication of the Notice until the application deadline.
- (46) The joint condition of registration can be downloaded using the link on the Auctioneer's website, and the completed Data Sheet – with the exceptions stipulated in Section (9) – can be sent to the any contact details of the Auctioneer as per Section (21) along with the proof of payment of the registration fee. If any of these conditions are not met, the registration is invalid.
- (47) The Auctioneer shall register those registered in accordance with the conditions set out in this section and shall notify the registered parties of the fact of such registration. In case of incomplete or otherwise inadequate registration, the Auctioneer shall inform the initiator of the registration by identifying the deficiencies.

2.4.1 The amount and method of payment of the registration fee

- (48) The amount of the registration fee is HUF 100,000 + VAT, totaling HUF 127,000 (one hundred and twenty seven thousand Forints).
- (49) Wired the registration fee to the Auctioneer's account number 10032000-00300939-00000017 held at the Hungarian State Treasury, specifying "5G árverés regisztrációs díja" (registration fee for the 5G auction).
- (50) The Auctioneer shall also verify the crediting of the registration fee to its payments account specified herein based on its own records.
- (51) The Auctioneer will send the registered person, organisation and the person or organisation performing the registration an invoice for the registration fee paid.

2.5 Written enquiries

- (52) Registered entities may send written questions about the auction procedure to the Auctioneer as specified in Sections (43)–(47). Questions shall be sent to the Auctioneer's contact details specified in Section (21).
- (53) Questions about the Documentation submitted by those registered in writing up to the 10th day prior to the application deadline will be answered by the Auctioneer within 8 (eight) days so as to ensure that at least 2 (two) days from receiving the answer to the expiry of the application deadline are available. The Auctioneer may summarize frequently asked questions and answer them collectively. Prior to the application deadline, the Auctioneer will send all written questions raised by registered participants, as well as its answers, to all persons or entities having registered, without disclosing the identity of the party having raised the question. The Auctioneer shall send all the questions asked by applicants and all answers to every applicant, without specifying the name of the inquirers.
- (54) The answers distributed by the Auctioneer only serve informational purposes and, contrary to the Documentation, have no legal effect or legal binding force with regard to individual administrative case or in terms of the regulatory decisions.

2.6 Modification of the auction triggering documents

- (55) The Auctioneer is entitled to modify the Notice and Documentation so as to ensure an objective, transparent and non-discriminatory procedure pursuant to Section 6 of the Ápszt.
- (56) The Notice and the Documentation may be amended up to the 8th (eighth) day before the application deadline. The Documentation may be amended if the Auctioneer perceives that the Documentation calls for specification or supplementation based on a written enquiry made pursuant to Sections (52)–(54).
- (57) The Auctioneer will publish its amendments to the Notice as required by the rules on the publication of the Notice.
- (58) The Auctioneer will publish its amendments to the Documentation by posting them to its bulletin board or publishing them on its website; it will notify registered parties of the publication and contents of the amendments within 2 (two) days of the publication.
- (59) Amendments to the Notice and the Documentation enter into force upon their publication.
- (60) The publication date shall be the date of publication of the amendment to the Documentation on the Auctioneer's website.

2.7 Conditions of participation and conflict of interest

2.7.1 Conditions of participation

- (61) The following persons and economic entities may participate in the auction procedure:
 - a) those complying with the conditions set out in Section 9 of the Ápszt. and having paid the participation fee as required under Section (106);
 - b) those having no customs or social security contributions overdue for longer than 60 days or overdue taxes registered by the central tax authority, or any overdue payment obligations to separate state funds, except if the creditor has agreed to the payment of the debt at a subsequent date;
 - c) those not being the subject of proceedings for a declaration of bankruptcy, liquidation, winding-up, forced liquidation or any other dissolution proceedings;
 - d) those not having supervisory or frequency fee payment obligations towards the Auctioneer which are more than 30 days overdue (the Auctioneer verifies outstanding supervisory or frequency fee payment obligations based on its own records; the Applicant is not required to furnish proof);
 - e) those having declared in the document submitted as part of the Application, irrevocably and unconditionally acknowledging that the contents of the Documentation and the Notice are binding upon them;

- f) those who have not suspended their activities or whose activities have not been suspended;
- g) those who are (current or past) public officers, employees, consultants or proxies of the Auctioneer having participated in drafting the Documentation, or are close relatives of such persons;
- h) those who have no executive officers or owners holding a share of at least 25 (twenty-five) percent that are (current or past) public officers, employees, consultants or proxies of the Auctioneer having participated in drafting the Documentation, or are close relatives of such persons;
- i) natural persons or sole proprietors who have no prior conviction for any of the following crimes:
 - 1) crimes against public justice as defined in title VII of Chapter XV, heading VI, or economic crime defined in Chapter XVII of Act IV of 1978 on the Penal Code effective on 30 June 2013;
 - 2) corruption as defined in Chapter XXVII of Act C of 2012 on the Criminal Code, crimes against the safety of payments and stamps as defined in Chapter XXXVIII, crimes incurring a loss to the budget as defined in Chapter XXXIX, money laundering as defined in Chapter XL, crimes violating financial management as defined in Chapter XLI, crimes affecting the protection of consumers and the fairness of competition as defined in Chapter XLII or crimes of illicit data acquisition or crimes against information systems as defined in Chapter XLIII of the Penal Code;
- j) those that have no executive officers or owners holding a business share of at least 25 (twenty-five) percent banned from holding an executive office in an economic entity, or previously convicted for any of the crimes listed in Sections i);
- k) whose activities have not been restricted by a court in a binding decision pursuant to Article 5(1) and (2) of Act CIV of 2001 on Measures Applicable to Legal Entities under Criminal Law;
- l) those that were not excluded from a previous procedure, completed within three years prior to the application deadline, for the use of state assets for the submission of false data;
- m) those that qualify as transparent organizations pursuant to Section 3 (1) 1. of the National Assets Act; and
- n) those who have not been subject to final judicial or authoritative decision within 24 months prior to the initiation of the auction procedure establishing that they have violated prohibitions pertaining to the unlawful restriction of economic competition, the abuse of a dominant market position, or unlawful corporate mergers.

2.7.1.1 *Joint Application (consortium)*

- (62) Each Applicant can apply only independently for the auction procedure, and participate independently in the auction procedure; several persons or organizations may not submit an Application together, no consortium may participate in the auction procedure.

2.7.2 Conflict of Interest Rules

- (63) Persons and undertakings belonging to a single group may not take part in the auction procedure.

3 Detailed rules for the auction procedure

3.1 Fundamental principles of the auction procedure

- (64) When carrying out the auction procedure, the Auctioneer shall proceed in line with the legislations in force – in particular the stipulations set out in the Electronic Communications Act, the GPAP Act, the Ápsr.—, and with this Documentation, taking into consideration the criteria of objectiveness, transparency, non-discrimination and proportionality. In order to fulfil the fundamental principles and the objectives defined in the Electronic Communications Act, the GPAP Act, the Ápsr., the Auctioneer acts in line with the requirement of equal treatment.
- (65) The Auctioneer shall also take into account the criterion of cost-effectiveness, conducting the auction procedure in a manner that allows its fastest procedure, respecting the deadlines by the law and yielding a result.
- (66) Applicants/participants shall proceed in line with the principles of good faith and fairness in the auction procedure, and shall cooperate with the Auctioneer for the sake of the fast and successful conclusion of the procedure. Applicants/participants shall not conduct themselves in a manner aimed at deceiving the Auctioneer, shall not issue statements (including the Application) in the course of the auction procedure that contain fallacious (incorrect, false) facts and shall not conceal any data substantial from the perspective of the Auction in any of their statements (including the Application). Applicants/participants shall be liable for the adequacy, valid grounds, timeliness, credibility and truthfulness of the contents of their statements (including the Application) issued in the context of the auction procedure.
- (67) In the event of breach of the requirements set out under this section, if the Documentation does not establish any further legal consequences, the Auctioneer may impose a procedural fine on the applicant or participant.

3.2 Language of the procedure

- (68) The official language of the auction procedure shall be Hungarian. The language of the Documentation, Notice, and all communication between the applicants/participants and the Auctioneer pertaining to the Auction shall be Hungarian. Any document made available by the Auctioneer in another language is provided for informational purposes only.
- (69) If the applicant or participant submits any document in a language other than Hungarian, a certified translation shall be appended. In the event of any dispute, the Hungarian version shall prevail.

- (70) If necessary, public documents issued outside Hungary or private documents certified by a foreign court, public authority, notary or any other person bestowed with 'public trust' shall be verified.
- (71) If, due to an international agreement or the practice of reciprocity, having public documents issued abroad and private documents certified by a foreign court of law, public authority, notary or any other person bestowed with 'public trust' and submitted as part of its Application, furnished with diplomatic legalization by the Hungarian mission authority to the country of issuance is not necessary, all documents affected shall be submitted with ample documented evidence separately confirming the legality of abolishing legalization. The Auctioneer may request further documents, certificates or declarations, rectification or issuance of declarations from the applicant/participant as proof of compliance with the requirements of this section.

3.3 Hierarchy of the auction triggering documents

- (72) The auction trigger includes the Notice published about the auction procedure, this Documentation and its annexes specifying the detailed conditions and provisions of the auction, and any amendments to the Documentation or the Notice.
- (73) In the event of any discrepancy between the documents constituting the auction trigger, the prevailing order among the documents shall be the following: amendment to the Documentation, this Documentation, amendment to the Notice and the Notice.

3.4 Secrets protected under the law and the protection of personal data

- (74) During the auction procedure – in particular when allowing access to the documents, during the announcement of the decision and its publication – the Auctioneer shall ensure the protection of personal data, and the secrets and data protected by the law.
- (75) Pursuant to Section 33 (2) of the Electronic Communications Act, the applicant/participant may designate the range of data they deem necessary to be treated as restricted data, with due heed to the protection of the secrets protected under the law, in particular trade secrets or other equitable interests as well as any significant considerations related to electronic communications policy or to the state of competition on electronic communications market, except for data that is public for general public interests and data that may not be classified as restricted data under the law as defined in relevant legislation. In this case the applicant/participant shall also prepare a document version that does not contain the data defined above. (In the case of application, an unclassified application for participation as per Section (112).)
- (76) Any data, document, information or notification delivered to the Auctioneer by the applicant/participant in the context of the auction procedure shall be deemed to be a trade secret if qualified as such by the applicant/participant in line with relevant legislation.
- (77) The Bidding Sheet and the bid and unit price made during the onsite bidding as specified in Section (221)–(228) may not be classified as secret protected under the law or protected for other reason. The Auctioneer may publicly disclose this information to the extent

required for conducting the auction procedure and meet statutory requirements in the cases specified in this Documentation.

- (78) In submitting the application, the Applicant shall furnish, as part of the application, a written declaration acknowledging, irrevocably and unreservedly, that, until the administrative procedure is substantially concluded, the applicant, in the course of viewing the documents, may not have access to the Offer of any other Applicant/Participant, or the notarized deed of the opening and content of the Offer of any other Applicant/Participant, pursuant to Section 33. (2a) of the Electronic Communications Act.
- (79) Applicants acknowledge that the Auctioneer shall treat the entirety of the Application submitted by them, the annexes and amendments thereto, the portions submitted in the context of rectification and the written questions submitted to the Auctioneer in compliance with the Electronic Communications Act – in particular Sections 27 and 33 thereof –, and with the other relevant legislation governing the handling of data. Accordingly, the Auctioneer, the Auctioneer's officers, employees, authorized parties, experts and organizations and persons acting on their behalf, as well as other persons or bodies authorized by legislation may access data, information and documents protected under the law without the consent of the Applicant, in keeping with the rules governing the protection of trade secrets.
- (80) The Auctioneer, the Auctioneer's officers, employees, authorized parties, experts and organizations and persons acting on their behalf, as well as applicants shall preserve secrets protected under the law and ensure that no unauthorized persons gain access to them.
- (81) Data, information and documents containing secrets protected under the law shall be strictly used by the Auctioneer, the Auctioneer's officers, employees, authorised parties, experts and organisations and persons acting on their behalf, as well as Applicants/Participants for the purpose of performing their obligations related to the auction procedure defined in legislation or in the Documentation.
- (82) Applicants/Participants shall inform their employees, colleagues, authorized parties, performance assistants and all other cooperating entities involved in the Application about the confidential nature and scope of the data, information and documents handled confidentially, and shall oblige them to observe their obligations regarding the protection of data. Applicants/participants shall be held liable for the conduct of their contractors and assistant.
- (83) At the Auctioneer's special request regarding the publicity of data of public interest, the applicant/participant shall clearly specify, supported by justification, which data among those protected under the law would entail disproportionate harm to the applicant/participant's business interests in the event of disclosure or publication.
- (84) The decision concluding the tender procedure may be freely viewed with the exception of personal data, secrets protected by the law and protected data, and the Auctioneer is obliged to make the decision public.

3.5 Special data management rules for onsite bidding

- (85) The Auctioneer prepares audio and video recordings of the bidding as per Annex 5.
- (86) The purpose of making video and audio recordings is to make sure that this auction procedure is objective, transparent, and non-discriminatory, as required in Section 55 (3) of the Electronic Communications Act and to fully safeguard the security, traceability, and controllability of the onsite bidding, and to record the procedural actions.
- (87) The Auctioneer preserves the video and audio recordings until the final closing of the auction procedure, or, if a public administration lawsuit is filed against the decision closing the auction procedure, until the end of that lawsuit, and/or until required for a repeated procedure, pursuant to the applicable provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), and of Act CXII of 2011 on the Right of Informational Self-Determination and on Freedom of Information.
- (88) The data processing information published by the Auctioneer shall also apply to the auction procedure based on the legislation pertaining to data processing.

3.6 Copyrights

- (89) The Applicant hereby acknowledges that the Auctioneer shall acquire non-exclusive usage rights free of charge for the entire duration of the copyright period, for the complete Application submitted – including the information contained therein – whether in its entirety or in parts, as well as any other material, submission or question submitted to the Auctioneer in the context of the application or the auction procedure (hereinafter jointly, for the purposes of this Section: other submissions). This right – subject to the rules on the protection of secrets protected under the law and pertaining to data of public interest – extends to the use of the Applications and other submissions submitted by the applicant related to this auction procedure, in particular their hard copy or electronic reproduction and their use in the work material prepared by the Auctioneer on the application and the auction procedure.

3.7 The applicant's or participant's responsibility in respect of the Auction

- (90) In the course of application for participation, the applicant shall submit an unambiguous declaration stating its intent to participate in the auction procedure, in accordance with Section (111) (a).
- (91) The applicant shall be responsible for studying and interpreting the Documentation, including its annexes. The Applicant/Participant shall assume the risk of being denied registration in the auction register by the Auctioneer or its Application or pertaining Offer being pronounced invalid in case of its failure to fulfil the formal or substantive

requirements defined in the relevant legislation or the Documentation or some other legal consequences recorded in the Documentation are identified.

- (92) The applicant shall be responsible for assessing the domestic electronic communications market and the legislative environment governing electronic telecommunication activities – including the relevant standards and other normative requirements – and any related risks, for keeping abreast of changes, and for complying with current regulations. The Auctioneer assumes no responsibility for any disadvantage affecting the applicant/participant in connection with its failure to adequately assess the domestic electronic communications market and the legislative environment governing electronic telecommunication activities during or following the Auction.
- (93) The applicant/participant shall bear all costs of preparing and submitting the Application. Reimbursement of the participation fee may only be possible in the cases defined in Section 7 (3) of the Ápszr.; in all other cases the Applicant/Participant may not reclaim its costs related to the Auction from the Auctioneer, its authorised party, cooperating entity or any other state or public authority or authority on any grounds, irrespective of the Auction's outcome.
- (94) Applicants/participants shall refrain from any conduct that may impact the outcome of the auction in any form or unfairly influence the decision of another applicant/participant, thus, in particular, from any form of collusion both during and outside the onsite bidding and from making any declarations, statements, or implications – especially in public (through the press, electronic media, online websites or forums) – that may impact
- a) the value of the obtainable frequency use entitlement,
 - b) the conditions of participation in the Auction, and/or the contents of the Application, or
 - c) the business plans related to the obtained entitlement.

If the above conduct is perpetrated by a person or an organization other than the applicant/participant, the Auctioneer shall assess the degree of responsibility borne by the affected applicant/participant for the statement or conduct, and may request the submission of relevant data.

- (95) In the event of any doubt regarding the regularity of the auction procedure, the Auctioneer may seek the opinion of the Hungarian Competition Authority (GVH, hereinafter: Competition Authority), primarily to assess the restricting effect of any misconduct on competition and to evaluate the damage caused. The above shall not restrict the Competition Authority's competence to conduct competition surveillance procedures pursuant to relevant legislation, irrespective of the contents of the Documentation. In order to ensure the fairness of competition and the bidding process, the representative of the Competition Authority continuously monitors the onsite bidding.
- (96) If it is established in a final administrative or court decision that the entitlement to frequency use at issue was obtained based on an unlawful agreement (hereinafter referred to as a **cartel agreement** in the context of this Section) as per Article 11 of the Competition Act, or it is established in a final or binding administrative or court decision following the successful conclusion of the Auction that the applicant/participant had concluded a cartel agreement that also impacted its participation in this Auction, the Auctioneer shall revoke the entitlement to frequency use affected by the cartel agreement. The entitled party's

entitlement to frequency use shall be automatically terminated with immediate effect on the day the resolution declaring revocation with immediate effect becoming final or enforceable.

3.8 Auction committee

- (97) In the auction procedure, the Auctioneer will not establish an auction committee as defined in Section 15 (1) of the Ápszr..

3.9 Supervision of compliance with the conditions of the Auction

- (98) The applicant/participant shall comply with the conditions of Participation and the formal and substantive validity requirements defined in the Documentation from the time of submission of its Application throughout the entire duration of the auction procedure.
- (99) If the Applicant/Participant fails to comply with any of the of participation and conflict of interest conditions for any reason during the auction procedure, it shall immediately notify the Auctioneer thereof. Changes, modifications or reassignments regarding the identity of the applicant/participant that would affect the formal validity of Participation are not permitted following submission of the Application. Applicants and Participants must promptly report any actual or foreseeable changes affecting their Application to the Auctioneer, and must resubmit any documents of the Documentation affected by said changes, in an identical format to the original submissions. Reporting any such changes shall not be deemed a modification of the Application as defined in Section (162).

3.10 Legal consequences of unlawful conduct by the applicant/participant

- (100) The applicant/participant shall comply with the procedural rules and regulations set out in the Documentation and in legislation, in particular in the Ápszr. (hereinafter, in this Section, as: **procedural law obligations**).
- (101) In case of violation of the procedural obligations, the Auctioneer may impose a procedural penalty in accordance with Section 38 of the Electronic Communications Act, or apply the legal consequences of the formal invalidity of the Application in the cases specified in the Documentation, and the Auctioneer shall also enforce the procedural guarantee in cases specified in Sections (104)–(105).
- (102) If the breach of procedural law obligations entails, in addition to the legal consequences identified in this Section, a fine or legal consequence or indemnification or other civil or criminal liability, the legal consequences applied pursuant to the Documentation or the provisions of the Ápszr. will not exempt the applicant/participant from other legal consequences arising out of their behaviour, and imposing a fine or exercising a procedural security does not affect the right of the Auctioneer to apply other legal consequences.

- (103) Besides imposing the procedural fine set out under Section 38 of the Electronic Communications Act, the Auctioneer shall apply the legal consequences of formal invalidity (that is the Application is deemed invalid in terms of format under Section (110) if:
- a) it is established in a binding court judgement – or such judgement is not excluded by the lack of substantiation —, that the criminal conduct by the applicant/participant or its officer, employee, worker, agent or expert has misled the Auctioneer and such conduct has, in the opinion of the Auctioneer, affected the outcome of the auction procedure in earnest or has the potential to do so;
 - b) a final regulatory decision establishes that the Auctioneer has been misled by the unlawful conduct of the Applicant/Participant, and this conduct influences the results of the merits of the auction procedure or is suitable for that purpose, or
 - c) the applicant/participant violated the provisions in Section (66).

3.10.1 Exercising procedural guarantee

- (104) The procedural guarantee may be proportionately exercised immediately by the Auctioneer upon the applicant's/participant failing to pay on time the procedural fine levied against it by the Auctioneer. The Auctioneer shall be entitled to the sum of any exercised procedural guarantee.
- (105) The Auctioneer may exercise the procedural guarantee of Section (104) in the following cases and to the following amounts:
- a) if the specific Applicant withdraws its Initial Bid submitted on a Bidding Sheet relevant to any frequency band before being registered as per Section (199) and despite the provisions of Section (128), the Auctioneer shall immediately enforce the amount equal to 5% of the procedural guarantee for the frequency band affected by the withdrawn Initial Bid as per Section (134):
 - b) if, in accordance with Section (216), no onsite bidding is conducted for the specific frequency band, and the participant withdraws its Initial Bid submitted on the Bidding Sheet for the specific frequency band after being registered for the auction as per Section (199) and prior to the communication of the order as per Section (219) and despite the provisions of Section (128), the Auctioneer shall immediately enforce the amount equal to 25% of the procedural guarantee as per Section (134) relevant to the frequency band affected by the withdrawn Initial Bid;
 - c) if, in accordance with Section (218), an onsite bidding is conducted for the specific frequency band, and the participant in question withdraws its Initial Bid or any of its bid for a lot in the specific frequency band after being registered for the auction and prior to closing the onsite bidding as per Section (199) and despite the provisions of Section (128), the Auctioneer shall immediately enforce the amount equal to 25% of the procedural guarantee as per Section (134) relevant to the frequency band affected by the withdrawn Initial Bid or bid;
 - d) the Auctioneer shall immediately enforce the amount equal to 25% of the procedural guarantee as per Section (134) for the frequency band subject to onsite bidding, if the Participant's Initial Bid or Bid is considered invalid for the Initial Bid as well for the following reasons set out in the Documentation:

- 1) based on the provisions of Section 1.9 of Annex 5, the Participant's registration was unsuccessful at the onsite bidding;
- 2) the participant or its representative must leave the venue of the onsite bidding and than Participant's registration was unsuccessful at the onsite bidding based on Section 1.17 of Annex 5,
- 3) the participant, or its representative left the venue of the onsite bidding contrary to the procedural rules in Annex 5 before the bidding is closed and than Participant's registration was unsuccessful at the onsite bidding based on Section 2.19. of Annex 5, or
- 4) the Auctioneer expelled the participant or its representative as per Sections 2.15 or 2.16 of Annex 5 and than Participant's registration was unsuccessful at the onsite bidding based on Section 2.19. of Annex 5 , or

and as a result of any case under Sections (1)–(4), the personal presence or representation of the participant at the onsite bidding is not provided for or ceases.

3.11 Participation fee and conditions of payment

- (106) Applicants to the auction procedure shall pay, via an irrevocable transfer, a participation fee of HUF 100,000,000 (one hundred million Hungarian forints) + VAT, totaling HUF 127,000,000 (one hundred and twenty seven million Hungarian forints) to the Auctioneer's account number 10032000-00300939-00000017 held at the Hungarian State Treasury. Specify "5G árverés részvételi díj" (Participation fee for the 5G auction) in the transfer's comment section.
- (107) The Auctioneer will issue an invoice to the relevant entity's name and address after payment of the participation fee is received.
- (108) The participation fee will be refunded by the Auctioneer in the case specified in Section 7 (3) of the Ápszr..

3.12 Content of Application

- (109) The Application submitted in the manner, at the place and by the time specified in Sections (166)–(177) shall include:
- a) the Application for participation specified in Section (111) and, if necessary, Sections (112)–(116) Unclassified application for participation; and
 - b) the Offer placed in a sealed envelope (package) (Bidding Sheet or sheets, performance guarantee, and procedural guarantee, for each frequency band) as per Sections (118).
- (110) Applications shall furthermore be formally invalid if
- a) the participation fee was not paid by the applicant on time;
 - b) the Application was not submitted at the deadline, place, in the form and manner defined in the Notice or the Documentation;

- c) from the time of submission of its application and for the duration of the remaining period of the auction procedure, the Applicant does not comply with the personal (participation) conditions in Sections (61) a)–d) and f)–n);
- d) the applicant does not meet the conflict of interest conditions defined in Sections (62) –(63) from the time of submission of its Application throughout the entire duration of the auction procedure;
- e) The Application does not include the Application for participation or the Offer;
- f) the document, declaration or deed submitted as part of the application for participation does not meet formal requirements or feature the accessories defined in Section (117) b)–e) even after the rectification of the deficiencies as per Sections (212)–(214);
- g) in spite of rectification as per Sections (212)–(214) the Applicant not properly or did not submit every documents, deeds or declarations required by the GPAP Act, the Ápszr. or the Documentation, or
- h) in other cases as specified in Section (103).

3.13 Application for participation

- (111) In order to apply for the auction procedure, Applicants shall submit the following deeds, documents and statements in accordance with the formal requirements set out under Section (117) b). The applicant is not obliged to submit a deed or document which is accessible from public or legal publicly registered records. Declarations may be submitted jointly.
- a) The applicant's statement on its clear intent to participate in the Auction and includes the provisions of Section (17) and also acknowledging that the contents of the Documentation and the Notice are irrevocably binding upon it/them, with no legal reservations or restrictions.
 - b) Any of the following documents suitable for identification of the applicant:
 - 1) certificate of incorporation or certificate issued by a competent foreign authority not more than 30 (thirty) days prior to the Application deadline, showing the fact and date of incorporation, the amount of capital registered, the names of the company's owners and the names of the persons authorized to sign on behalf of the company;
 - 2) in case of other organizations, a resolution, authority certificate or any other document officially certifying the registration and the articles of association consolidated with later amendments and effective at the launch of the auction procedure, any other deed of foundation, or a copy thereof certified by a notary no more than thirty (30) days prior to the Application deadline, or;
 - 3) in case of application by sole entrepreneurs, a proof of registration (the certified copy of their sole entrepreneur's licence or official document).
 - c) The documents certifying the ownership composition of the applicant (such as the deed of foundation, articles of association, bylaws, share ledger, certificate of incorporation or company certificate) and the documents, deeds or data showing which third parties belong to the same corporate group as the applicant, as well as the

natural persons and economic entities that hold a majority and/or decisive influence in the applicant economic entity, those economic entities in which the applicant holds a majority and/or decisive influence, and those economic entities where the applicant has a controlling and/or affiliated undertaking relationship.

- d) Compliance with Section (61) Item m) can be certified by way of a declaration made by the Applicant stating whether it qualifies as a transparent organisation according Section 3 (1) 1) of the National Assets Act. Should any suspicion of doubt concerning the statements on compliance with Section (61) Item m) arise, the Auctioneer may request further documents, certificates or declarations, rectification or issuance of declarations from the Applicant or Participant to evidence compliance with Section (61) Item m).
- e) The contact details of the contact person as per Sections (8)–(13) as well as the declaration as per Section (12).
- f) Pertaining to the Applicant, the following, no more than 30 (thirty) days old from the application deadline, certificates, documents and declarations specified in Sections (61)–(63) supporting compliance with the conditions for participation:
 - 1) A certificate by the competent tax authority of compliance with the provisions set forth in Section (61) b) or reference to being listed in the database of taxpayers with no public debt. (In case of non-resident legal entities or other unincorporated entities, or a legally competent organisation in its own right, i.e. non-Hungarian applicant, a certificate issued by the competent tax authority of the country of establishment on the satisfaction of the condition defined in Section (61) b). If the competent authority does not issue certificates on the fulfilment of the conditions defined in Section (61) b), then a declaration by the Applicant, certified by a notary-on the fulfilment of the condition. Such certificates and/or declarations shall be legalised as per Section (70) unless the Applicant provides evidence in accordance with Section (71) that legalisation is not necessary.)
 - 2) A declaration that the applicant is not under any proceeding aimed at terminating the organization. (In case of non-resident legal entities or other unincorporated entities, or a legally competent organization in its own right, i.e. a non-Hungarian Applicant, a certificate issued by the competent authorities of the country of residence that the applicant is not under any bankruptcy, liquidation, winding-up procedure or any other procedure aimed at terminating the organization. If the competent authority does not issue the type of certificates defined in this section, then a declaration by the applicant, certified by a notary on the fulfilment of the condition, shall be submitted. Such certificates and/or declarations shall be legalised as per Section (70) unless the Applicant provides evidence in accordance with Section (71) that legalisation is not necessary.)
 - 3) A statement confirming that the Applicant is not subject to any of the conditions barring participation as set out in Sections (61)–(63).
- g) Proof of payment of the participation fee specified in Section (106).
- h) Declaration as per Section (78).

- i) All documents and statements outside the scope of items a)–h) above that are compulsory pursuant to the provisions of the Documentation, the GPAP Act or the Ápszt. on the rules of auction and tender, or that confirm any of the circumstances requiring certification.

3.14 Unclassified application for participation

- (112) If the application for participation contains data to be handled confidentially as per Section (75), the Applicant shall also submit simultaneously with its Application but in a separate, closed packaging, an unclassified application for participation free of confidential information.
- (113) As part of the unclassified application for participation, copies of the papers and documents submitted with the application for participation may also be submitted.
- (114) The applicant shall label the packaging of the unclassified application for participation as “titokmentes” (unclassified).
- (115) The provisions of Sections (166)–(177) shall apply to the submission and acceptance by the Auctioneer of the unclassified application for participation.
- (116) In the event of any discrepancy between the unclassified and the classified copies of the application for participation, the version with confidential data shall prevail.

3.15 Formal accessories and formal validity requirements of the Application for participation

- (117) Formal accessories and formal validity requirements of the Application for participation:
 - a) The application for participation shall include the documents specified in Section (111).
 - b) The Application for participation shall not contain any inserts, deletions or over-written segments.
 - c) The language of the application for participation shall be Hungarian. For the rules on translation and certification, refer to Sections (69)–(71) herein.
 - d) The declarations enclosed in the application for participation shall bear the authorized signature. If the applicant is an economic entity, whose written representation is not effected by corporate signature, the declarations attached to the application for participation shall be signed by the representative of the Applicant, or the Applicant if the said Applicant is a sole proprietor, a physical person. Other documents of the application for participation need not be signed, but if the Applicant does sign or signature tune any other document, it does not result in violation of the requirements of formal validity.
 - e) The application for participation may not contain any conditions or limitations contrary to the Documentation.

3.16 The Offer

3.16.1 Content of the Offer

(118) The Applicant shall submit the following items as part of the Offer:

- a) the Bidding Sheet as per Annex 4 of the Documentation or, if the Applicant makes initial bids in several frequency bands, then Bidding Sheets,
- b) the procedural guarantee as per Sections (133)–(142), and
- c) the performance guarantee as per Sections (143)–(150).

3.16.2 Rules for the Bidding Sheet

(119) The Applicant needs to submit separate Bidding Sheets for each frequency band, out of the frequency bands identified in Section (25), where the Applicant wishes to make an Initial Bid, that is, the Applicant may submit at least 1 (one) but no more than 4 (four) bidding sheets as part of their Offer. In itself, it does not render the Offer invalid if the Applicant submits more than one bidding sheet as part of their Offer, but it does not designate an initial bid on a bidding sheet or bidding sheets, and in this case, the Auctioneer shall ignore the Bidding Sheet without an Initial Bid during the assessment as per Sections (215)–(220). If, despite these stipulations, an Applicant submits multiple Bidding Sheets with different and valid Initial Bids for a single frequency band, the Auctioneer shall deem the Bidding Sheet with the highest Initial Bid to be the valid Bidding Sheet submitted by the Applicant for the frequency band in question, additionally taking the stipulations of Section (125) into consideration where necessary. If, despite these stipulations, any Applicant submits multiple Bidding Sheets for a single frequency band, but only one of the submitted Bidding Sheets contains a valid Initial Bid, the Auctioneer shall deem the Bidding Sheet with the valid Initial Bid to be the valid Bidding Sheet submitted by the Applicant for the frequency band in question.

(120) The Bidding Sheet shall not contain any inserts, deletions or over-written segments.

(121) The Applicant may not attach any limitations or conditions to the Bidding Sheet.

(122) The Bidding Sheet(s) shall be signed by an authorized signature. If the applicant is an economic entity, whose written representation is not effected by corporate signature, the Bidding Sheet(s) shall be signed by the representative of the Applicant, or the Applicant if the said Applicant is a sole proprietor, a physical person.

3.16.2.1 Rules for initial bids

(123) Applicants may submit their Initial bids only on the Bidding Sheet as per Annex 4 of the Documentation.

(124) Applicants may submit up to one Initial Bid on a Bidding Sheet for each frequency band.

(125) If an applicant submits more initial bids on a Bidding Sheet for a frequency band, the Auctioneer sets the applicant's Initial Bid for that frequency band to equal the highest initial bid marked by the applicant, considering the maximum number of lots the applicant is

allowed to take as per Section (29), or the maximum number of lots the applicant is allowed to take, if the highest Initial Bid marked exceeds the maximum number of lots allowed for the specific participant under the restrictions on the acquisition of entitlements to frequency use as per Section (29), and takes into account the Initial Bid as per item (e) during the evaluation in accordance with Sections (215)–(220).

- (126) The Initial Bid may not be lower than the minimum number available for an applicant in a single frequency band as set down in Section (29), and the Initial Bid may not be higher than the maximum number of lots allowed for the specific applicant in a single frequency band under the restrictions on the acquisition of entitlements to frequency use set down in Section (29).
- (127) If an Initial Bid violates the restrictions on the acquisition of entitlements to frequency use set down in Section (29) by being higher than the maximum number of lots available to that applicants under the restrictions on the acquisition of entitlements to frequency use set down in Section (29), that Initial Bid is set to equal the highest allowable initial bid under the restrictions on the acquisition of entitlements to frequency use set down in Section (29), and the Auctioneer conducts the evaluation of the Initial Bids for the relevant frequency band as per Sections (215)–(220) and the onsite bidding, if applicable, by taking into account the Participant's Initial Bid as the maximum number of lots available to that applicant.
- (128) **The Initial Bid cannot be changed or withdrawn.**
- (129) With the exception of the provisions of Section (130), the legal consequences of withdrawing the initial bid – in spite of the prohibition defined under Section (128) – are included in Sections (105) a)–c) and (131).
- (130) If no onsite bidding is conducted in the specific frequency band as per Section (216), and the specific Participant, after the announcement of the injunction as per Section (219) withdraws the Initial Bid despite the provisions of Section (128), the legal consequence of this is that the Auctioneer shall ignore the content of the declaration or submission of withdrawal. The legal consequence of changing the Initial Bid is that the Auctioneer shall ignore the declaration or submission for the purpose of modifying the Initial Bid and consider the original Initial Bid as relevant.
- (131) The Initial Bid is invalid, if
 - a) it violates the restrictions on the acquisition of entitlements to frequency use set down in Section (29) by being lower than the minimum number of lots available for that applicant in a single frequency band;
 - b) the procedural or performance guarantee, if the rectification is possible by the Documentation and after the rectification as per Sections (212)–(214) still does not comply with the conditions set forth in Sections (133)–(150);
 - c) the Applicant did not submit it on the Bidding Sheet as per Annex 4 of the Documentation,
 - d) the Initial Bid and the Bidding Sheet containing the Initial Bid, if under Documentation rectification is to take place, after the rectification as per Sections (212)–(214) still failed to comply with the requirements under Sections (120)–(122);

- e) based on Section (216), no onsite bidding takes place for the given frequency band, and the specific Applicant or Participant, prior to the communication of the order under Section (219) and despite the provisions of Section (128) withdraws the Initial Bid on the Bidding Sheet submitted for the specific frequency band;
 - f) based on Section (218), onsite bidding takes place in the specific frequency band and the participants, prior to the closing of the on-site bidding, despite the provisions of Sections (128) or (239), withdraws its Initial Bid or any bid made for a lot in that frequency band; or
 - g) in the cases specified in Section (240).
- (132) No rectification is permitted for the invalid Initial Bid with the exception of Sections (121) and (122). The Auctioneer shall state the invalidity of the Initial Bid in its regulatory decision concluding the auction procedure. The Auctioneer will disregard the initial bid in its assessment as per Sections (215)–(220).

3.16.3 Procedural guarantee

- (133) The applicant shall submit, as part of its Offer, a procedural guarantee issued in favour of the Auctioneer, in line with the relevant provision of the Ápszr. and this Section for guaranteeing the performance of its obligations defined in this Documentation, irrevocable or only revocable at the Auctioneer's authorization and in the form of a guarantee (guarantor's declaration).
- (134) The amount of the procedural guarantee shall be at least equal to half of the total reserve price of the total lots specified on the Bidding Sheet – or Bidding Sheets, in the case of Initial Bids for multiple frequency bands – submitted by the Applicant.
- (135) The procedural guarantee may be submitted by the applicant as a single guarantee covering the entire amount or in the form of several but no more than 4 (four) tranches adding up to the total amount.
- (136) In the present auction procedure, guarantor's declarations of only those credit institutions authorized to offer financial services in Hungary are allowed as procedural guarantee, which are authorized to provide, as a minimum, the financial services identified in Section 3. (1) g) of the Credit Institutions Act (i.e. undertaking surety and guarantee and other banking obligations).
- (137) The procedural guarantee must be valid until 30 November 2019.
- (138) With the exception of Section (139), the Auctioneer shall release the procedural guarantee, if the Auctioneer has not imposed a procedural penalty on the Applicant/Participant during the Auctioning procedure, at the same time as the release of the performance guarantee for procedural violations – if the performance guarantee was paid – upon the decision closing the auction procedure becomes final.
- (139) If the Auctioneer suspends the auction procedure in accordance with Section 31 (4) of the Electronic Communications Act, then after the announcement of the decision regarding the continuation of the procedure, the participants shall extend the procedural guarantee until the date specified in the announcement and submit the extended guarantee or a new guarantee to the Auctioneer within 20 (twenty) days of receipt of the announcement. In the

event that an official decision regarding the auction procedure as per Sections (308) or (317) is not made by 31 October 2019, the participants shall extend the procedural guarantee until the date specified in the announcement and submit the extended guarantee or a new guarantee to the Auctioneer within 20 (twenty) days of receipt of the announcement. If a public administration lawsuit is initiated against the binding decision concluding the auction procedure, the participants shall extend the procedural guarantee for the term of the public administration lawsuit or the duration of the potential repeated procedure, at the Auctioneer's demand, and submit the extended guarantee or a new guarantee to the Auctioneer within 20 (twenty) days of receipt of the announcement. Any procedural guarantees submitted at the Auctioneer's demand must comply with the stipulations in Sections (133)–(136) and (140)–(142).

3.16.3.1 Detailed rules for the guarantor's declaration

- (140) As guarantee, a guarantor's declaration – issued by a credit institution meeting the requirements determined in the Documentation – may be accepted, which meets the following conditions:
- a) it is an original document containing a guarantee in which the guarantor undertakes an obligation to perform the guarantee upon the Auctioneer's written request, without inspecting the underlying legal relationship, in line with the rules governing bank turnover, within 3 (three) banking days at the latest, and in which
 - b) the Auctioneer is the sole entitled party of the guarantee, and
 - c) the guarantee is irrevocable or can only be revoked with the authorization of the Auctioneer.
- (141) The guarantor's declaration shall also include the following:
- a) the name and bank account number of the guarantor;
 - b) the name, address, current account number and tax number (tax identification code) of the obligated party (applicant);
 - c) the amount of the guarantee, expressed in numbers and written as text;
 - d) the start and end date of the guarantee's validity period;
 - e) an obligation according to which the issuer of the guarantee (guarantor) shall pay the amount drawn down by the Auctioneer within 3 (three) banking days via wire transfer to the Auctioneer in the event of the full or partial exercising of the guarantee
 - f) a declaration by the guarantor stating that the provisions of Article 6:436 of the Civil Code shall not apply; furthermore
 - g) the guarantor's declaration agreeing to notify the Auctioneer of any changes in the data included in the guarantor's declaration in writing within two (2) business days of learning of the occurrence of such change.
- (142) Guarantees cannot be accepted if extraordinary measures as per Article 189 of the Credit Institutions Act have been instituted against the guarantor within one year preceding the commencement of the auction procedure. If extraordinary measures are instituted against the guarantor during the term of the auction procedure, the applicant/participant, shall, if

called upon by the Auctioneer, furnish sufficient procedural guarantee as per the Documentation.

3.16.4 Performance guarantee

- (143) According to the relevant provisions of the Ápszr. and the section hereof, the applicant shall submit as part of their Offer a performance guarantee (guarantor's declaration), with the Auctioneer as its beneficiary, by a credit institution, irrevocable or only revocable subject to the Auctioneer's authorization.
- (144) The amount of the performance guarantee shall be at least equal to one and a half of the total reserve price of the total lots specified on the Bidding Sheet – or multiple Bidding Sheets, in the case of Initial Bids for multiple frequency bands – submitted by the Applicant.
- (145) The performance guarantee may be submitted by the applicant as a single guarantee covering the entire amount or in the form of several but no more than 5 (five) guarantee adding up to the total amount. In the present auction procedure, only guarantor's declarations of credit institutions authorized to offer financial services in Hungary may be submitted as performance guarantee, which are authorized to provide, as a minimum, the service described in Section 3. (1) g) of the Credit Institutions Act (i.e. undertaking surety and guarantee and other banking obligations).
- (146) Guarantor's declarations should be compliance with Sections (140)–(142).
- (147) Guarantees cannot be accepted if extraordinary measures as per Article 189 of the Credit Institutions Act have been instituted against the guarantor within one year preceding the commencement of the auction procedure. If extraordinary measures are instituted against the guarantor prior to the payment of the full auction fee, the participant, shall, if called upon by the Auctioneer, furnish sufficient performance guarantee as per the Documentation.
- (148) The performance guarantee must be valid until 15 December 2019.
- (149) If the Auctioneer suspends the auction procedure in accordance with Section 31 (4) of the Electronic Communications Act, then after the announcement of the decision regarding the continuation of the procedure, the participants shall extend the Performance guarantee until the date specified in the announcement and submit the extended guarantee or a new guarantee to the Auctioneer within 20 (twenty) days of receipt of the announcement. In the event that an official decision regarding the auction procedure as per Sections (308) or (317) is not made by 31 October 2019, the participants shall extend the Performance guarantee until the date specified in the announcement and submit the extended guarantee or a new guarantee to the Auctioneer within 20 (twenty) days of receipt of the announcement. If a public administration lawsuit is initiated against the binding decision concluding the auction procedure, the participants shall extend the Performance guarantee for the term of the public administration lawsuit or the duration of the potential repeated procedure, at the Auctioneer's demand, and submit the extended guarantee or a new guarantee to the Auctioneer within 20 (twenty) days of receipt of the announcement. Any Performance guarantees submitted at the Auctioneer's demand must comply with the stipulations in Sections (143)–(147).

- (150) The full as well as the proportional amount (i.e. equal to the outstanding amount) of the guarantee may be immediately drawn if the Winning Participant fails to perform or only partially performs its obligation to pay the full auction fee.

3.17 Required elements of Offers

3.17.1 Formal requirements of Offers

- (151) The sealed envelope (package) containing the Offer must be labelled as “Ajánlat” (Offer). If it is not found there on it, the Auctioneer will write it upon the envelope upon the opening of the application for participation, with the notary’s certification and notarization.
- (152) The Application shall include the documents specified in Section offer (118).
- (153) The Offer shall not contain any inserts, deletions or over-written segments.
- (154) The applicant may not attach any conditions or limitations to their Offer.
- (155) The language of the Offer shall be Hungarian. For the rules on translation and certification, refer to Sections (69)–(71) herein.
- (156) The Bidding Sheet shall comply with the formal requirements set out in Sections (120)–(122).
- (157) An Offer shall be deemed invalid for formal reasons, if
- a) the Applicant has not submitted a Bid Sheet for any frequency band, or if the Applicant has not designated the Initial Bid on any single Bidding Sheet as part of the Offer;
 - b) no Bidding Sheet submitted by the Applicant complies with the formal requirements set out in Sections (120)–(122);
 - c) all Initial Bids designated by the Applicant, for any reason under Sections (131)c)–g) are void; or
 - d) the Offer fails to meet the conditions in Sections (152)–(156).
- (158) Among the formal validity conditions, rectification as per Sections (212)–(214) is only justified under the circumstances described under Section (156), in the case of Section (121) and (122). In the course of rectification, the Initial Bid specified on the Bidding Sheet may not be modified.

3.17.2 Substantive elements of Offers

- (159) The Offer is substantially valid if the Applicant has submitted a valid Initial Bid for at least one frequency band and there is no reason for invalidity.
- (160) A Offer shall be considered substantively invalid
- a) the Initial Bid designated by the Applicant is considered invalid for the reason in Section (131) a); or

- b) the procedural or performance guarantee does not comply with the conditions set out in Sections (133)–(150).

(161) With regards to the substantive validity of the Offer, of the requirements for rectification listed in Section (160) b), is only justified in the cases of Sections (134)–(142) and Sections (144)–(150).

3.18 Rules for modifying or withdrawing the application for participation and the Offer

- (162) The application for participation and the offer of the Applicant/Participant may not be changed or withdrawn.
- (163) Submittal of any paper, data or document in response to the Auctioneer's call for rectification, declaration or data provision does not qualify as a modification of the application for participation or the Offer.
- (164) The behaviour of an applicant/participant violating the provisions of this section will not dissolve their affiliation with the Application or Offer of another applicant/participant.
- (165) At the same time, the withdrawal of the application for participation or the Offer shall mean the withdrawal of all valid Initial Bids of the Applicant/Participant. The legal consequences of withdrawing the Initial Bid are included in Sections (105), (131) e) and f), and Section (157) c).

4 Auctioning procedure

4.1 Submission of Applications

- (166) Applications may only be submitted in person by applicants or their representatives authorized to submit Applications.
- (167) Natural persons submitting an Application shall identify themselves with a personal identification document.
- (168) If the Applicant's legal representative acts personally and their right of representation cannot be established from a public or statutory public register, they must prove their right of representation by the original of the document from which the right of representation of the representative can be established.
- (169) In the case of a representation by power of attorney, in addition to Section (167), the representative shall submit, along with the Application, a power of attorney for the submission of the application, and, if this is not verifiable from a publicly or legally registered public register, the notarised specimen of signature of the person or persons signing the power of attorney, or the specimen of signature countersigned by the attorney-at-law or a chamber layer.
- (170) The application shall be submitted in a single hard copy, in a sealed package.

- (171) If the Application contains data to be handled confidentially as per Sections (74)–(84), the applicant must also submit, pursuant to Section (112) a version of the application for participation free of confidential information.
- (172) The Application must include all documents, statements, deeds and certificates specified under Section (109), as well as all substantive elements set out in the Documentation and in the Ápszr., in the required format and number of copies.
- (173) The fact and circumstances of submitting the Application are certified by a notary. An applicant's Application is the totality of the documents submitted in the course of the application authenticated by notary.
- (174) Applications of applicants can be submitted on 8 August 2019 between 9:00 am and 12:00 pm at the following address of the Auctioneer, taking into account the requirements for format and content specified in the Documentation:

National Media and Infocommunications Authority

Address: 1015 Budapest, Ostrom utca 23-25.

- (175) No more than 2 (two) representatives or agents of the same applicant may be present when the Application is submitted. Each applicant may only be present at the submission of its own application.
- (176) One applicant may only submit one Application, multiple applicants may not submit a joint Application. If an applicant submits more than one Application, the Auctioneer shall deem the Application submitted at the latest date within the Application period to be the sole Application submitted.
- (177) When receiving an Application, the Auctioneer will inscribe the exact time and date of receipt on the sealed package and, if not visible on the package, the name of the applicant and the ID# of the auction procedure ("MFCN 2019"), will issue a receipt of the Application, and hand it over on site (or sends it to the Applicant if the Applicant or the representative submitting the Application leaves the site prior to the receipt being created) a copy of the notarized records of the submission and its circumstances.

4.2 Opening of Applications

- (178) The Auctioneer will inform the party submitting the Application about the date and time of the opening of the its offer. If the person submitting the Application is not the person identified in Section (12), the Auctioneer will also notify the representative designated in Section (12) about the date and time of the opening.
- (179) Location of opening the Applications:

National Media and Infocommunications Authority

1015 Budapest, Ostrom utca 23–25.

- (180) No more than 3 (three) representatives of the same applicant may be present when the Application is opened. Applicants may only be present at the opening of their own Applications.

- (181) The natural person participating in the opening of the Application must identify themselves with a personal identification document.
- (182) If the legal representative of the applicant acts personally, the legal representative participating in the opening of the application, if the right of representation cannot be established from the public register or by a publicly registered public register, must prove their right of representation with the original of the document from which the representative's eligibility for representation can be established.
- (183) In the case of a (company) representation by power of attorney, in addition to Section (181), the representative shall submit a power of attorney, and the notarised specimen of signature of the person or persons signing the power of attorney, or the specimen of signature countersigned by the attorney-at-law or a chamber layer.
- (184) Applications shall be opened by the Auctioneer in the presence of a notary.
- (185) During the opening process, the Auctioneer opens exclusively the application for participation but not the envelope (package) marked as "Offer".
- (186) The Auctioneer sequentially numbers the pages of the application for participation with a numbering stamp. Existing page numbering on the documents, deeds or declarations shall not affect the obligation of the Auctioneer to sequentially number pages. The Auctioneer prepares an electronic copy of each page of the application for participation in three copies to a durable media, on which the notary public records, the name of the Applicant, the subject of the auction procedure, the place and date when the copy was made and the serial number of the copy. The notary verifies the conformity of the electronic copy with the original on the spot and records it in a notarised deed. The Applicant, the Auctioneer and the notary each receive one electronic copy.
- (187) The notary ensures that the Application cannot be opened without causing a visible damage, and that the application for participation and the Offer, placed in a sealed envelope (packaging), stay together.
- (188) If the Applicant also submitted an unclassified application for participation, the Auctioneer sequentially numbers the pages of the unclassified application for participation, prepares an electronic copy of each page of the application for participation in three copies to a durable media, on which the notary public records the name of the Applicant, the subject of the auction, the place and date when the copy was made and the serial number of the copies. The notary ensures that the unclassified application for participation cannot be opened without causing any visible damage. The Applicant, the Auctioneer and the notary each receive one electronic copy.
- (189) At the opening, neither formal nor substantive validity conditions will be examined by the Auctioneer.
- (190) The Auctioneer sends to the Participant or hands over the first copy of the electronic version of the application for participation and the first copy of the electronic version of the unclassified application for participation, if such is submitted, prepared during the opening procedure to the Applicant or the Applicant's representative in the presence of the public notary on site.
- (191) The notary present at the location prepares a notarial document of the Applicant (and its representative), the submission of the various Applications, and the opening activities and

the handover of the electronic copy. The Auctioneer hands over the copy of the notarised report, following closure of the report to the Applicant present in person or the Applicant's representative, or sends it to the Applicant's address.

4.3 Formal examination of the Application

- (192) The Auctioneer shall examine within 15 (fifteen) days of the expiry of the deadline whether the Application complies with the personal (participation) and formal requirements for validity set out in Section 9 of the Ápszr. and in the Documentation (hereinafter jointly: **formal validity conditions**).
- (193) During the examination of the formal validity, the Auctioneer examines if there invalidity reason specified in Section (110) exists, if the Applicant meets the personal (participation) and conflict of interest conditions specified in Sections (61)–(63), and if the Application meets the formal validity accessories specified in Section (117) and meets the formal validity conditions. The Auctioneer shall also examine whether the Application for participation contains the documents, deeds and statements listed in Section (111), and if the manner, time and format of their submission complies with the conditions in Sections (166)–(177).
- (194) With regards to the formal validity conditions of the Application, rectification is permitted only in cases specified in Sections (110) f), g) as per Sections (212)–(214). If persons or organizations within a single group of undertakings submit an application, the Auctioneer calls upon the persons and organizations concerned to eliminate the conflict of interest. The persons or organisations concerned shall be obliged to eliminate the cause for the conflict of interest within the period specified in the call.
- (195) If the application for participation fails to meet formal validity criteria or still does not meet the conditions of formal validity following the rectification according to the Documentation, the Auctioneer shall deny registration of the applicant into the auction register.
- (196) The final decision on denying the registration terminates the applicant's client status in the auction procedure.
- (197) If the Auctioneer perceives such grounds for formal invalidity only following registration in the auction register or the cause for formal invalidity comes into being only after such registration and the Application remains invalid after rectification permissible according to the Documentation in specific circumstances, the Auctioneer shall not establish formal invalidity in a separate order, declaring the Application's invalidity in a substantive resolution concluding the procedure.
- (198) The Auctioneer shall examine compliance with the formal validity conditions of the Offer, only following its opening.

4.4 Registration as Participant

- (199) The Auctioneer registers applicants submitting formally valid Applications in the auction registry.
- (200) The Auctioneer shall notify registered applicants of their registration in the auction register and shall publish the list of applicants registered as participants on its website on the day

they are registered. Among the data listed in the auction register, the name and data of the participants allowing their identification shall be public.

4.5 Opening of Offers

- (201) The Auctioneer shall open the Offer of the registered Participants after their registration for the auction.
- (202) Offers are opened consecutively on the same day, in the presence of a notary. Participants may not be present at the opening.
- (203) The facts and circumstances of the opening of the Offers are certified by the notary in reports.
- (204) At the opening, neither formal nor substantive validity conditions will be examined by the Auctioneer.
- (205) The Auctioneer sends to each participant a copy of the notary's report about the opening of their Offer within 3 (three) days of the opening.

4.6 Examination and validity of Offers

- (206) When assessing the validity of the Offer, the Auctioneer shall check whether the document package submitted in the scope of the Bid complies with the formal and substantive conditions set out in Sections (151)–(161).

4.6.1 Formal examination of Offers

- (207) The Auctioneer examines the Offers of all Participants in terms of format, whether one of the causes of invalidity listed in Section (157) exists.
- (208) If the Application still does not meet the conditions of formal validity set out in Sections (152)–(156) following the rectification performed according to the Documentation, or the Application remains invalid for any of the reasons described in Section (157), the Auctioneer shall state the respective Offer's formal invalidity in its decision concluding the procedure.

4.6.2 Substantive examination of Offers

- (209) The Auctioneer examines the Offers of the Participants in terms of content, whether one of the causes of invalidity listed in Section (160) exists.
- (210) The Auctioneer determines the substantive invalidity of the Offer in its decision concluding the procedure.
- (211) If the Offer still does not meet the conditions of substantive validity as per Section (160) or if, following the rectification performed according to the Documentation, the Offer still does not meet the conditions of substantive validity, the Auctioneer shall state the respective Offer's substantive invalidity in its decision concluding the procedure.

4.7 Rectification

- (212) If the application for participation or the Offer fails to meet formal or substantial validity conditions and the Documentation allows for the rectification, the Auctioneer invites the applicant/participant to rectify the deficiencies within 5 (five) days.
- (213) The Auctioneer may set a rectification deadline longer than 5 (five) days — but no more than fifteen (15) days pursuant to Section 10 (5) of the Ápsr. — if the 5 (five) day period is evidently insufficient for acquiring the data, certificate or declaration or due to reasons of scope.
- (214) If the applicant/participant rectifies the deficiency and supplements missing items within the deadline specified in the call, the Application shall be considered as having been originally correct and complete.

4.8 Evaluation of initial bids

- (215) After opening the Offers and performing the examination as per Sections (206)–(211), the Auctioneer aggregates the number of lots by frequency bands as per Section (25) for the acquisition of which the Participants submitting Bidding Sheets submitted valid Initial Bids.
- (216) If, for a particular frequency band the number of initial bids valid by Section (215) shows that the total number of lots bid for by one or more Participants does not exceed the number of lots built in that frequency band and made available for bidding, then the Auctioneer will not conduct the onsite bidding as per Sections (221)–(228) for that particular frequency band.
- (217) In the case specified in Section (216) the Auctioneer shall determine the amount lots acquired by the participants in the specific frequency band at the reserve price specified in specified in Section (27), and prepares a final closing list included incorporated in a deed. In its decision concluding the procedure, the Auctioneer ascertains the winningness of Participant(s) for the lots acquired in the specific frequency band on the basis of this final closing list.
- (218) If, for a particular frequency band the number of Initial Bids valid as a result of the test under Section (215) shows that the total number of lots bid for by Participants exceeds the number of lots built in that frequency band and made available for bidding, then the Auctioneer does not prepare a closing list and conducts the onsite bidding as per Sections (221)–(228) for that particular frequency band.
- (219) After the opening of the Offers, the Auctioneer notifies, by sending the final closing list as per Section (217), all Participants having submitted valid Initial Bids for any frequency band indicating which in the case of which frequency bands there was no onsite bidding as per Sections (221)–(228).
- (220) After the opening of the Offers, the Auctioneer will notify in a separate order the participant who cannot take part in the onsite bidding of a given frequency band because its Initial Bid for this frequency band, and if the Documentation allows for rectification under Sections (212)–(214) then even after the rectification, is invalid on the basis of Section (131). This order may be challenged in the context of an appeal against the Authority's decision concluding the auction procedure.

4.9 Onsite bidding procedure

(221) The Auctioneer will conduct onsite biddings separately and successively for each frequency band, in the following order:

- a) 2600 MHz frequency band;
- b) 3600 MHz frequency band;
- c) 700 MHz frequency band;
- d) 2100 MHz frequency band;

4.9.1 Onsite bidding date and time ranges by frequency bands

(222) The Auctioneer will conduct onsite bidding for the frequency bands at the following times and dates.

(223) In the case of the 2600 MHz frequency band, the onsite bidding starts at 10 am Monday, 23 September 2019.

(224) In the case of the 3600 MHz frequency band, the onsite bidding starts at 10 am Wednesday, 25 September 2019.

(225) In the 700 MHz frequency band, the starting date of the onsite bidding is 10 am Tuesday, 1 October 2019.

(226) In the case of the 2100 MHz frequency band, the onsite bidding starts at 10 am Monday, 7 October 2019.

(227) If the onsite bidding or the trial auction cannot be started for the specific frequency band on the days stipulated by the Documentation due to force majeure or permanent malfunction, the Auctioneer shall inform the relevant participants at the latest at the time of the onsite bidding or trial auction above, and shall notify the relevant participants in the order at least two days prior to the new starting date.

(228) If the spot onsite bidding of the given frequency band is not completed on its starting day, the Auctioneer will continue the onsite bidding at 10 am of the next business day, in the absence of an oral communication to the contrary. The contact person specified in Section (12) shall be notified separately.

4.9.2 Organising a trial auction

(229) Prior to the onsite bidding, the Auctioneer conducts a trial auction at the auction venue. Participants registered for the trial auction will receive information from the Auctioneer about the test auction's place and date/time during their registration. The Auctioneer shall assign a day between 17–20 September to be the date of the trial auction, applying the rules set out in Section (227) as necessary. Participation in the trial auction is not mandatory.

- (230) If there is no onsite bidding for any frequency band, the Auctioneer shall notify the participants in the order specified in Section (219) that they will not hold a trial auction.
- (231) The Auctioneer will give detailed information to the participants in the course of the trial auction, will demonstrate the onsite bidding's process, and will give them hands-on practice to learn the handling of the bidding support system.

4.10 Onsite bidding rules

4.10.1 General rules for onsite bidding

- (232) The participants in the onsite bidding, while also taking into account the rules limiting the acquisition of frequency use entitlement under Section (29), may- not acquire more lots than those according to the valid Initial Bid.
- (233) The Applicant may not raise their Initial Bid during onsite bidding, and the Participant may not increase their bids in the bidding rounds of the bidding stages above those in the previous bidding round, in view of, among others, the rule laid down in Sections (234)–(235).
- (234) Following the closing of a bidding stage, a particular Participant's bid in the first bidding round or the new bidding stage – with the exception of the 4th bidding stage – may not exceed the difference of their bid in the bidding round preceding the last bidding round of the previous bidding stage (hereinafter: the **last-but-one bidding round**) – in view of the provisions, among others, of Section (235) – and their bid in the last bidding round of the previous bidding stage (which may be zero), so that the Participant's bid may not exceed the number of available lots for the Participant in question in the new bidding stage, taking into account the restrictions set out in Sections (260) and (267).
- (235) If a bidding stage would end in the first bidding round already, and would result in starting a new bidding stage, then a specific Participant's bid in the last-but-one bidding round as per Section (234) is their bid in the last-but-one bidding round of the bidding stage preceding the bidding stage closed after the first bidding round, and/or if there was no last-but-one bidding round in this bidding stage, then their bid in the last-but-one bidding round of the preceding bidding stage, and in the absence of such their Initial bid is considered to be valid.
- (236) Participants who bid 0 (zero) in any bidding round (including also the case set down in Section (238)) may not bid in the next bidding round of that bidding stage.
- (237) Participants will have 5 minutes in each bidding round to make their bids (in the 4th bidding stage their offered unit price); the bidding round will end sooner if all bidders have already made their bids in the given bidding round. After the 5-minute time limit has expired, no bid may be made.
- (238) If the Participant, except for the 4th bidding stage, makes no bid in a bidding round within the 5-minute time limit, the Auctioneer takes it to mean during the evaluation as per Section (250) following the closing of that bidding round that the Participant did not wish to acquire any lots in that bidding round at the price set by the Auctioneer, and the Auctioneer records a zero bid.

- (239) Bids submitted during the onsite bidding for a frequency band may not be changed or withdrawn. With the exception of the provisions of Section (242), the legal consequences withdrawing the bid are included in Sections (105) c) and (240) a).
- (240) In respect of the specific frequency band, all bids of the participant concerned shall be considered invalid, including the initial bid, if:
- a) prior to the closing of the onsite bidding, despite the provisions in Sections (128) or (239), withdraws its Initial Bid or its bid made in any bidding round of any bidding stage; or
 - b) the personal presence of the participant or a single representative of the participant is not guaranteed at the onsite bidding due to any of the following:
 - 1) sdsdsin the case of repeated unsuccessful registration as per Section 1.10 of Annex 5
 - 2) the participant or the participant's representative present is obliged to leave the site of the onsite bidding as per Section 1.15 of Annex 5 and than the registration of the Participant for the onsite bidding is not successful as per Section 2.19 of Annex 5,
 - 3) the participant or all of the participant's representatives present leave the site of the onsite bidding in violation of the procedural rules set out in Annex 5 before the bidding is closed and than the registration of the Participant for the onsite bidding is not successful as per Section 2.19 of Annex 5, or
 - 4) the Auctioneer expels the participant or all of the participant's representatives present from the onsite bidding as per Section 2.16 of Annex 5 and than the registration of the Participant for the onsite bidding is not successful as per Section 2.19 of Annex 5; or
 - c) the Auctioneer finds that the Initial Bid is invalid as per Section (131), following their examination as described in Sections (215)–(220).
- (241) In the case of paragraph specified in Section (240), the Auctioneer interrupts onsite bidding, and invalidates and cancels all bids made up to that point by all bidding participants and then reevaluates the Initial Bids as per Sections (215)–(220) and ignores the invalid Initial Bid of the specific Participant.
- a) In the case as per Section (216), the Auctioneer closes the onsite bidding and records the winning participant(s) in the final closing list submitting valid initial bids for the lots indicated on the Bidding Sheet by the Participant(s) at the reserve price specified in Section (27). In its decision concluding the procedure, the Auctioneer ascertains the winningness of Participant(s) for the lots acquired in the specific frequency band on the basis of this final closing list.
 - b) In the case set down in Section (218), the Auctioneer continues the onsite bidding process for the frequency band affected, beginning with the 1st bidding round of the 1st bidding stage.
- (242) If a Participant, despite Sections (128) or (239), withdraws their initial bid or any of their bids made in any bidding round of any bidding stage following the closing of onsite bidding for a frequency band as per Section (252) a), the Auctioneer, as a legal consequence, shall disregard the content of that declaration or submission.

(243) The Auctioneer will, after the closing of the onsite bidding, inform all Participants who made valid bids for a particular frequency band at the onsite bidding site about the number of lots they obtained, and enters this result in the final closing list. In its decision concluding the procedure, the Auctioneer ascertains the winningness of Participant(s) for the lots acquired in the specific frequency band on the basis of this final closing list.

(244) Additional rules of onsite bidding are included in Annex 5 of the Documentation.

4.10.2 Onsite bidding stages and bidding rounds of bidding stages

(245) Only those participants may participate in the onsite bidding of a given frequency band who have made a Initial Bid for the given frequency band and have not been subject to the order under Section (220).

(246) Onsite bidding consists of bidding stages for all frequency bands. A bidding stage begins when it is opened and ends when it is closed. Onsite bidding consists of up to four bidding stages for all frequency bands.

(247) A bidding stage is composed of bidding rounds (in case of 4th bidding stage there is only one round). Only one bid can be made in a single bidding round using the Bidding support system, the general description of which is included in Annex 7. A bidding round begins when it is opened and ends when it is closed. The number of bidding rounds in a bidding stage is not limited, except for bidding stages 3 and 4. The Auctioneer keeps raising the lot unit price from bidding round to bidding round within a bidding stage, except for bidding stage 4, as described in Sections (255), (262) and (269).

(248) When opening each bidding stage, the Auctioneer informs the bidding participants about the number of lots built in that particular frequency band and available for bidding, and, with the exception of bidding stage 4 about:

- a) the unit price of a lot specified by the Auctioneer in the first bidding round of the first bidding stage, the price increments within that bidding stage as per Sections (256), (263) and (270), and each Participant separately about:
- b) the number of lots that Participant may bid for in the first bidding round of that bidding stage.

(249) At the end of each bidding stage, the Auctioneer informs Participants about the following:

- a) the lots to be included in the closing list,
- b) if a new bidding stage will be held, which Participants will or will not take part in the new bidding stage.

(250) At the end of each bidding round the Auctioneer summarizes the bids of the Participants and ascertains the number of valid bids for each Participant. Based on the evaluation of the bidding round, the Auctioneer informs Participants about the number of lots they bid validly for, whether the bids made and summarized by the Auctioneer for that bidding round exceed the number of lots built in that particular frequency band and made available for bidding in that bidding stage, and in that context whether a new bidding round will be necessary, and which Participant(s) may take part in the next bidding round.

- (251) If, based on the number of valid bids of Participants who made bids for that particular frequency band, it is found that the total number of lots bid for by bidding Participants does exceed the number of lots built in that frequency band and made available for bidding, then the Auctioneer will open the next bidding round within that particular bidding stage, with the exception of the case described in Section (271).
- (252) Unless otherwise provided for in the Documentation, a bidding stage for a particular frequency band in the onsite bidding will be closed if the Auctioneer establishes, on the basis of the bidding Participants' valid bids, during the evaluation as per Section (250) following the closure of a bidding round that the total number of lots bid for by bidding Participants is equal to or less than the number of lots built in that particular frequency band and made available for bidding in that particular bidding stage.
- a) If in that particular bidding stage, with the exception of bidding stage 4, it is established for that particular bidding stage, on the basis of the evaluation as per Section (250) that the total number of lots bid for by bidding Participants is equal to the number of lots built in that particular frequency band and made available for bidding in that particular bidding stage, the Auctioneer will close the bidding stage and the onsite bidding for that particular frequency band, and will document the stage's closing. Alternately, if a 4th bidding stage also takes place, the Auctioneer shall close the bidding following the completion of the 4th bidding stage, including any potential lottery as per Sections (291)–(296). Thereafter the Auctioneer ascertains the number of lots validly bid for by each Participant in the last bidding round for that particular frequency band at the price set for the last bidding round of that particular bidding stage, and any lots obtained in the previous bidding stages, and enters the results in the closing list. In its decision concluding the procedure, the Auctioneer ascertains the winningness of Participant(s) for the lots acquired in the specific frequency band on the basis of this final closing list.
- b) During the onsite bidding, unless otherwise provided for by Sections (253)–(296), a new bidding stage for a particular frequency band will be opened following the closing a bidding stage, if the Auctioneer establishes, on the basis of the bidding Participants' valid bids, during the evaluation as per Section (250) following the closure of a bidding round that the total number of lots bid for by bidding Participants fell below the number of lots built in that particular frequency band and made available for bidding in that particular bidding stage. In this case, the Auctioneer shall include in the stage closing list the number of lots for which each bidder in the last bidding round of the closed bidding stage has made valid bids for, and the number of lots and their prices acquired by bidding participants making more than 0 bids.

4.10.3 Special rules for onsite bidding

- (253) These special rules supplement the general rules set down in Sections (232)–(252).

4.10.3.1 Bidding stage #1

- (254) In the first bidding round of the 1st bidding stage of the onsite bidding, the price of a lot equals the sum of the reserve price and the price increment for that particular frequency band as specified in Section (256). Thereafter the Auctioneer raises the lot price in each

subsequent bidding round by the price increment for that particular frequency band as per Section (256).

- (255) The Auctioneer keeps raising the reserve price by set increments as per Section (256) between successive bidding rounds of bidding stage 1 of onsite bidding with respect to a particular frequency band until the Auctioneer establishes during the evaluation as per Section (250) following the closure of that bidding round that the total number of lots bid for by bidding Participants exceeds the number of lots built in that particular frequency band and made available for bidding. The number of bidding rounds is not limited in bidding stage 1.
- (256) The Auctioneer set the following price increments for bidding stage 1 for the following frequency bands:
- a) 2600 MHz frequency band: HUF 100,000,000 (one hundred million Hungarian forints);
 - b) 3600 MHz frequency band: HUF 150,000,000 (one hundred fifty million Hungarian forints);
 - c) 700 MHz frequency band: HUF 500,000,000 (five hundred million Hungarian forints);
 - d) 2100 MHz frequency band: HUF 400,000,000 (four hundred million Hungarian forints).

4.10.3.2 Bidding stage #2

- (257) Only the following Participants are allowed to take part in the 2nd bidding stage of the onsite bidding:
- a) if more than one bidding rounds were held in bidding stage 1, then those, who made a valid bid in the last-but-one bidding round of bidding stage 1, and made a lower bid in the last bidding round of bidding stage 1 than in the last-but-one bidding round (including the case when they made zero bid in the last bidding round of bidding stage 1, including the case specified in Section (238));
 - b) if only 1 (one) bidding round was held in bidding stage 1, then those, who made a lower bid in the 1st bidding round of bidding stage 1 than their Initial Bid (including the case when they made zero bid, also including the case specified in Section (238)).
- (258) The following Participants are not allowed to take part in the 2nd bidding stage of the onsite bidding:
- a) if more than one bidding rounds were held in bidding stage 1, then those, who made zero bid in the last-but-one bidding round of bidding stage 1 or any bidding round before that (including the case according to Section (238)); or those who made identical bids in the last and last-but-one biddings round of bidding stage 1, and thus acquired the lots corresponding to their bids; or
 - b) if only 1 (one) bidding round was held in bidding stage 1, then those, who made a bid in the 1st bidding round of bidding stage 1 equaling their Initial Bid, or
 - c) who, considering the rules limiting the acquisition of frequency use rights specified in Section (29), have a bigger minimum acquisition limit than the number of lots still available in bidding stage 2.

- (259) The Auctioneer establishes the number of lots available in the specific frequency band for bidding in the 2nd bidding stage by subtracting the number of lots in the stage closing list and obtained in the 1st bidding stage by Participants bidding in the 1st bidding stage from the number of lots created in the specific frequency band and available in bidding stage 1.
- (260) In the 2nd bidding stage, the Auctioneer establishes the maximum number of lots available for Participants, and/or the largest bid allowed for specific Participants by the following method:
- a) if more than one bidding rounds were held in bidding stage 1, then it subtracts the specific participant's bid made in the last bidding round (which may be zero) by the specific participant from the specific participant's bid made in the last-but-one bidding round of bidding stage 1. If the number so obtained exceeds the number of lots available in bidding stage 2, then the Auctioneer sets the largest bid allowed for that particular Participant to equal the number of available lots in the 2nd bidding stage;
 - b) if only 1 (one) bidding round was held in bidding stage 1, then the Auctioneer subtracts the bid made by the specific Participant in the 1st bidding round of bidding stage 1 (which may be zero) from the Participant's Initial Bid. If, however, the number so obtained exceeds the number of total lots available in bidding stage 2, then the Auctioneer sets the largest bid allowed for that particular Participant to equal the number of available lots in the 2nd bidding stage.
- (261) In the first bidding round of the 2nd bidding stage of the onsite bidding, the lot unit price equals the sum of the price determined by the Auctioneer in the last-but-one bidding round of bidding stage 1, or the reserve price if no such price exists, and the price increment for the specific frequency band as specified in Section (263). Thereafter the Auctioneer raises the lot price in each subsequent bidding round by the price increment for that particular frequency band as per Section (263).
- (262) The Auctioneer keeps raising the price established in the 1st bidding round of bidding stage 2 by set increments as per Section (263) between successive bidding rounds of bidding stage 2 of the onsite bidding with respect to a particular frequency band until the Auctioneer establishes during the evaluation as per Section (250) following the closure of that particular bidding round that the total number of lots bid for by bidding Participants exceeds the number of lots built in that particular frequency band and made available for bidding in bidding stage 2. The number of bidding rounds is not limited in bidding stage 2.
- (263) The Auctioneer set the following price increments for bidding stage 2 for the following frequency bands:
- a) 2600 MHz frequency band: HUF 40,000,000 (forty million Hungarian forints);
 - b) 3600 MHz frequency band: HUF 60,000,000 (sixty million Hungarian forints);
 - c) 700 MHz frequency band: HUF 200,000,000 (two hundred million Hungarian forints);
 - d) 2100 MHz frequency band: HUF 160,000,000 (one hundred sixty million Hungarian forints).

4.10.3.3 *Bidding stage #3*

- (264) Only the following Participants are allowed to take part in the 3rd bidding stage of the onsite bidding:
- a) if more than one bidding rounds were held in bidding stage 2, then those, who made a valid bid in the last-but-one bidding round of bidding stage 2, and made a lower bid in the last bidding round of bidding stage 2 than in the last-but-one bidding round (including the case when they made zero bid in the last bidding round of bidding stage 2, including the case in Section (238));
 - b) if only 1 (one) bidding round was held in bidding stage 2, then those, who made a lower bid in the 1st bidding round of bidding stage 2 (including the case when they made zero bid, also including the case specified in Section (238)) than the number of lots available to them in bidding stage 2.
- (265) The following Participants are not allowed to take part in the 3rd bidding stage of the onsite bidding:
- a) if more than one bidding rounds were held in bidding stage 2, then those, who made zero bid in the last-but-one bidding round of bidding stage 2 or any bidding round before that (including the case according to Section (238)); or those who made identical bids in the last and last-but-one biddings round of bidding stage 2, and thus acquired the lots corresponding to their bids; or
 - b) – if only 1 (one) bidding round was held in bidding stage 2, then those, who made a bid in the 1st bidding round of bidding stage 2 equaling the number of lots available to them in bidding stage 2, or
 - c) who, considering the rules limiting the acquisition of frequency use rights specified in Section (29), have a bigger minimum acquisition limit than the number of lots still available in bidding stage 3.
- (266) The Auctioneer establishes the number of lots available in the specific frequency band for bidding in the 3rd bidding stage by subtracting the number of lots in the stage closing list and obtained in the 2nd bidding stage by Participants bidding in the 2nd bidding stage from the number of lots available in bidding stage 2.
- (267) In the 3rd bidding stage, the Auctioneer establishes the maximum number of lots available for each Participant, and/or the largest bid allowed for specific Participants by the following method:
- a) if more than one bidding rounds were held in bidding stage 2, then it subtracts the Participant's bid made in the last bidding round (which may be zero) from the bid made in the last-but-one bidding round of bidding stage 2. If the number so obtained exceeds the number of lots available in bidding stage 3, then the Auctioneer sets the largest bid allowed for that particular Participant to equal the number of available lots in the 3rd bidding stage;
 - b) if only 1 (one) bidding round was held in bidding stage 2, then the Auctioneer subtracts the bid made by the specific participant in the 1st bidding round of bidding stage 2 (which may be zero) from the number of lots available for each Participant in the 2nd bidding stage. If the number so obtained exceeds the number of lots available in

bidding stage 3, then the Auctioneer sets the largest bid allowed for that particular Participant to equal the number of available lots in the 3rd bidding stage;

- (268) In the 1st bidding round of the 3rd bidding stage of the onsite bidding, the lot unit price equals the sum of the price determined by the Auctioneer in the last-but-one bidding round of bidding stage 2, or if no such price exists then the price determined by the Auctioneer in the last-but-one bidding round of bidding stage 1, or the reserve price if no such price exists, and the price increment in the specific frequency band as specified in Section (270). Thereafter the Auctioneer raises the lot price in each subsequent bidding round by the price increment for that particular frequency band as specified in Section (270).
- (269) The Auctioneer keeps raising the price established in the 1st bidding round of bidding stage 3 by set increments as per Section (270) between successive bidding rounds of bidding stage 3 of the onsite bidding with respect to a particular frequency band until, but up to the closing of the 10th bidding round, the Auctioneer establishes during the evaluation as per Section (250) following the closure of that particular bidding round that the total number of lots bid for by bidding Participants exceeds the number of lots built in that particular frequency band and made available for bidding in bidding stage 3.
- (270) The Auctioneer set the following price increments for bidding stage 3 for the following frequency bands:
- a) 2600 MHz frequency band: HUF 10,000,000 (ten million Hungarian forints);
 - b) 3600 MHz frequency band: HUF 15,000,000 (fifteen million Hungarian forints);
 - c) 700 MHz frequency band: HUF 50,000,000 (fifty million Hungarian forints);
 - d) 2100 MHz frequency band: HUF 40,000,000 (forty million Hungarian forints).
- (271) The number of bidding rounds is limited by the Auctioneer to 10 in bidding stage 3. If bidding round 10 of bidding stage 3 ends so that the total number of lots bid for by Participants exceeds the number of lots available in bidding stage 3, then the Auctioneer closes bidding stage 3 without preparing closing list.

4.10.3.4 Bidding stage #4

- (272) Only the following Participants are allowed to take part in the 4th bidding stage of the onsite bidding:
- a) if more than one bidding rounds were held in bidding stage 3, and any of the bidding rounds in bidding stage 3 ended because the the participants' bids were lower than those made in bidding stage 3, then those who made a valid bid in the last-but-one bidding round of bidding stage 3, and made their bids for fewer lots in the last bidding round of bidding stage 3 than in the last-but-one bidding round (including the case when they made zero bid in the last bidding round of bidding stage 3, including the case in Section (238));
 - b) if only 1 (one) bidding round was held in bidding stage 3, then those, who made a lower bid in the 1st bidding round of bidding stage 3 (including the case when they made zero bid, also including the case specified in Section (238)) than the number of lots available to them in bidding stage 3, or

- c) if bidding round 10 of bidding stage 3 ends so that the total number of lots bid for by Participants exceeds the number of lots available in bidding stage 3, then those who made valid bids larger than zero in bidding round 10 of bidding stage 3.

(273) The following Participants are not allowed to take part in the 4th bidding stage of the onsite bidding:

- a) If more than one round of bids has been made in bidding stage 3 and bidding stage 3 ended in one of the first ten bidding rounds because the total number of lots intended to be acquired by the participants was less than the lots available in bidding stage 3, those who made 0 (zero) bids in the last-but-one bidding round of bidding stage 3 or in any previous bidding round (including the case specified in Section (238)) or those who made identical bids in the last and last-but-one biddings round of bidding stage 3, and thus acquired the lots corresponding to their bids; or
- b) if only 1 (one) bidding round was held in bidding stage 3, then those, who made a bid in the 1st bidding round of bidding stage 3 equaling the number of lots available to them in bidding stage 3.
- c) if bidding round 10 of bidding stage 3 ends so that the total number of lots bid for by Participants exceeds the number of lots available in bidding stage 3, then those who made 0 (zero) bid in bidding round 10 of bidding stage 3 (including the case of Section (238)), or
- d) who, considering the rules limiting the acquisition of frequency use rights specified in Section (29), have a bigger minimum acquisition limit than the number of lots still available in bidding stage 4.

(274) The Auctioneer conducts a single bidding round in bidding stage 4. In this bidding round Participants shall specify a single unit price (hereinafter: **offered unit price**) that they would be willing to offer for a single lot. The Auctioneer shall use the rules set out in Sections (275) and (278) to determine the maximum number of lots the unit price offered by a Participant can apply to (in other words, the number of lots the Participant in question can receive at the offered unit price).

(275) If bidding round 10 of bidding stage 3 ends so that the total number of lots bid for by Participants exceeds the number of lots available in bidding stage 3, then the bidding Participants shall specify the offered unit price they would be willing to pay for obtaining the number of lots marked as their bid in bidding round 10 of bidding stage 3. In this case, the total number of lots available in bidding stage 4 to all participants is equal to the number of lots available in bidding stage 3. The unit price offered by the specific Participant shall apply to a maximum number of lots equal to the number of lots marked as the Participant's bid in bidding round 10 of bidding stage 3 (meaning that the specific Participant can obtain at most the number of lots marked as the Participant's bid in bidding round 10 of bidding stage 3 at the given unit price.) The specific Participant may acquire a smaller number of lots in bidding stage 4 than designated in the bid in bidding round 10 of bidding stage 3 if, due to the situation resulting from the acquisition limit rule in the Documentation or the ordering of the unit prices offered as per Section (284), it is impossible to determine the number of lots acquired by the specific participant designated in the bid in bidding round 10 of bidding stage 3.

- (276) If bidding stage 3 ends in any bidding round because the total number of lots bid for by Participants falls below the number of lots available in bidding stage 3, the Auctioneer informs Participants about the total number of lots available in bidding stage 4 for that particular frequency band, and/or about the maximum number of lots each Participant's offered unit price may apply to (in other words, the maximum number of lots obtainable by each Participant for their offered unit price.)
- (277) In the case as per Section (276), the Auctioneer establishes the number of lots available in the specific frequency band for bidding in the 4th bidding stage by subtracting the number of lots in the stage closing list and obtained in the 3rd bidding stage by Participants bidding in the bidding stage 3 from the number of lots available in bidding stage 3.
- (278) In the case specified in Section (276), in the 4th bidding stage the Auctioneer establishes how many lots a particular Participant's unit price offer may apply to (in other words, the maximum number of lots obtainable by each Participant for their offered unit price) with the following algorithm:
- if more than one bidding rounds were held in bidding stage 3, then it subtracts the Participant's bid made in the last bidding round (which may be zero, including the case described in Section (238)) from the bid made in the last-but-one bidding round of bidding stage 3. If the number so obtained exceeds the number of lots available in bidding stage 4, then the Auctioneer determines the maximum number of lots the given Participant's offered unit price may apply to (in other words, the maximum number of lots obtainable by the Participant for their offered unit price) to be equal to the number of available lots in the 4th bidding stage;
 - if only 1 (one) bidding round would be held in bidding stage 3, then the Auctioneer subtracts the bid made by that particular Participant in the 1st bidding round of bidding stage 3 (which may be zero, including the case described in Section (238)) from the number of lots available in the 3rd bidding stage. If the number so obtained exceeds the number of lots available in bidding stage 4, then the Auctioneer determines the maximum number of lots the given Participant's offered unit price may apply to (in other words, the maximum number of lots obtainable by the Participant for their offered unit price) to be equal to the number of available lots in the 4th bidding stage;
 - in accordance with items (a) and (b) above, the specific participant may only acquire fewer lots in bidding stage 4 than the number determined by the Auctioneer if, due to the situation resulting from the acquisition limit rule in the Documentation or the ordering of the unit prices offered as per Section (284), it is impossible to determine the number of lots acquired by the specific participant as per items a) and b).

4.10.3.4.1 Requirements for the offered unit price

- (279) In the case specified in Section (275), the unit price offered by the participant may not be lower than the price determined by the Auctioneer in bidding round 10 of bidding stage 3.
- (280) In the case as per Section (278) a), the unit price offered by the participant, taking into account also Section (282), shall not be lower than the price determined by the Auctioneer in the last-but-one bidding round of bidding stage 3.
- (281) In the case specified in Section (278) b), the unit price may offered by the participant not be lower than the price set by the Auctioneer in the last-but-one bidding round of bidding stage 2, and/or, if a single bidding round was held in bidding stage 2, the price set by the

Auctioneer in the last-but-one bidding round of bidding stage 1, or the reserve price in the absence of such a lot price.

(282) The offered unit price must be given by the participant in HUF, which must comply with the following numbering rules, in addition to the rules in Sections (279)–(281):

- a) the amount must be an integer;
- b) the last 3 (three) digits of the amount may not be 3 (three) consecutive numerals in increasing or decreasing order;
- c) the last 3 (three) digits of the amount may not be 3 (three) identical numerals.

(283) If the specific participant does not specify a unit price in bidding stage 4 in accordance with the conditions set out in the Documentation regarding the unit price offer, the Auctioneer shall consider as the offered unit price the price for which the participant has made a valid bid above zero at any onsite bidding stage prior to bidding stage 4. If there is no such bid, the Auctioneer considers the offered unit price to be the reserve price.

4.10.3.4.2 Evaluation of the offered unit prices, lottery

(284) The Auctioneer sorts the unit prices valid according to Sections (279)–(283) in decreasing order according to the following rules:

- a) the unit price offered by a specific participant is included as many times as the number of the lots the participant in question's offer was applicable to, according to the rules set out in Sections (275) and (277).
- b) According to the ordering determined by point a), the unit price offered by the same participant for lots (considering their equal amounts) will have the same serial number;
- c) the Auctioneer assigns the lowest (no. 1) serial number to the highest offered unit price, and then increases the serial number (no. 2 and so on) with each lower offered unit price;
- d) if several participants have offered the same unit price in stage 4, the Auctioneer assigns the same serial number to each offered unit price (with equal amount) for each participant involved.

(285) The Auctioneer will examine the offered unit prices sorted as per Section (284), and, while also taking into account the rules in Sections (286)–(288), creates the closing list by going from the lowest to the highest serial numbers for the unit prices offered in stage 4 for the lots available in bidding stage 4.

(286) If, in view of the rules limiting the acquisition of frequency use entitlements as per Section (29), that particular Participant could not obtain the required minimum number of lots following the evaluation as described above, the Auctioneer will sort again the offered unit prices of other Participants, disregarding the offered unit price of that particular Participant, and compile the final closing list.

(287) If the identical offered unit prices of Participants would result in a draw in bidding stage 4, preventing the Auctioneer from ascertaining, by also taking into account the rules limiting the acquisition of frequency use entitlements specified in Section (29), the potential winningness of valid offered unit prices for the still available lot(s) that are ranked last as per Section (285), the Auctioneer shall conduct a lottery drawing as specified in Sections

(290)–(296). In this case those Participants take part in the lottery that submitted identical offered unit prices in bidding stage 4 for the last ranked available lot(s) (i.e. the unit prices offered are ranked the same).

(288) If offered unit prices of only the same Participant would cause a draw, the Auctioneer will not hold a lottery as described in Section (287). In this case that particular Participant gets the last ranked available lot(s), also in view of the rules limiting the acquisition of frequency use entitlements as per Section (29).

(289) If none of the participants give a unit price compliant with the conditions set out in the Documentation, the Auctioneer shall proceed as per Section (283).

(290) If a lottery is required in accordance with Sections (291)–(296), the Auctioneer shall promptly execute it in the presence of a notary at the site of the onsite bidding.

(291) If a lottery is needed to close the onsite bidding for a particular frequency band, the following procedure is applied:

- a) an employee of the Auctioneer writes the names of the involved participants on separate sheets of paper of identical size, folds them identically in clear view, places them in separate envelopes, seals the envelopes, and puts them into a transparent bowl, then
- b) another employee of the Auctioneer reaches into the bowl, flips over a few envelopes, pulls the winning participants' envelope out of the bowl, and hands over that envelope to a third employee of the Auctioneer, then
- c) the Auctioneer's third staff member opens the sealed envelope and announces the winning Participant's name.

(292) The Participant picked first is the winner of the lots available to them in bidding stage 4, or if fewer are included in the lottery, then of the lots included.

(293) If the number of lots available in bidding stage 4 to the first picked Participant is less than the number of lots included in the lottery, then the Auctioneer subtracts the number of lots taken by the first picked Participant from the number of lots included in the lottery, arriving at the number of lots left available.

(294) Then:

- a) If two Participants take part in the lottery, the number of lots left available is awarded to the second, not picked Participant.
- b) If three or more Participants take part in the lottery, the Auctioneer has another Participant picked from the bowl, and continues this procedure until all lots left available in stage 4 are gone, in compliance with the rules limiting the acquisition of frequency use entitlements as per Section (29).

(295) The events and the results of the lottery are recorded by a notary in the minutes. The Auctioneer will record the number of lots and their unit prices obtained by the participants during the lottery in the final closing list.

(296) The rules in Annex 5 shall apply mutatis mutandis to the lottery.

5 Establishing the results of the auction procedure

5.1 Forming user blocks

- (297) The Auctioneer forms user blocks in each frequency band, based on the final closing lists for those frequency bands, by merging all lots won by each participant in a particular frequency band into a single theoretical user block according to the information listed in the final closing list, and allocating that block or blocks within that particular frequency band(s) in accordance with the NFFF and this Documentation.
- (298) The Auctioneer allocates the theoretical user blocks in each frequency band – taking into account the common rule in Section (300) and the special rules laid down in Sections (301) through (307) of the Documentation – so that those band sections not issued for use under this auction procedure form the largest possible contiguous frequency range.
- (299) The Auctioneer includes the results of forming user blocks in its decision concluding the procedure.

5.1.1 Rules for establishing user blocks

- (300) Before forming user blocks, the Auctioneer sequences participants who have won theoretical user blocks as follows (with the exceptions stipulated in Sections (302)–(303) as well as Sections (306)–(307):
- a) The Auctioneer ranks the winning participants in decreasing order by the amount of frequencies obtained within the frequency band. The participant who obtained the most frequency in that band is thus placed first, and other participants follow in decreasing order of the size of their frequency holdings.
 - b) In case of a tie by the amount of frequency within the frequency band, the participant obliged to pay a higher final price for their frequency use rights in that band is placed first.
 - c) In case of a tie both in the amount of frequency and in the final price with regards to a given frequency band, the participant with a higher quantity of frequencies held in all of the auctioned frequency bands is placed first.
 - d) In case of a tie for all of the criteria above, the participant obliged to pay more total auction fee is preferred.
 - e) If the rule under item d) still results in a tie, the Auctioneer will decide the priority of the participants by lottery. The lottery shall be performed in the presence of a Public Notary, as follows:
 - 1) an employee of the Auctioneer writes the names of the involved participants on separate sheets of paper of identical size, folds them identically in clear view, places them in separate envelopes, seals the envelopes, and puts them into a transparent bowl, then

- 2) another employee of the Auctioneer reaches into the bowl, flips over a few envelopes, pulls one of the participants' envelope out of the bowl, and hands over that envelope to a third employee of the Auctioneer, then
- 3) the Auctioneer's third employee opens the sealed envelope and hands it over to the Notary, who then records the name of the selected Participant.
- 4) The first Participant to be selected is placed first, then the remaining participants are ranked by the Auctioneer according to subsequent lottery results.

5.1.2 Special rules for the 700 MHz frequency band

- (301) Following the sequencing of participants holding theoretical user blocks, the Auctioneer places the theoretical user blocks in the frequency band in a sequence according to the order specified by Section (300) so that the first placed participant gets their theoretical user block placed at the bottom of the 708/763 MHz band, while other participants obtain higher frequencies, according to their placement, in a contiguous sequence. Accordingly, if the sequence can be ascertained based on Section (300) a), for instance, the participant having received the single largest theoretical user block during the auction procedure will have their user block placed at the bottom of the frequency band. The theoretical user block of the next participant in the sequence is always placed directly adjacent to the recorded user block, above the upper limit of the frequency band.

5.1.3 Special rules for the 2100 MHz frequency band

- (302) If such a participant obtains a lot in the 2100 MHz frequency band who already has NFFF 1960 to 1965/2150 to 2155 MHz basic block frequency use rights at the time when the user block is being built, the Auctioneer will arrange the theoretical user block received by that participant in the current auction procedure within the 2100 MHz frequency band in such a way as to safeguard the principle of block continuity.
- (303) In all other cases the Auctioneer establishes the sequence of the participants holding theoretical user blocks as per the lottery rules in Section (300) e) and then orders the theoretical user blocks in the frequency band so that the first placed participant gets their theoretical user block placed at the bottom of the 1965/2155 MHz band, while other participants obtain higher frequencies, according to their placement, in a contiguous sequence.

5.1.4 Special rules for the 3600 MHz frequency band

- (304) When forming user blocks in the 3600 MHz frequency band, the Auctioneer checks whether any participants has a frequency use right in the 3600 MHz frequency band at the time the user block is formed.
- (305) If any of the winning participants do not hold frequency use rights in the 3600 MHz frequency band at the time the user block is formed,
- a) the Auctioneer sequences participants who have won theoretical user blocks as per Section (300),

- b) the Auctioneer places theoretical user blocks in a sequence according to item a) so that the block of the first placed participant is placed at the top, starting from 3800 MHz. Accordingly, participants ahead in the sequence according to the current auction procedure get their user block placed toward the top of the frequency band,
 - c) next the theoretical user block of the next lower participant in the sequence is placed by the Auctioneer immediately lower, toward the lower band limit of the 3600 MHz frequency band.
- (306) If the Auctioneer finds one or more winning participants holding frequency use rights in the 3600 MHz frequency band at the time the user block is formed, the Auctioneer will endeavour to form a contiguous user block for each participant combining the theoretical user blocks won by them in the current auction procedure and the user blocks acquired prior to the start of the auction procedure.
- a) The Auctioneer positions the theoretical user block or blocks formed of lots held by one or more participants having frequency use rights in this frequency band at the time the user block is formed by first building a combined theoretical user block from a particular participant's theoretical user block obtained in the current auction procedure, added to their user block held before the start of the auction procedure, also taking into account existing frequency rights of use.
 - b) Then the Auctioneer first sequences participants who have won theoretical user blocks in the 3600 MHz frequency band by taking into account the amount of the combined theoretical user block frequency as described herein, instead of the amount of the frequency acquired.
 - c) Following the sequencing of participants holding theoretical user blocks, the Auctioneer places the combined theoretical user blocks in the 3600 MHz frequency band according to that sequence so that the first placed participant gets their theoretical user block placed at 3410 MHz, while other participants obtain successively higher frequencies.
- (307) If the winning participant already holding two frequency usage rights in that frequency band at the time the user block is formed acquire theoretical user blocks in the current auction procedure, the Auctioneer places the theoretical user blocks acquired in the current auction procedure in the combined theoretical user blocks so that frequency ranges used on the basis of rights expiring earlier in time form a contiguous range.

5.2 Announcing winners

- (308) The Auctioneer's regulatory decision concluding the auction procedure shall state the following:
- a) if the auction procedure is successful, the winner(s) of the Auction, based on the final closing lists, and the usage rights of the user block or blocks, formed as per Sections (297)–(307) of this Documentation; or
 - b) the fact that the auction procedure was unsuccessful.
- (309) The Auctioneer makes a consolidated resolution for all user blocks involved in the auction procedure.

- (310) The Auctioneer will notify each participant of the procedure about its decision, and will publish its decision on its website.
- (311) Redress against the decision concerning the results of the Auction shall be governed by the provisions of the Electronic Communications Act and the Administrative Procedures Act.
- (312) The winner may be selected only from among participants that, from the submission of their application, have continuously complied with the conditions set out in the Documentation and in the Ápsr..
- (313) In its decision concluding the auction procedure, the Auctioneer shall announce the conditions of usage of the user block in line with the Documentation and the Application(s) of the winner(s).
- (314) Through obtaining their frequency use rights, the winning participant obtains exclusive rights to initiate a framework licensing procedure for the use of the frequencies acquired.
- (315) Pursuant to Section 22 (2) (a) of the Ápsr., the exclusive rights as per Section (314) start at the date when the full auction fee is credited to the account number specified in Section (323).

5.3 Declaring the auction procedure unsuccessful

- (316) The procedure will be deemed unsuccessful if all submitted Applications and Offers are invalid in terms of form or content.
- (317) The Auctioneer notifies each participant of its decision to pronounce the auction procedure unsuccessful, and also publishes the decision on its website.

5.4 Termination of the auction procedure

- (318) In the cases set out under Section 20 (1) of the Ápsr., the Auctioneer terminates the procedure by way of an order.

6 Obligations resulting from the acquisition of frequency use rights

- (319) The Auctioneer oversees full compliance with and performance of the stipulations set out in the administrative resolution specified in Section (309) within the context of an administrative supervisory procedure.
- (320) The entitled party must meet the conditions listed attached to the acquisition of the frequency use rights as listed in the Documentation and the regulations pertaining to electronic communications during the entire term thereof, and if it fails to meet any condition, the legal consequences set out in the Electronic Communications Act shall apply.

6.1 Conditions of payment of the total auction fee

- (321) The winner of the auction procedure shall pay the total auction fee as per the following.
- (322) Within 10 (ten) days of the resolution concluding the auction procedure becomes final, the winning participant shall transfer the full auction fee to the bank account specified by the Auctioneer.
- (323) The total auction fee shall be transferred to the Concession Fees account number 10032000-01031582 managed by the Hungarian State Treasury, specifying „MFCN teljes árverési díj” (MFCN total auction fee) in the comment section.
- (324) In the event of late payment, the Auctioneer is entitled to charge a late payment penalty as per the GPAP Act and, following a one-off demand for payment and the expiration of the payment deadline specified in the demand for payment, to satisfy its claim from the performance guarantee provided by the participant and submitted as per Sections (143)–(150).

6.2 Frequency assignment, radio licence

- (325) When using the user block(s) received in the course of this auction procedure, frequency assignment is not necessary for the installation and deployment of the radio system. Radio station and system installation and deployment are subject to planning, with the pertaining installation and radiation parameters defined in the course of planning. Designs do not have to be presented or submitted to the Auctioneer; however, subsequently upon the request of the auctioneer the detailed design documentation of both current and former stations shall be made available within 5 (five) days in a signed hard copy.
- (326) The radio station and radio equipment can be operated based on the framework licence, once it is finalized. When submitting to the Auctioneer its application for a framework license, the submitting party shall take into account any applicable deadlines for the licensing procedure, as stipulated in legislation. No further individual licence needs to be requested for the deployment and operation of the individual stations.
- (327) The framework licence includes the general conditions for operating the electronic communications network without any specific parameters of any particular radio station.
- (328) As stipulated in the framework licence, detailed data on each station must be provided to the Auctioneer electronically, in the format defined by the Auctioneer, via the PcHIF/PC Data Exchange application
(http://nmhh.hu/tart/index/153/Elektronikus_adatszolgaltatas_PCAdatsere)
- (329) As part of its reporting obligation, the entitled party shall inform the Authority about the selected technology to be used, within one month following its acquisition of the license in the case of a technology upgrade, or within one month following the commissioning of the technology selected. In addition to the name of the technology, the actual nominal channel spacing and the channel center frequency must also be included in the report.
- (330) User stations are exempted from individual licencing obligations.

6.3 Extent of the band fee, terms of payment

- (331) Throughout the validity duration of the frequency rights of use, use of the affected frequencies is subject to a frequency fee (hereinafter: band fee). The band fee shall be payable for the duration starting with the acquisition date of the frequency rights of use, which, pursuant to Article 22 (2) a) of the Ápszt. is the day when the auction fee is credited to the bank account specified by the Auctioneer. For the detailed rules on establishing the amount of the band fee and its terms of payment, please refer to the Fee Decree. In the cases specified in Sections 20. (4a) and (4b) of the Fee Decree, the band fee may be reduced with the discount shown therein, for a period set down in the Fee Decree, when the conditions laid down in the Fee Decree and the Documentation are met.
- (332) The band fee shall be paid monthly, against the invoice issued by the Auctioneer, via bank transfer to the Authority's bank account 10032000-00300939-00000017 with the Hungarian State Treasury.

6.3.1 Detailed rules for using the band fee discount

- (333) In order to roll-out 5G as soon as possible, Sections 20. (4a)–(4b) of the Fee Decree allow for a fee discount (hereinafter: fee discount) for the next generation mobile radio network, in the extent and for the duration specified in the Fee Decree.
- (334) Fee discounts are available to parties who
- obtained frequency use rights in this auction procedure in the 700 MHz or the 3600 MHz frequency band, and/or
 - already hold frequency use rights for the 3600 MHz frequency band before the start of the auction procedure.
- (335) The Auctioneer shall request all parties entitled to a fee discount – as per Section (334) – to prepare a statement regarding whether they wish to take advantage of the fee discount with conditions according to this section and Annex 2 Item 1 of the Documentation, to be submitted no later than 15 days after closing all of the final closing lists for the frequency bands distributed through this auction.
- (336) Parties entitled to a fee discount should prepare a statement within 15 days of the request made according to Section (335), or shall forfeit their entitlement. The fee discount may no longer be requested once the deadline for preparing a statement has passed.
- (337) Granting the fee discount is contingent on the statement containing the following regarding the applicant entitled to the fee discount:
- that, on winning a lot in the 700 MHz or 3600 MHz frequency bands, the applicant shall undertake an irrevocable obligation to implement a total of 10 or more network development cases selected from 4 or more groups of network development cases divided into 5 groups in Table 1 of Annex 2 of the Documentation, and to ensure broadband wireless coverage with metrics set down in Annex 2 of the Documentation, within the deadlines specified for each case; and
 - that they shall undertake the obligation to repay any fee discount used to the Auctioneer with a late payment surcharge at twice the prevailing central bank base

rate for the period affected by their default within 1 (one) year at the latest if they fail meet their obligation, undertaken in their declaration, as required in the terms and conditions of Annex 2 of the Documentation.

- (338) In the event that an applicant entitled to a fee discount receives a band fee discount in accordance with Section (334) (b), in their statement as per Sections (335)–(336) they are entitled to request that following the termination of the band fee discount in accordance with Section 20 (4) of the Fee Decree, in the interest of deploying the new-generation mobile radiotelephone networks, the fee discount shall apply to the entire frequency range distributed in the course of the competitive procedure used for the 3600 MHz frequency band, even if the applicant in question does not receive frequency use rights within the 3600 MHz frequency band as a result of the auction.
- (339) Detailed conditions and requirements regarding the available fee discounts are included in Annex 2 of the Documentation.
- (340) If the statement regarding the use of the fee discount was submitted within the deadline, but fails to meet the conditions set out in Section (337), the Auctioneer shall request rectification from the participant eligible for the fee discount a single time.
- (341) The Auctioneer shall not use fee discount when determining the band fee if the statement regarding the fee discount
- a) was not prepared by the participant eligible for the fee discount as stipulated in Section (334),
 - b) was submitted after expiry of the deadline set out in Section (336), or
 - c) still fails to comply with the conditions set forth in Section (337) or (338) even after rectification.
- (342) Those using the fee discount must make a declaration whether they have implemented a network development case from the given network development case group by the 15th day of the month following the deadline for the specific network development cases in Groups I-V in Table 1 of Annex 2 of the Documentation, where the deadlines are 31 July 2023 for group V, 31 December 2023 for group III, 31 July 2025 for group IV, 30 October 2025 for group I, and 31 December 2025 for group II. If so, they shall provide data about the implemented network development cases together with the declaration.
- (343) In the data provided in accordance with Section (342), the user of the fee discount shall
- a) identify the conditions implemented for the given network development case by its deadline, especially the name, geographical location (topographical lot no., mailing address) of the route, settlement, area, or facility,
 - b) reference the appropriate legislation as per Table 1, Annex 2 of the Documentation, if needed,
 - c) provide the cell/trunk identifiers of the providing base stations and the associated WGS84 coordinates;
 - d) attach the fee discount's other underlying documents, and records and documents verifying the network development case, in particular the declaration of the owner (entity exercising ownership rights, operator, party performing maintenance, trustee,

etc.), the layout and design drawings of the facility, as well as the contract signed between the winning applicant and the entity eligible for contracting with regards to the network development case in question (owner, entity exercising ownership rights, operator, party performing maintenance, trustee, etc.) as per Section 2.2.3 of Annex 2, where appropriate.

- (344) Regarding the network development case data provision as per Section (342), the Auctioneer investigates whether the network development case specified by the party using the fee discount has been implemented in accordance with Annex 2 of the Documentation.
- (345) If the entitled party fails to provide data or a declaration as per Section (342) and within the deadline specified in Section (342), the Auctioneer shall interpret that as the entitled party not having implemented the network development case for the case group in question.
- (346) Following the investigation described in Section (344), the Auctioneer shall initiate an official procedure if it is evident that
- a) the condition serving as the basis for the fee discount was not met (in particular, if neither network development case out of two network development case groups was implemented), or
 - b) the recipient of the fee discount did not fulfill the condition serving as the basis for the fee discount.
- (347) If the Auctioneer finds that an entitled party has failed to meet the conditions for using the fee discount, the Auctioneer shall determine in its decision that the fee discount that has been used up to the decision becoming enforceable shall be repaid within 1 year at the latest, with a late payment surcharge at twice the prevailing central bank base rate for the period affected by their default, and the fee discount can no longer be made available.
- (348) The entitled party may withdraw their declaration to use the fee discount and waive their claim to the fee discount at any time. In this case they shall repay the fee discount used up to the date of their declaration shall be repaid as specified in Section (347).

6.4 Conditions for the secondary trading of frequency use rights

- (349) Frequency use rights acquired in the auction procedure may be transferred and leased either partially or entirely.
- (350) Partial transfer of frequencies may be completed by basic blocks.
- (351) The Secondary Trading Decree governs the procedural laws on the secondary trading of the entitlements and frequency use rights acquired at the auction procedure.

6.5 Cooperation in emergency, crisis periods and in the interest of national defense

(352) Frequency use rights holders shall comply with the provisions set out in the Electronic Communications Act and other legislation regarding state of emergency, times of crisis and wartime and cooperation with state organizations in the interest of national defense. The use of certain frequency bands may be restricted during these periods.

6.6 Cooperation for the purposes of gathering confidential information

(353) Frequency use rights holders shall comply with the relevant provisions set out in the Electronic Communications Act, the Act on National Security Services, and Government Decree 180/2004 (V. 26.) on the rules of cooperation between the organizations performing electronic communications tasks and the organizations authorized to collect confidential information and obtain confidential data.

6.7 Data disclosure

(354) Frequency use rights holders shall disclose to the Auctioneer any data necessary for performing the tasks within the competence of the Auctioneer, as defined in relevant legislation, in the manner and with the conditions set forth in legislation, even if such data qualify as trade secret. Upon the frequency use rights holders's request, the Auctioneer shall handle the data disclosed by them confidentially and in line with data protection rules. Data disclosure to the Auctioneer is free of charge.

6.8 Revoking frequency use rights

(355) Upon the request of the frequency use rights holder, the Auctioneer shall withdraws the frequency use rights and entitlements.

(356) If the entitled party requests the withdrawal of the frequency use rights obtained in the context of the auction procedure, the amount paid by the participant for the right of frequency use (in particular the total auction fee) shall not be reimbursed.

Annex 1 – Spectrum Management Specifications

1 Legislative background

Spectrum management specifications are contained in the NFFF, in particular in Annexes 2, 3 and 4 thereof.

2 Use of radio frequencies in national border zones

In the case of frequency usage in the border areas, only those stations may use such frequencies that meet the conditions and requirements stipulated in the currently effective agreements and protocols signed by the Auctioneer and the neighboring countries, or for which, in the absence of such a document, the Auctioneer successfully carried out individual international coordination.

An abstract of the agreements and protocols referred to in the previous paragraph can be found in the document entitled „Information on the requirements of the international coordination agreements in the fixed service and land mobile service” available on the NMHH website, here:

http://nmhh.hu/dokumentum/263/nemzetkozi_koord_megall_allando_helyu_es_foldi_mozgo.pdf

Agreements concluded or amended after the auction procedure may supplement or override earlier agreements.

The Auctioneer involves the affected frequency use rights holders in the preparation of the amendments.

The Auctioneer will make available all relevant agreements as PDF files to applicants or participants upon their request.

Pursuant to a network operator agreement approved by the Auctioneer and the frequency managing authorities of neighboring countries, frequency uses other than those specified in international agreements or other international coordination documents are also permitted.

3. Other requirements for the use of frequency bands

In addition to the specifications laid down in the NFFF, the frequency use rights holder must also comply with the requirements outlined in this annex when planning and installing networks and systems and when using frequencies.

Other requirements for the use of the auctioned frequency bands are listed in the following annexes:

1.A. 700 MHz frequency band

1.B. 2100 MHz frequency band

1.C. 2600 MHz frequency band

1.D. 3600 MHz frequency band

1.A. 700 MHz frequency band

1.A.1. Other basic requirements for the use of the 700 MHz frequency band

The following provisions apply to the operation of applications based on Mobile/Fixed Communications Networks (MFCN²) capable of providing electronic communications services in the 700 MHz frequency band.

- a) The general technical requirements for representative applications and other applications are specified in the NFFF. At the start of the present auction procedure, Annex 2 of the NFFF contains the following representative applications: LTE and NR with non-active antenna systems, in-band LTE-MTC and LTE-eMTC, in-band IB-NB-IoT and guard band GB-NB-IoT.
- b) On the basis of a bilateral or multilateral agreement of frequency use rights holders, and with the consent of all affected parties, the frequency use rights holder may deviate from the technical requirements set out in Annex 3 to the NFFF with the exception of those specified in item c), and may also operate other applications not listed in Annex 2 (such as NR and LTE with active antenna systems). The frequency use rights holder shall, in these cases, still satisfy the requirements for the protection of other services, applications and networks, meet the technical conditions resulting from cross-border coordination, and tolerate any interference that may result from the changed situation.
- c) The entitled user of the user block may not deviate from the following spectrum management requirements specified in Annex 3 of the NFFF:
 - access mode;
 - frequency band of downlink and uplink connections;
 - duplex spacing.

² MFCN: Mobile/Fixed Communications Networks

With regards to the convergence of fixed and mobile wireless communication services, the CEPT regulation introduced the umbrella term 'MFCN' (Mobile/Fixed Communication Networks).

1.A.2. Compatibility conditions for television broadcasting stations operating in the 700 MHz frequency band

a) Impact of Hungarian television broadcasting transmitters on block availability

Terrestrial digital television broadcasting stations may operate in the 700 MHz frequency band in Hungary until 5 September 2020. After that date the 700 MHz frequency band may be used for MFCN.

b) Impact of foreign television broadcasting transmitters on the usability of the 700 MHz frequency band

Please refer to Table 1.A.2.a. for information about the current use of the 700 MHz frequency band and the expected termination of terrestrial television broadcasting in that band.

Table 1.A.2.a

| Country | Current use | Expected disconnection of television broadcasting in the 694–790 MHz frequency band | Note |
|---------------|--------------------|---|---|
| Austria (AUT) | digital television | 30 June 2020 | <p>The MFCN award procedure has been launched within the context of the implementation of the National Roadmap issued under Decision (EU) 2017/899 of the European Parliament and of the Council on the use of the 700 MHz frequency band in the Union.³ An auction is expected in Q1 of 2020.</p> <p>https://www.bmvit.gv.at/telekommunikation/fahrplan_700.html</p> <p>https://www.rtr.at/en/tk/FRQ5G_2020</p> |

³ Decision (EU) 2017/899 of the European Parliament and of the Council of 17 May 2017 on the use of the 470 to 790 MHz frequency band in the Union

| Country | Current use | Expected disconnection of television broadcasting in the 694–790 MHz frequency band | Note |
|------------------------------|---------------------|---|---|
| Bosnia and Herzegovina (BIH) | analogue television | Based on an agreement, after 5 September 2020 the BIH television stations operating in the 700 MHz frequency band may not cause harmful interference in the territory of Hungary. | Based on preliminary information received from BIH Administration, if BIH TV transmitters cause harmful interference to the operation of MFCN stations, the BIH party will take the necessary measures to eliminate the interference. |
| Croatia (HRV) | digital television | Based on RSPG ⁴ information, television broadcast services in the 700 MHz frequency band will be switched off by 26.10.2021 at the latest, in two phases. In the first phase, the objective is to turn off transmitters on the mainland. | Croatia does not yet have a final National Roadmap. Pursuant to Decision (EU) 2017/899 of the European Parliament and of the Council, an infringement procedure has been launched. We have not received an official response from the HRV Administration until the start of this auction procedure, but based on their informal information, the timing of turn off their 700 MHz transmitters is planned in such a way not to impede the introduction of the MFCN in neighboring countries. The exact schedule is expected to be officially determined by the second half of 2019. |
| Romania (ROU) | | Currently the 700 MHz frequency band is not used for broadcasting. | The ROU Administration is also planning to sell the 700 MHz frequency band for MFCN in 2019, and MFCN use is planned to begin on 30 June 2020. http://www.ancom.org.ro/en/uploads/links_files/Foaia_de_publicare_pentru_banda_UHF_470-790_MHz_en.pdf |

⁴ RSPG: Radio Spectrum Policy Group

| Country | Current use | Expected disconnection of television broadcasting in the 694–790 MHz frequency band | Note |
|----------------|--------------------|--|--|
| Serbia (SRB) | digital television | On the basis of a commitment in a bilateral agreement, Serbia will provide information on the exact date of the switch-off by the end of 2019. | Based on official information received from the SRB Administration, regulation relevant to the 700 MHz frequency band is in progress, and Serbia is also planning to introduce MFCN in the 700 MHz frequency band. In Serbia there are currently 2 television stations operating in the 700 MHz frequency band, and the planned date of the switch-off officially unknown. |
| Slovakia (SVK) | digital television | 30 June 2020 | Pursuant to the National Roadmap, issued in compliance with Decision (EU) 2017/899 of the European Parliament and of the Council, the 700 MHz frequency band will become available for the purpose of MFCN from 30 June 2020. https://www.mindop.sk/ministerstvo-1/elektronicke-komunikacie-8/strategicke-dokumenty |

| Country | Current use | Expected disconnection of television broadcasting in the 694–790 MHz frequency band | Note |
|----------------|--------------------|--|---|
| Slovenia (SVN) | | Currently the 700 MHz frequency band is not used for broadcasting. | Pursuant to the National Roadmap, issued in compliance with Decision (EU) 2017/899 of the European Parliament and of the Council, commercial wireless broadband electronic communications services using the 700 MHz frequency band may start from 30 June 2020. https://www.akos-rs.si/files/Javna_posvetovanja/2018/6_4/Strategija-upravljanja-z-radiofrekvencnim-spektrum-osnutek.pdf |
| Ukraine (UKR) | digital television | In a bilateral agreement Ukraine agreed to provide information on the date of the switch-off by the end of 2019. | The parameters of Ukrainian television broadcasting transmitters operating in the 700 MHz frequency band are shown in Table 1.A.2.b. |

Considering that television broadcasting in the 700 MHz frequency band will be terminated in different points in time in countries relevant in terms of frequency coordination, when designing the networks of systems suitable for electronic communications services and during station installation, possible interferences from television broadcasting stations in neighbouring countries should also be taken into account. During the design phase, it is recommended to carry out onsite measurements, as the interference largely depends on factors affecting wave propagation such as topography and building density.

According to Table 1.A.2.a, interference from television stations operating in Ukraine and Bosnia and Herzegovina is expected to continue after 5 September 2020. The Auctioneer has carried out measurements, the results of which will be made available to frequency use rights holders upon their request.

Please refer to Table 1.A.2.b for the location and key radiation parameters of Ukrainian television stations affecting compatibility.

In the case of Bosnia and Herzegovina, under the bilateral agreement concluded with Hungary, the analogue television stations operating in Bosnia and Herzegovina may not cause interference to the operation of the MFCN networks and may not require protection measures by the Hungarian networks in the 700 MHz frequency band after 5 September 2020. Measurements should be carried out during

the installation of the MFCN base stations to avoid potential interference. If, based on the measurements, the analogue television stations operating in Bosnia and Herzegovina cause harmful interference to the operation of the Hungarian MFCN stations, the BIH Party will take the necessary steps to eliminate the interference.

Upon their request, the Auctioneer will disclose the detailed technical parameters and installation data of the affected television stations to the frequency use rights holder. The Auctioneer will notify those acquiring frequency use rights in the 700 MHz frequency band as a result of the current auction procedure about the switch-off of television transmitters operating in the countries involved.

Table 1.A.2.b

| UKRAINE – digital television stations | | | | | | |
|---------------------------------------|---------|-----------|-------------|----------|--------------|-------------------------|
| Location | Channel | ERP (dBW) | Coordinates | | Polarization | H _{effmax} (m) |
| MUKACHEVO | 53 | 26.6 | 22E45 41 | 48N25 34 | H | 114 |
| UZHHOROD | 53 | 29.6 | 22E17 42 | 48N39 08 | H | 140 |
| KHUST | 53 | 34.3 | 23E14 33 | 48N13 24 | H | 818 |
| MUKACHEVO | 55 | 26.6 | 22E45 41 | 48N25 34 | H | 114 |
| KHUST | 56 | 34.3 | 23E14 33 | 48N13 24 | H | 818 |
| MUKACHEVO | 56 | 26.6 | 22E45 41 | 48N25 34 | H | 114 |
| UZHHOROD | 56 | 29.6 | 22E17 42 | 48N39 08 | H | 140 |

1.A.3. Compatibility conditions for cable communications services operating in the 700 MHz frequency band

In order to ensure seamless interoperability of cable TV networks and broadband mobile systems in the 700 MHz frequency band, full compliance with technical requirements (e.g. use of standard and EMC compliant, quality equipment, cables and modems, connection point installations, use of appropriate receiver equipment) and a careful network design are required.

In matters of compatibility between systems capable of providing electronic communications services and cable communications networks already operating in the 700 MHz frequency band, the general standards of electromagnetic compatibility (e.g. EN 50529-1, EN 50529-2, MSZ EN 50083-8, MSZ EN 55020) shall be considered.

For purposes of avoiding interference, affected service providers shall take whatever steps are required to ensure that customers receive adequate information (e.g. user manuals, information brochures) and mutually cooperate, so as to eliminate any possible interference at the shortest possible time. The Auctioneer undertakes to act as a moderator in order to eliminate interferences.

1.A.4. Requirements for avoiding interference with digital terrestrial television broadcasting operating below 694 MHz

For the purpose of protecting the digital television broadcasting transmitters operating in the frequency bands below 694 MHz, the out-of-band emission limits relevant to the 700 MHz frequency band have been determined so as to protect the television channel 48 if the guard bands are maintained.

Commission Implementing Decision (EU) 2016/687⁵ specifies the power limit for end-user stations, in order to avoid interference caused by unwanted emissions below 694 MHz (out-of-band). The limit for unwanted emission is -42 dBm/8 MHz based on DVB-T2 broadcasting and 10 MHz bandwidth MFCN systems.

In case of simultaneous operation of wireless broadband systems and broadcasting, the base stations of mobile networks may block digital terrestrial television receivers (e.g. by overdriving antenna amplifiers), and television stations may cause interference with the receivers of base stations, due to the in-band power of the transmitter or unwanted emissions. In such cases, the base stations (fixed/central stations and repeater stations) must be planned and installed to ensure interference-free operation, or if necessary, to apply appropriate interference mitigation techniques. Additional potential interference reduction techniques recommended in CEPT report 306 may also be applied.

If, despite full compliance with applicable technical requirements, harmful interference occurs or there is a real risk for that to happen, all operators affected shall take action as needed and cooperate in eliminating interference within the possible shortest timeframe.

1.B. 2100 MHz frequency band

1.B.1. Other basic requirements for the use of the 2100 MHz frequency band

The following provisions apply to the operation of applications based on Mobile/Fixed Communications Networks (MFCN) capable of providing electronic communications services in the 2100 MHz frequency band.

- a) The general technical requirements for representative applications and other applications are specified in the NFFF. At the time this auction procedure is started, Annex 2 of the NFFF includes the following representative applications: UMTS, LTE and NR with non-active antenna systems, in-band LTE-MTC and LTE-eMTC, in-band IB-NB-IoT and guard band GB-NB-IoT.
- b) On the basis of a bilateral or multilateral agreement of frequency use rights holders, and with the consent of all affected parties, the frequency use rights holder may deviate from the technical requirements set out in Annex 3 to the NFFF with the exception of those specified in item c), and may also operate other applications not listed in Annex 2 (such as NR with active antenna

⁵ Commission Implementing Decision (EU) 2016/687 of 28 April 2016 on the harmonization of the 694 to 790 MHz frequency band for terrestrial systems capable of providing wireless broadband electronic communications services and for flexible national use in the Union

⁶ CEPT Report 30 – Report from CEPT to the European Commission in response to the Mandate on The identification of common and minimal (least restrictive) technical conditions for 790–862 MHz for the digital dividend in the European Union

systems). The frequency use rights holder shall, in these cases, still satisfy the requirements for the protection of other services, applications and networks, meet the technical conditions resulting from cross-border coordination, and tolerate any interference that may result from the changed situation.

c) The entitled user of the user block may not deviate from the following spectrum management requirements specified in Annex 3 of the NFFF:

- access mode;
- frequency band of downlink and uplink connections;
- duplex spacing.

1.B.2. Impact of radar services operating above 2700 MHz on the 2100 MHz frequency band

In Hungary, there are currently 4 fixed-location military radar stations with carrier frequencies above 2700 MHz that are expected to remain in use for several years to come.

These radar stations are used in the case of aeronautical events and operate on an ad-hoc basis (with 3 to 5 percent uptime), even in the case of continuous duration of operation.

An analysis of the spurious emission of radar stations in the 2100 MHz frequency band reveals that, when designing and installing elements of the network infrastructure, the impact of said radar stations must be taken into account in their proximity.

Data for emission sources to be considered during the design and deployment of the systems in the 2100 MHz frequency band (source names, geographic coordinates and operating period) are contained in table 1.B.2.a, whereas radiation parameters (possible spurious power levels and antenna height of emission sources) are listed in table 1.B.2.b.

Table 1.B.2.a

| Emission source site | Geographic coordinates of the site | | Duration of operation |
|----------------------|------------------------------------|-----------|-----------------------|
| | North | East | |
| Kup | 47°15'07" | 17°28'13" | continuous |
| Juta | 46°23'27" | 17°44'06" | continuous |
| Békéscsaba | 46°41'06" | 21°00'48" | ad hoc, 5 days/year |
| Medina | 46°28'15" | 18°37'11" | ad hoc, 5 days/year |

Table 1.B.2.b

| Emission source | Antenna height | Frequency Band | Maximum EIRP (pulse peak power) |
|-----------------|----------------|----------------|---------------------------------|
| military radar | 10 m | 2110–2170 MHz | 25–40 dBm/MHz |

1.C. 2600 MHz frequency band

1.C.1. Other basic requirements for the use of the 2600 MHz frequency band

The following provisions apply to the operation of applications based on Mobile/Fixed Communications Networks (MFCN) capable of providing electronic communications services in the 2600 MHz frequency band.

- a) The general technical requirements for representative applications and other applications are specified in the NFFF. At the time this auction procedure is started, Annex 2 of the NFFF includes the following representative applications: UMTS, LTE, LTE-MTC, LTE-eMTC, NB-IoT, NR and WMAN.
- b) On the basis of relevant agreements between two or more frequency use rights holders – if all affected parties are in agreement – the frequency use rights holder may also implement other applications (such as applications operating with an active antenna system), and, except for the method of access, may deviate from the representative applications and basic requirements for frequency use specified in the NFFF. The frequency use rights holder shall, in these cases, still satisfy the requirements for the protection of other services, applications and networks, meet the technical conditions resulting from cross-border coordination, and tolerate any interference that may result from the changed situation.

1.C.2. Rules pertaining to guard and separation bands

According to Annex 3 of the NFFF, guard bands and a separation band have been introduced in the 2600 MHz frequency band as follows:

- a) Guard bands: 2570 to 2575 MHz and 2615 to 2620 MHz. Guard bands may not be used.
- b) Separation band: 2595 to 2600 MHz (basic block no. 5 of the unpaired frequency range as per Annex 3 of the NFFF).

If, in the unpaired frequency range, the separation band bounds adjacent user blocks belonging to different frequency use rights holders, the separation band may not be used (to be left as a guard band), provided that unsynchronized TDD systems are operated in adjacent user blocks and no agreement is made with regards to the separation band. Subject to an agreement among frequency use rights holders of adjacent user blocks, the separation band may be used with restricted in-block radiation powers of -5 dBW/5 MHz.

If, in the unpaired frequency range, the separation band bounds adjacent user blocks belonging to different frequency use rights holders, the separation band may be used with restricted in-block radiation powers (-5 dBW/5 MHz), provided that synchronized TDD systems are operated in adjacent basic blocks and no agreement is made with regards to the separation band. Subject to an agreement among frequency use rights holders, the separation band may be used without the restriction with in-block radiation powers specified for basic blocks.

If, in the separation band the unpaired frequency range is within a frequency use rights holder's user block or functions as a boundary only for a single user block, the separation band may be used with in-block radiation powers specified in the NFFF so long as adjacent basic blocks do not belong to any licensee.

1.C.3. Requirements to avoid interference to applications in adjacent frequency bands

1.C.3.1. Taking into account interference due to out-of-band radiation

When deploying MFCN stations, interference by military radars licensed earlier and operating in the 2700 to 3100 MHz frequency band must be taken into account.

The interference of radars in their proximity must be considered when the system at hand is being designed and its stations are deployed. During the design phase, it is recommended to carry out measurements on site, as radar stations may not necessarily cause interference due to wave propagation and shielding effects.

Data on the emission sources relevant in terms of interference (location and coordinates of radar stations, duration of operation of the frequency band) are listed in Table 1.C.3.1.a.

Table 1.C.3.1.a

| Sites | Geographic coordinates of the site (WGS-84) | | Operating frequency band | Duration of operation |
|-------------------|---|-----------|--------------------------|-----------------------|
| | North | East | | |
| Kecskemét | 46°54'30" | 19°44'20" | 2.7–2.9 GHz | continuous |
| Pápa | 47°15'13" | 17°28'09" | 2.7–2.9 GHz | continuous |
| Kup | 47°15'07" | 17°28'13" | 2.7–3.1 GHz | continuous |
| Juta | 46°23'27" | 17°44'06" | 2.7–3.1 GHz | continuous |
| Békéscsaba | 46°41'06" | 21°00'48" | 2.7–3.1 GHz | ad hoc, 5 days/year |
| Medina | 46°28'15" | 18°37'11" | 2.7–3.1 GHz | ad hoc, 5 days/year |
| Ferihegy | 47°25'05" | 19°18'12" | 2.7–2.9 GHz | continuous |

The radiation parameters of the radar stations (possible spurious power level, frequency band, antenna height) are given in Tables 1.C.3.1.b to 1.C.3.1.h.

Table 1.C.3.1.b

| Emission source | Frequency Band | Maximum EIRP (pulse peak power) |
|--|----------------|---------------------------------|
| Kecskemét antenna height: 20 m | 2500–2610 MHz | N/A |
| | 2610–2660 MHz | 20–50 dBm/MHz |
| | 2660–2690 MHz | 50 dBm/MHz |

Table 1.C.3.1.c

| Emission source | Frequency Band | Maximum EIRP (pulse peak power) |
|-------------------------------------|----------------|---------------------------------|
| Pápa antenna height: 20 m | 2500–2640 MHz | N/A |
| | 2640–2660 MHz | 20–30 dBm/MHz |
| | 2660–2690 MHz | 30 dBm/MHz |

Table 1.C.3.1.d

| Emission source type no. 1 | Frequency Band | Maximum EIRP (pulse peak power) | Characteristics |
|---|----------------|---------------------------------|---|
| Kup, Juta antenna height: 10 m | 2500–2650 MHz | 30 dBm/MHz | Duty cycle relevant to distant point: 0.00056% Antenna rotation: n=6/minute Operation: 24/7 |
| | 2650–2670 MHz | 30–40 dBm/MHz | |
| | 2670–2690 MHz | 40–50 dBm/MHz | |

Table 1.C.3.1.e

| Emission source type no. 1 | Frequency Band | Maximum EIRP (pulse peak power) | Characteristics |
|--|----------------|---------------------------------|---|
| Békéscsaba, Medina antenna height: 10 m Operation: periodic (5 days/year) | 2500–2650 MHz | 30 dBm/MHz | Duty cycle relevant to distant point: 0.00056% Antenna rotation: n=6/min Radar operation during ad-hoc operation: 24/7 |
| | 2650–2670 MHz | 30–40 dBm/MHz | |
| | 2670–2690 MHz | 40–50 dBm/MHz | |

Table 1.C.3.1.f

| Emission source type no. 2 | Frequency Band | Maximum EIRP (pulse peak power) | Characteristics |
|--|----------------|---------------------------------|---|
| Kup, Juta antenna height 10 m | 2500–2690 MHz | 65–80 dBm/MHz | Duty cycle relevant to distant point: 0.087% (in the given direction, as it does not rotate) Antenna rotation: vertical Operation: 3-5% uptime |

Table 1.C.3.1.g

| Emission source type no. 2 | Frequency Band | Maximum EIRP (pulse peak power) | Characteristics |
|---|----------------|---------------------------------|--|
| Békéscsaba, Medina antenna height 10 m Operation: periodic (5 days/year) | 2500–2690 MHz | 65–80 dBm/MHz | Duty cycle relevant to distant point: 0.087% (in the given direction, as it does not rotate) Antenna rotation: vertical Radar operation during ad-hoc operation: 3 to 5% of the time |

Table 1.C.3.1.h

| Emission source | Frequency Band | Maximum EIRP (pulse peak power) |
|---|----------------|---------------------------------|
| Ferihegy antenna height: 20 m | 2500–2540 MHz | N/A |
| | 2540–2640 MHz | 20–30 dBm/MHz |
| | 2640–2690 MHz | 30 dBm/MHz |

1.C.3.2 Requirements to avoid interference to applications in adjacent frequency bands

When installing an MFCN station, in order to avoid interference with previously authorized military and civilian radars operating in the 2700 to 3100 MHz frequency band, the field strength levels of the base stations of MFCN systems providing communications services shall not exceed the values shown in Table 1.C.3.2 at the location of military and civilian radars.

Table 1.C.3.2

| Sites | Geographic coordinates of the site (WGS-84) | | Equipment | Maximum permitted field strength caused by a MFCN BS at the radar site |
|-----------------------|---|-----------|-----------------|--|
| | North | East | | |
| Kup | 47°15'07" | 17°28'13" | Military radars | 70 dBµV/m in the 2620 to 2690 MHz frequency band |
| Juta | 46°23'27" | 17°44'06" | Military radars | |
| Békéscsaba | 46°41'06" | 21°00'48" | Military radars | |
| Medina | 46°28'15" | 18°37'11" | Military radars | |
| Ferihegy TAR-1 | 47°26'51" | 19°15'47" | Civilian radar | 74 dBµV/m in the 2620 to 2690 frequency band |
| Ferihegy TAR-2 | 47°25'05" | 19°18'12" | Civilian radar | 72 dBµV/m in the 2620 to 2690 frequency band |

1.D. 3600 MHz frequency band

1.D.1. Other basic requirements for the use of the 3600 MHz frequency band

The following provisions apply to the operation of applications based on Mobile/Fixed Communications Networks (MFCN) capable of providing electronic communications services in the 3600 MHz frequency band.

- The general technical requirements for representative applications and other applications are specified in the NFFF. At the time this auction procedure is started, Annex 2 of the NFFF includes the following representative applications: LTE, NR and WMAN.
- On the basis of relevant agreements between two or more frequency use rights holders – if all affected parties are in agreement – the frequency use rights holder may also implement other applications, and, except for the method of access, may deviate from the representative applications and basic requirements for frequency use specified in the NFFF. The frequency use rights holder shall, in these cases, still satisfy the requirements for the protection of other services, applications and networks, meet the technical conditions resulting from cross-border coordination, and tolerate any interference that may result from the changed situation.

1.D.2. Rules for the synchronization of networks

For the purpose of spectrum efficiency, the Auctioneer encourages frequency use rights holders in the frequency band to collaborate in order to synchronize networks, and has not designated a separation band between user blocks within the band. The entitled parties of user blocks awarded in this auction procedure, as well as those who in this procedure have acquired additional blocks to their blocks

acquired in previous tendering procedures, shall come to an agreement within 1 year of receiving the rights on common synchronization parameters (commonly used framework format, sufficiently accurate and synchronized clock signal required for synchronized operation, etc.) and synchronize their networks as stated in the agreement. Within 30 days of signing the agreement, the entitled parties shall inform the Auctioneer about the terms of the agreement.

If the entitled parties of the user blocks fail to agree on the synchronization parameters and do not synchronize their networks within 1 year, or in the event that said parties jointly request it from the Auctioneer before the 1 year is up, the Auctioneer reserves the right to prescribe synchronization parameters and conditions after consultation with the entitled parties. If the entitled parties operate their networks in accordance with the synchronization parameters prescribed by the Auctioneer, and yet harmful interference occurs, the entitled parties of the respective user blocks shall cooperate to eliminate it.

The Auctioneer shall revoke the requirements for synchronization if the entitled parties have entered into an agreement of their own.

1.D.3. Taking into account interference due to out-of-band radiation

When deploying MFCN stations, interference by military radars licensed earlier and operating in the 2700 to 3100 MHz frequency band must be taken into account.

The impacts of military radar stations in their proximity must be considered when the system at hand is being designed and its stations deployed. During the design phase, it is recommended to carry out measurements on site, as radar stations may cause no or slight interference due to wave propagation, low duty cycle, and shielding effects.

Data on emission sources relevant to interference (location and coordinates of radar stations, operating frequency band, duration of operation) are listed in Table 1.D.3.a, while the radiation parameters of radar stations (possible spurious power level, antenna height) are included in tables 1.D.3.b and 1.D.3.c.

Table 1.D.3.a

| Sites | Geographic coordinates of the site (WGS-84) | | Operating frequency band | Duration of operation |
|-------------------|---|-----------|--------------------------|-----------------------|
| | North | East | | |
| Kup | 47°15'07" | 17°28'13" | 2.7–3.1 GHz | continuous |
| Juta | 46°23'27" | 17°44'06" | 2.7–3.1 GHz | continuous |
| Békéscsaba | 46°41'06" | 21°00'48" | 2.7–3.1 GHz | ad hoc, 5 days/year |
| Medina | 46°28'15" | 18°37'11" | 2.7–3.1 GHz | ad hoc, 5 days/year |

Table 1.D.3.b

| Emission source type no. 1 | Frequency Band | Maximum EIRP (pulse peak power) | Characteristics |
|---|----------------|---------------------------------|--|
| Kup, Juta antenna height: 10 m | 3400–3450 MHz | 35 dBm | Duty cycle relevant to distant point: 0.00056% Antenna rotation: n=6/min Operation: 24/7 |
| | 3450–3600 MHz | 45 dBm | |
| | 3600–3700 MHz | 30 dBm | |
| | 3700–3800 MHz | 25 dBm | |
| Békéscsaba, Medina antenna height: 10 m Operation: periodic (5 days/year) | 3400–3450 MHz | 35 dBm | Duty cycle relevant to distant point: 0.00056% Antenna rotation: n=6/min Radar operation during ad-hoc operation: 24/7 |
| | 3450–3600 MHz | 45 dBm | |
| | 3600–3700 MHz | 30 dBm | |
| | 3700–3800 MHz | 25 dBm | |

Table 1.D.3.c

| Emission source type no. 2 | Frequency Band | Maximum EIRP (pulse peak power) | Characteristics |
|--|-----------------|---------------------------------|--|
| Kup, Juta antenna height: 10 m | 3400–3450 MHz | 40 dBm | Duty cycle relevant to distant point: 0.087% (in the given direction, as it does not rotate) Antenna rotation: vertical Operation: 3-5% uptime |
| | 3450–3650 MHz | 35 dBm | |
| | 3650–3700 MHz | 25 dBm | |
| | 3700–3750 MHz | 30 dBm | |
| | 3750–3800 MHz | 20 dBm | |
| Békéscsaba, Medina, antenna height: 10 m Operation: periodic (5 days/year) | 3400–3450 MHz | 40 dBm | Duty cycle relevant to distant point: 0.087% (in the given direction, as it does not rotate) Antenna rotation: vertical Radar operation during ad-hoc operation: 3-5% uptime |
| | 3450–3650 MHz | 35 dBm | |
| | 3650–3700 MHz | 25 dBm | |
| | 3700–3750 MHz | 30 dBm | |
| | 3750 – 3800 MHz | 20 dBm | |

1.D.4. Protection of satellite systems operating in the 3600 MHz frequency band

When deploying MFCN stations, interference by satellite earth stations licensed earlier and operating in the 3400–4200 MHz frequency band (space-Earth direction of satellite C band) must be taken into account. In order to avoid interference, the base stations of MFCN systems shall be coordinated with the satellite earth station operator if base stations are installed within 1 km from the site of the affected satellite earth stations. The specifications of the satellite earth station licensed in the frequency band⁷ will be made available by the Auctioneer to the frequency use rights holder at the time the radio licence is issued at the latest.

⁷ At the time this auction procedure is launched, there is 1 (one) valid radio licence for the 3600 MHz frequency band.

Annex 2 – Network development cases

1 Network development cases

Table 1 shows the network development cases eligible for fee discounts, along with their metrics, checking rules, deadlines, and legislation references pertaining to the individual network development cases and in force at the time of the auction procedure's initiation. The legal provision in force at the time of a network development case's implementation shall prevail when verifying said implementation. In the event that a law or regulation listed in this table is no longer in effect, the appropriate requirement from the law or regulation replacing the original law or regulation shall apply instead. In the event that no new law or regulation replaces the one that is no longer in force, the law or regulation in effect at the time of the auction procedure's initiation shall apply for verifying the implementation of the network development case in question, unless that would render the implementation of the network development case impossible. In this case, the network development case in question cannot be taken into consideration for the purposes of the fee discount.

The Auctioneer shall continuously keep the network development cases listed in the tables up to date with any legislative changes, shall publish the up-to-date tables on its website, and shall continue to notify the stakeholders.

Fee discount for a network development case may only be granted if the coverage metric for that network development case is achieved by the relevant deadline, to the appropriate checking rules, using the frequency bands pertinent to the purpose of the procedure.

If a coverage simultaneously meets the requirements of two network development cases, the Auctioneer shall consider it only once, for the case implemented earlier.

Table 1

| | A | B | C | D | E |
|----|------------------------------------|---|--------------------------------|-------------------------------|-----------------|
| | Network development case group | Network development case | Metric | Check | Deadline |
| 2 | I. Rail and other non-road traffic | Planned high speed rail line ⁸ : (Austria and Slovakia)–Hegyeshalom region and Rajka region–Budapest | 90% of the length of each line | Section 2.2.1.a) of the Annex | 30 October 2025 |
| 3 | | Existing rail line: 1 Budapest [District VIII, Keleti Train Station]–Hegyeshalom–(Ausztria) ⁹ | | | |
| 4 | | Planned high speed rail line ¹⁰ : Budapest–Röszke and Kübekháza–(Serbia and Romania) | | | |
| 5 | | Existing rail line: /120a Budapest [District X, Rákosszentimre]–Újszász–Szolnok and 120 Szajol–Lőkösháza–(Románia) ¹¹ | | | |
| 6 | | Planned high speed rail line ¹² : (Croatia)–Gyékényes region–Budapest | | | |
| 7 | | Existing rail line: 30 Budapest [District I, Déli Train Station]–Székesfehérvár–Nagykanizsa–Murakeresztúr–(Croatia) ¹³ | | | |
| 8 | | Planned high speed rail line ¹⁴ : Budapest–Záhony region–(Ukraine) | | | |
| 9 | | Existing rail line: 100 Budapest [District VI, Nyugati Train Station]–Cegléd–Szolnok–Záhony–(Ukraine) ¹⁵ | | | |
| 10 | | Existing rail line: 80 (1) Budapest [District VIII, Keleti Train Station]–Hatvan–Miskolc ¹⁶ | | | |
| 11 | | Components of Hungary's core bike trail network ¹⁷ | at least 170 km of trails | Section 2.2.1.d) of the Annex | |

⁸ Section 1.1.1 of Annex 4/3 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

⁹ Row 2 of the table in Section 1.2 of Annex 4/3 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

¹⁰ Section 1.1.1 of Annex 4/3 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

¹¹ Rows 56 and 57 of the table in Section 1.2 of Annex 4/3 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

¹² Section 1.1.2 of Annex 4/3 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

¹³ Row 21 of the table in Section 1.2 of Annex 4/3 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

¹⁴ Section 1.1.2 of Annex 4/3 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

¹⁵ Row 48 of the table in Section 1.2 of Annex 4/3 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

¹⁶ Row 38 (up to Miskolc) of the table in Section 1.2 of Annex 4/3 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

¹⁷ Annex 4/5 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

| | A | B | C | D | E |
|----|------------------------------------|--|-------------------------------|-------------------------------|-----------------|
| | Network development case group | Network development case | Metric | Check | Deadline |
| 12 | I. Rail and other non-road traffic | International and domestic waterways ¹⁸ | at least 170 km waterway | Section 2.2.1.c) of the Annex | 30 October 2025 |
| 13 | II. Road traffic | National road network, envisaged express roads: M1, M15, M19 ¹⁹ | at least 170 km of each route | Section 2.2.1.b) of the Annex | 31 Dec. 2025 |
| 14 | | National road network, envisaged express roads: M3, M30, M31, M35 ²⁰ | | | |
| 15 | | National road network, envisaged express roads: M5, M51 ²¹ | | | |
| 16 | | National road network, envisaged express roads M6, M60 ²² : | | | |
| 17 | | National road network, envisaged express roads: M7, M70 ²³ | | | |
| 18 | | National road network, envisaged main roads, roads 1 through 8 ²⁴ | | | |
| 19 | | National road network, envisaged two-digit main roads, roads 10 through 89 ²⁵ | | | |

¹⁸ Section 1 of Annex 4/6 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

¹⁹ Rows 4, 6 and 7 of the table in Section 1 of Annex 4/1 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

²⁰ Rows 11-13 and 16 of the table in Section 1 of Annex 4/1 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

²¹ Rows 21-22 of the table in Section 1 of Annex 4/1 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

²² Rows 23-24 of the table in Section 1 of Annex 4/1 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

²³ Rows 25-26 of the table in Section 1 of Annex 4/1 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

²⁴ Rows 1-8 of the table in Section 3.3.1 of Annex 4/1 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

²⁵ Rows 9, 12, 15, 16, 18 to 20, 22, 24 to 28, 32, 34 to 35, 37 to 38, 40 to 42, 50, 50 to 51, 53, 56, 61, 63 to 64, 67 to 68, 70, 73 to 75, 77, 79 to 80, 82 to 83, 85 to 86, 88 to 89, 91 to 93, 95, 97 to 101, 103, 105, 107, 109, 113 to 115 and 117 to 119 of Section 3.3.1 of Annex 4/1 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

| | A | B | C | D | E |
|----|--|---|---|----------------------------|------------------|
| | Network development case group | Network development case | Metric | Check | Deadline |
| 20 | III. Population coverage of cities and towns | county seats and county towns | 2 | Section 2.2.2 of the Annex | 31 December 2023 |
| 21 | | towns with a population above 50,000 | 3 | | |
| 22 | | towns within the Budapest commuter belt ²⁶ | 20% | | |
| 23 | | Districts of Budapest | 3 districts, at least two of which having a population above 50,000 ²⁷ | | |
| 24 | | innovation center ²⁸ | 2 | | |
| 25 | | towns in favoured ²⁹ districts | 70% of towns within each favored district of a total of 10 favored districts | | |
| 26 | | town within a favoured region ³⁰ | 10 | | |
| 27 | | a town or village ³¹ conforming to the program items to be implemented under the Hungarian Village Program | | | |

²⁶ Annex 1/1 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

²⁷ based on the most recent Hungarian Central Statistical Office data available, on the 15th day of the 3rd month prior to the deadline, that is, 15 October 2023.

²⁸ Article 5 r) of Act XXI of 1996 on Regional Development and Regional Planning

²⁹ districts specified in Annex 1 of Government Decree 86/2019. (IV. 23.) on metropolitan and county government offices and district (metropolitan district) offices, favored districts in Annex 3 of Government Decree 290/2014 (XI. 26.) on the classification of favored districts

³⁰ Article 5 l) of Act XXI of 1996 on Regional Development and Regional Planning

³¹ Government Decree 1669/2018 (XII. 10.) on the execution of measures related to certain program items to be implemented under the Hungarian Village Program and their required funding in 2019

| | A | B | C | D | E |
|----|--------------------------------|---|--------|----------------------------|--------------|
| | Network development case group | Network development case | Metric | Check | Deadline |
| 28 | IV. Tourism | Town or village within Lake Balaton's tourism region ³² | 25% | Section 2.2.2 of the Annex | 31 July 2025 |
| 29 | | Towns or villages within the Sopron-Fertő tourism region ³³ | 90% | | |
| 30 | | Town or village within the priority tourism development region of Tokaj, Felső-Tisza, and Nyírség ³⁴ | 50% | | |
| 31 | | Town or village within the priority tourism development region of Debrecen, Hajdúszoboszló, Hortobágy, and Tisza Lake ³⁵ | 50% | | |
| 32 | | world Heritage areas of Hungary ³⁶ | 5 | Section 2.2.3 of the Annex | |

³² Section 1, Annex 1 of Government Decree 429/2016. (XII. 15.) on the definition of tourism regions and priority tourism development regions

³³ Section 2, Annex 1 of Government Decree 429/2016. (XII. 15.) on the definition of tourism regions and priority tourism development regions

³⁴ Section 3, Annex 1 of Government Decree 429/2016. (XII. 15.) on the definition of tourism regions and priority tourism development regions

³⁵ Government Decree 1522/2017. (VIII. 14.) the definition of the Debrecen, Hajdúszoboszló, Hortobágy and Lake Tisza as priority tourism development regions and on certain investment to be implemented therein

³⁶ Annex 1 of Act LXXVII of 2011 on World Heritage

| | A | B | C | D | E |
|----|--|---|--------|----------------------------|--------------|
| | Network development case group | Network development case | Metric | Check | Deadline |
| 33 | V. Vertically integrated entities | industrial park ³⁷ | 2 | Section 2.2.3 of the Annex | 31 July 2023 |
| 34 | | development projects receiving agricultural and rural development funding ³⁸ | | | |
| 35 | | Institutions of higher education recognized by the Hungarian State ³⁹ | | | |
| 36 | | healthcare facilities affected in their development ⁴⁰ | | | |
| 37 | | sports facilities or multifunctional leisure facilities ⁴¹ | | | |
| 38 | | power stations ⁴² | 1 | | |
| 39 | | Hungary's high priority development projects ⁴³ | 4 | | |
| 40 | | Projects under the Modern Cities Program ⁴⁴ | 4 | | |

³⁷ Article 5 p) of Act XXI of 1996 on Regional Development and Regional Planning

³⁸ development projects funded under Act XVII of 2007 on certain issues of the procedure related to agricultural, agricultural and rural development, fishery funding and other measures

³⁹ Annex 1 of Act CCIV of 2011 about Hungary's higher education

⁴⁰ Government Decree 1333/2016. (VII. 4.) on the preparation of the Healthy Budapest Program, Government Decree 1970/2017. (XII. 19.) on further implementation of outpatient care in Budapest and Pest County within the framework of the Healthy Budapest Program and the Pest County Development Program, or the National Health Programs or Government Decree 1722/2018 (XII. 18) on the policy programs for the years 2019-2022

⁴¹ a sports facility specified in Annex 1 of Act I of 2004 on Sports, or a new sports facility in accordance with Section 63 of Act I of 2004 on Sports, or a facility under Article 55 (3) of Commission Regulation (EU) No 651/2014

⁴² Annex 4/7 of Act CXXXIX of 2018 on the national development plan of Hungary and some of its priority regions

⁴³ such as priority projects pursuant to government decrees amended by Government Decree 458/2017 (XII. 28.) on amending government decrees pertaining to certain development projects of high national importance

⁴⁴ Government Decree 250/2016. (VIII. 24.) on the Modern Cities Program

2 Checking network development cases

The Authority will measure conformance with network development case metrics with mobile test systems in vehicles.

The Authority will enter all test results and related statistical calculations in a report.

2.1. Technical requirements

Agreed specifications for coverage are met if SS-RSRP⁴⁵ values measured at the terminals of a 0 dBi antenna (0 being the sum of gain and cable attenuation) reach or exceed the -95 dBm power level.

2.2. Checking the meeting of technical requirements

2.2.1 Along routes

Coverage along routes is checked by measurements along at least 90% of the routes undertaken from the table under Item

- 1 using the following methods:
 - a) **Rail traffic routes:** signal levels reach the minimum required values set down in item 2.1. Technical requirements along 90% of the measured route. Signal levels are checked at measurement point located at the top of the vehicle that is 4 m above ground.
 - b) **Road traffic routes:** signal levels reach the minimum required values set down in item 2.1. Technical requirements along 90% of the measured route. Signal levels are checked at 3 m above ground.
 - c) **Waterway traffic routes:** signal levels reach the minimum required values set down in item 2.1. Technical requirements along 90% of the measured route. Signal levels are checked using a portable measurement system.
 - d) **Bikeway traffic routes:** signal levels reach the minimum required values set down in item 2.1. Technical requirements along 90% of the measured route. Signal levels are measured using a portable measurement system.

2.2.2 Checking of towns and cities

The following methods are used to check outdoor coverage in towns and cities:

- a) **Towns and cities with a population of 50,000 or more:** In a randomly selected area of at least 10 sq km within the municipal boundaries, the signal levels measured 3 m above ground reaches the minimum value set down in item 2.1. Technical requirements along at least 80% of the total length of all roads covered, taking into account prevailing traffic conditions.

⁴⁵ Secondary Synchronization Reference Signal Received Power, SS-RSRP

- b) **Towns and cities with a population of between 6,000 and 50,000:** In a randomly selected area covering at least 50% of the area within the inner municipal boundaries, the signal levels measured 3 m above ground reaches the minimum value set down in item 2.1. Technical requirements along at least 80% of the total length of all roads covered, taking into account prevailing traffic conditions.
- c) **Towns and cities with a population of 6,000 or less:** Within the inner municipal boundaries, the signal levels measured 3 m above ground reaches the minimum value set down in item 2.1. Technical requirements along at least 80% of the total length of all roads covered, taking into account prevailing traffic conditions.

2.2.3 Checking of vertically integrated entities and World Heritage areas of Hungary

Meeting of the requirements for network development cases for vertically integrated entities and World Heritage areas is measured in public places/rooms and in areas designated by the contract between the winning applicant and the entity eligible for contracting with regards to the network development case in question (owner, entity exercising ownership rights, operator, party performing maintenance, trustee, etc.), along roads selected on maps or ground plans supplied as part of the data disclosure.

The following methods are envisaged, depending upon the specific development case:

- the signal levels measured 3 m above ground reaches the minimum value set down in item 2.1. Technical requirements along at least 80% of the total length of all roads fit for cars;
- in the case of roads unfit for cars, the signal levels measured with a portable measurement system reaches the minimum value set down in item 2.1. Technical requirements along at least 80% of the total length of all such roads;
- in the case of paths inside buildings, the signal level measured with a portable measurement system reaches the minimum value set down in item 2.1. Technical requirements along 90% of tested paths and at least 60% of the total length of all such paths;

Annex 3 – Rules of identifier management

1 Identifier assignment

For winning participants who do not have an identifier assignment licence at the time of the auction procedure's initiation, identifiers may be put into service by the new operator in accordance with the ANFT, under the terms and conditions stipulated therein and subject to an assignment license.

Mobile telephone services and mobile internet access may be provided for mobile subscriber numbers (MSISDN) specified under Section 2.3 of Annex 1 to ANFT. Voice over mobile IP may be provided for nomadic telephone numbers (SHS=21) specified under Section 2.4 of Annex 1 to ANFT. For machine-to-machine communication, the M2M number range (SHS=71) defined in Section 2.10 of Annex 1 to ANFT may be used.

Should the conditions stipulated under item 1.2.2 of Annex 1 to NMHH Decree 2/2011 (IX. 26.) on the order of management regarding the identifiers of electronic communications networks prevail, the Authority will make available, for shared use by other mobile operators, a sub-range of one of the reserved service or network identifiers (SHS = 50) for mobile subscriber numbers (MSISDN) required for the provision of the mobile telephone service.

For the use of identifiers thereby assigned, a fee stipulated in NMHH Decree No. 5/2012 (IX. 24.) on the tariffs charged for reservation and use of identifiers needed for electronic communications services shall be paid.

2 Number portability

For the assigned identifiers, number portability shall be guaranteed in accordance with NMHH Decree 2/2012 (I. 24.) on the detailed rules of number portability.

Annex 4 – Bidding Sheets

Annex 4/A | Bidding Sheet for the 2600 MHz frequency band

Applicant's name:

By signing this Bidding Sheet, I expressly and irrevocably declare that I am making an initial bid for 1 (one) lot in the 2600 MHz frequency band for the reserve price of HUF 1,000,000,000, that is, one billion forints, in accordance with the Documentation of the auction procedure announced for frequency use entitlements related to wireless broadband services specially supporting the introduction of 5G.

Place: _____, Date: _____ 2019

signature

Please pay attention to the following when completing the Bidding Sheet:

1. The Bidding Sheet shall not contain any inserts, deletions or over-written segments.
2. The Bidding Sheet shall be signed by an authorized signature. If the applicant is an economic entity, whose written representation is not effected by corporate signature, the Bidding Sheet shall be signed by the representative of the Applicant, or the Applicant if the said Applicant is a sole proprietor, a physical person.
3. The Applicant may not attach any limitations or conditions to the Bidding Sheet.

Annex 4/B | Bidding Sheet for the 3600 MHz frequency band

Applicant's name:

By signing this Bidding Sheet, I expressly and irrevocably declare that I am making an initial bid for a number of lots as shows in the following table in the 3600 MHz frequency band for the reserve price of HUF 1,500,000,000, that is, one billion five hundred million forints, in accordance with the Documentation of the auction procedure announced for frequency use entitlements related to wireless broadband services specially supporting the introduction of 5G.

| Initial Bid* | |
|--------------|--------------------------|
| 1 lot | <input type="checkbox"/> |
| 2 lots | <input type="checkbox"/> |
| 3 lots | <input type="checkbox"/> |
| 4 lots | <input type="checkbox"/> |
| 5 lots | <input type="checkbox"/> |
| 6 lots | <input type="checkbox"/> |
| 7 lots | <input type="checkbox"/> |
| 8 lots | <input type="checkbox"/> |
| 9 lots | <input type="checkbox"/> |
| 10 lots | <input type="checkbox"/> |
| 11 lots | <input type="checkbox"/> |
| 12 lots | <input type="checkbox"/> |
| 13 lots | <input type="checkbox"/> |
| 14 lots | <input type="checkbox"/> |

Place: _____, Date: _____ 2019

signature

***The number of lots you wish to make an initial bid for in the 3600 MHz frequency band at the reserve price shown in Section (27) of the Documentation should be indicated by placing an X**

or + mark in a box in column two. Make sure that the crossing point of the two lines of your mark fall within the box!

Please pay attention to the following when completing the Bidding Sheet:

1. Applicants may mark at least 2 (two) lots on the Bidding Sheet as their initial bid, taking the frequency acquisition limits specified in Section (29) into consideration, with the exception of when they already have a frequency use entitlement in the 3600 MHz frequency band; in this case they may opt to bid for (one) 1 lot on the Bidding Sheet as their initial bid.
2. Applicants may not enter an initial bid for more lots on the Bidding Sheet than the maximum number allowed for them based on the frequency acquisition limit set down in Section (29) of the Documentation for a particular frequency band. If the number of initial bids exceeds the maximum number of lots allowed, the Auctioneer will set back the initial bid to the maximum number of lots allowed for the applicant in question, based on the frequency acquisition limit set down in Section (29) of the Documentation.
3. No more than 1 (one) initial bid may be marked on the Bidding Sheet. If more initial bids are marked, the highest initial bid will prevail as per Section (127), and if it exceeds the maximum number of lots allowed, the Auctioneer will set back the initial bid to the maximum number of lots allowed for the applicant in question, based on the frequency acquisition limit set down in Section (29) of the Documentation.
4. You may not revoke or change the initial bid you make on the Bidding Sheet.
5. The Bidding Sheet shall not contain any inserts, deletions or over-written segments.
6. The Bidding Sheet shall be signed by an authorized signature. If the applicant is an economic entity, whose written representation is not effected by corporate signature, the Bidding Sheet shall be signed by the representative of the Applicant, or the Applicant if the said Applicant is a sole proprietor, a physical person.
7. The Applicant may not attach any limitations or conditions to the Bidding Sheet.

Annex 4/C | Bidding Sheet for the 700 MHz frequency band

Applicant's name:

By signing this Bidding Sheet, I expressly and irrevocably declare that I am making an initial bid for a number of lots as shows in the following table in the 700 MHz frequency band for the reserve price of HUF 5,000,000,000, that is, five billion forints, in accordance with the Documentation of the auction procedure announced for frequency use entitlements related to wireless broadband services specially supporting the introduction of 5G.

| Initial Bid* | |
|--------------|--------------------------|
| 1 lot | <input type="checkbox"/> |
| 2 lots | <input type="checkbox"/> |

Place: _____, Date: _____ 2019

signature

***The number of lots you wish to make an initial bid for in the 700 MHz frequency band at the reserve price shown in Section (27) of the Documentation should be indicated by placing an X or + mark in a box in column two. Make sure that the crossing point of the two lines of your mark fall within the box!**

Please pay attention to the following when completing the Bidding Sheet:

1. No more than 1 (one) initial bid may be marked on the Bidding Sheet.
2. If you mark more, it will be assumed that you put down an initial bid for the maximum number of lots allowed for you, based on the frequency acquisition limit set down in Section (125) of the Documentation.
3. You may not revoke or change the initial bid you make on the Bidding Sheet.
4. The Bidding Sheet shall not contain any inserts, deletions or over-written segments.
5. The Bidding Sheet shall be signed by an authorized signature. If the applicant is an economic entity, whose written representation is not effected by corporate signature, the Bidding Sheet shall be signed by the representative of the Applicant, or the Applicant if the said Applicant is a sole proprietor, a physical person.
6. The Applicant may not attach any limitations or conditions to the Bidding Sheet.

Annex 4/D | Bidding Sheet for the 2100 MHz frequency band

Applicant's name: _____

By signing this Bidding Sheet, I expressly and irrevocably declare that I am making an initial bid for a number of lots as shows in the following table in the 2100 MHz frequency band for the reserve price of HUF 4,000,000,000, that is, four billion forints, in accordance with the Documentation of the auction procedure announced for frequency use entitlements related to wireless broadband services specially supporting the introduction of 5G.

| Initial Bid* | |
|--------------|--------------------------|
| 1 lot | <input type="checkbox"/> |
| 2 lots | <input type="checkbox"/> |
| 3 lots | <input type="checkbox"/> |

Place: _____, Date: _____ 2019

signature

***The number of lots you wish to make an initial bid for in the 2100 MHz frequency band at the reserve price shown in Section (27) of the Documentation should be indicated by placing an X or + mark in a box in column two. Make sure that the crossing point of the two lines of your mark fall within the box!**

Please pay attention to the following when completing the Bidding Sheet:

1. No more than 1 (one) initial bid may be marked on the Bidding Sheet. If you mark more, it will be assumed that you put down an initial bid for the maximum number of lots allowed for you, based on the frequency acquisition limit set down in Section (125) of the Documentation.
2. You may not revoke or change the initial bid you make on the Bidding Sheet.
3. The Bidding Sheet shall not contain any inserts, deletions or over-written segments.
4. The Bidding Sheet shall be signed by an authorized signature. If the applicant is an economic entity, whose written representation is not effected by corporate signature, the Bidding Sheet shall be signed by the representative of the Applicant, or the Applicant if the said Applicant is a sole proprietor, a physical person.
5. The Applicant may not attach any limitations or conditions to the Bidding Sheet.

Annex 5 – Rules of conduct for onsite bidding

Onsite bidding procedure

1. The order of access of onsite bidding

- 1.1. Those entitled to take part may only enter the bidding venue after an identity and security inspection.
- 1.2. Only the following may stay at the bidding venue for the specific frequency band: the participants entitled to bidding in the onsite bidding and their representatives as listed in Section (245), the Auctioneer's employees, the Notary, the representative of the Competition Authority, as well as any staff involved in event management.
- 1.3. In order to facilitate on-site registration, participants may indicate any representative(s) they wish to have appear in person at the onsite bidding at least 24 hours before the date specified in Sections (222) - (226) regarding the onsite bidding for the relevant frequency band (hereinafter referred to as **pre-registration**). Pre-registrations can be sent to the Auctioneer's email address or other electronic means of contact listed in Section (21). During pre-registration, participants are required to provide the following information: the name and address(es) of the participant and their representative(s), as well as the numbers of the documents verifying their identity. The Auctioneer shall confirm all valid pre-registrations. Pre-registration is not a condition for participating in the onsite bidding, and cannot substitute for registration as described under Section 1.5.
- 1.4. Participant and/or its representative affected by the onsite bidding for the specific frequency band shall show up between 9:00 and 9:30 on the day of the bidding, at the bidding site, and shall remain on-site until the onsite bidding is closed for the day, as described under Section 5. The participant or their representative shall appear on time at the bidding venue if they indicate at the registration location no later than 9:30 a.m. as per Item 1.5 that they are present with the intention of participating in the onsite bidding.
- 1.5. When entering the bidding venue, the applicant or their representative shall register, during which procedure the participant shall identify themselves and the representative of the participant attending the onsite bidding shall identify themselves and their representation rights as per Section (19) (hereinafter referred to as **onsite registration**). During the registration, the Notary shall record the name, personal identification data and the date of registration of the participant or its representative.
- 1.6. The registration of the participant fails if, on the given bidding date
 - 1.6.1. neither the participant nor any of the participant's representatives are present at the bidding venue by the deadline specified as per Item 1.4,
 - 1.6.2. neither the participant nor any of the participant's representatives has begun onsite registration by the deadline specified as per Item 1.4, or
 - 1.6.3. during the onsite registration, neither the participant nor any of the participant's representatives have verified their identity and their right of representation in accordance with Section (19).

- 1.7. In the event of a failed registration, the Auctioneer shall, without delay, inform the participant's listed contact representative at the phone number specified in the application after the duration listed in Item 1.4 about the failure to register and the legal consequences of failure to re-register as per Item 1.10. The Auctioneer makes an audio recording of the notification. If the participant's listed contact representative is not available at the contact information, the Auctioneer shall retry the notification within 15 minutes of the time of the first notification. Failure to notify shall not affect the participant's obligation under Item 1.8, nor shall the participant be exempted from the legal consequences resulting from failure to comply with its obligation under Item 1.8. The Auctioneer shall document the notification. The Auctioneer shall document the fact and content of the notification.
- 1.8. In the event of a failed registration, the participant shall ensure the on-site appearance and registration of the participant or its representative entitled to bid by no later than 10:30 AM.
- 1.9. The registration shall be deemed to have failed repeatedly if, on the given bidding date and during the time duration as per Item 1.8,
 - 1.9.1. neither the participant nor any of the participant's representatives are present at the bidding venue by the deadline specified as per Item 1.8,
 - 1.9.2. neither the participant nor any of the participant's representatives has begun registration by the deadline specified as per Item 1.8, or
 - 1.9.3. during the onsite registration, neither the participant nor any of the participant's representatives have verified their identity and their right of representation in accordance with Section (19).
- 1.10. In the event of the repeated failure of the registration as per Item 1.9, the relevant participant may not participate in the onsite bidding of the affected frequency band, and the Auctioneer invalidates the participant's initial bid as per Section (241), and the Auctioneer shall apply the legal consequences set out in section (105) d). After declaring the initial bid invalid, the Auctioneer reevaluates the initial bids as per Sections (215)–(218), ignoring the invalid initial bid of the participant in question, and closing the onsite bidding in cases specified in Section (216).
- 1.11. After successful registration, the participant or their Representative may enter the bidding premises after undergoing an identity and security inspection, based on the provisions of Act CXXXIII of 2005 on Security Services and the Activities of Private Investigators. The organisation or person (hereinafter jointly referred to as „the person maintaining order”) shall be entitled to the inspection by the Auctioneer or the person mandated to provide the order of the venue used for the organisation of the bidding. After the inspection, the participant and their representative receives a badge confirming the regularity of the entry.
- 1.12. The identity and security inspection shall mean the following inspections during the entry:
 - 1.12.1. the obligation to pass through a metal detecting security gate,
 - 1.12.2. inspection of packages.
- 1.13. If the participant and/or their representative leaves the onsite bidding premises during ordinary or extraordinary break, they shall submit themselves to a repeated identity and security inspection upon their return. In the event that the participant and/or their representative fails to return to the onsite bidding venue following the ordinary or

extraordinary break, or refuses to undergo the identity and security inspection, and the presence of the participant or their representative at the venue can no longer be assured, the Auctioneer shall proceed in accordance with Items 1.15-1.17.

- 1.14. The person maintaining order is required to facilitate the persons participating in the procedure to exercise of their rights and fulfil their obligations, as prescribed in the legislation and in the Documentation. To this end, the person maintaining order may take the following actions:
 - 1.14.1. if, during the identity and security inspection or the onsite bidding, they detect any behaviour that infringes or threatens the order of the on-site bidding, as well as the safety of the persons present or public security, they shall be entitled to call for the end to the infringement by the infringing participant or its representative, or forbid devices particularly dangerous to public safety being taken to the premise, and if this does not yield results, they may eject the person from the onsite bidding venue;
 - 1.14.2. any person refusing to undergo the identity and security inspection may be denied entry to the bidding venue, or may be requested to leave the venue.
- 1.15. In the cases described under Items 1.14.1–1.14.2, the participant in question or their representative must leave the bidding venue. If this results in the participant in question no longer having adequate representation at the onsite bidding, the Auctioneer shall document this fact. The participant shall ensure the on-site appearance and registration of the participant or its representative entitled to bid within an hour.
- 1.16. The Auctioneer shall promptly call on the participant's contact representative as described in Item 1.7, in order to ensure that the participant shall arrange for the presence and registration of the participant or a representative who is eligible for participation in the bidding. The Auctioneer shall also inform the participant of the legal ramifications of omitting said registration, as per Item 1.17. The Auctioneer makes an audio recording of the notification. If the participant's listed contact representative is not available at the contact information, the Auctioneer shall retry the notification within 15 minutes of the time of the first notification. Failure to notify shall not affect the participant's obligation under Section 1.15, nor shall the participant be exempted from the legal consequences resulting from failure to comply with its obligation under said section. The Auctioneer shall document the fact and content of the notification
- 1.17. If
 - 1.17.1. neither the participant nor any of the participant's representatives are present at the bidding venue by the deadline specified as per Item 1.8,
 - 1.17.2. neither the participant nor any of the participant's representatives has begun registration by the deadline specified as per Item 1.15, or
 - 1.17.3. during the onsite registration, neither the participant nor any of the participant's representatives have verified their identity and their right of representation in accordance with Section (19),the Auctioneer shall invalidate the initial bid of the relevant participant as per section (241), and the affected participant may no longer participate in the onsite bidding for the given frequency band, and the Auctioneer shall apply the legal consequences set out in Section (105) d).

2. Rules for onsite bidding

- 2.1. The Auctioneer shall appoint an Auction Manager to manage the onsite bidding process, and shall appoint a Security Manager to ensure the order and security of the auction.
- 2.2. The participant and/or at least 1 (one) of their representatives affected by the onsite bidding for the specific frequency band must continuously (with the exception of ordinary or extraordinary breaks) remain at the bidding site until onsite bidding is closed or the time it is adjourned as per Item 5.
- 2.3. The Notary shall prepare a protocol of the onsite bidding, and the Auctioneer shall document the process. The Auctioneer shall prepare image and sound recordings of the onsite bidding for the purpose of reconstructing the bidding actions, as well as to ensure the fairness and proper documentation of the competition, as follows:
 - 2.3.1. inside the bidding booths: a picture of the screen and the keyboard as it is being used,
 - 2.3.2. inside the bidding hall: picture and sound recordings of the screens, the projector, the Auction Manager, as well as any statements of the participants or their representatives.
- 2.4. The Auctioneer shall open the bidding at the earliest at 10:00 AM on each bidding day, or 11:00 AM in cases specified in Items 1.8 and 1.15. No new bidding round can be started after 19:00, but any bidding round in progress must be completed.
- 2.5. To safeguard the fairness of competition, bidding will be held in a separate bidding room of the onsite bidding premises.
- 2.6. During the bidding, only the Notary, the representative of the Competition Authority, the participant and its representative (no more than 2 individuals at a time) entitled to bid for the relevant frequency band on site according to Section (245), as well as the Auctioneer's employees and the persons authorised by the Auctioneer may be present in the bidding room.
- 2.7. After the start of the onsite bidding day, the Auction Manager holds a short briefing to the participants and/or their representatives about the process and basic rules of the bidding as well as the operation of the IT system supporting the bidding. Following this briefing, the participant and/or their representatives may ask questions related to the contents of the briefing, and the Auctioneer shall answer these questions.
- 2.8. Following the briefing as per Item 2.7, the Auction Manager holds a test bidding round during which the participants and/or their representatives shall check and verify the proper operation of the basic functions of the electronic system supporting the bidding. If, during this trial run, a participant or representative detects an error obstructing bidding according to the rules of the Documentation, they shall report it to the Auction Manager without delay.
- 2.9. During the bidding, the applicant or its representative shall immediately notify the Auction Manager of any circumstance preventing the participant from bidding as per the rules in the Documentation. If needed, upon the request of the participant or their representative, the Auction Manager calls an extraordinary break as per Item 3.2.

- 2.10. After notifying the participants as per Item 2.7, the Auction Manager open the first bidding round of the day as per Section (248), and in the event of the onsite bidding being adjourned shall proceed in accordance with Item 4.4
- 2.11. Unless otherwise stipulated in the Documentation, the participant and/or their representatives shall stay in their designated bidding booths within the bidding room, isolated from other participants or other participants' representatives, from the start until the finish of the specific bidding stage. The bidding participant and its representative may only leave the bidding booth and the bidding room during an ordinary or extraordinary break announced by the Auctioneer.
- 2.12. The bidding booth first assigned to participants participating lottery in onsite bidding for several frequency bands at the trial auction shall remain the bidding booth assigned to the participant in question for the duration of the entire auction procedure.
- 2.13. The participant or the representative shall leave the bidding booth and the bidding room after the closing of the given bidding phase if a new bidding phase is to be carried out, but the participant, according to the provisions of the Documentation, may not participate in the new bidding stage.
- 2.14. After the opening of the bidding stage, the participants and their representatives may not communicate with other participants and representatives during their stay in the bidding room. Customers may take their mobile phones and video and audio recording devices to the bidding room but may not make any video or audio recordings in the bidding room.
- 2.15. Upon the infringement of any of the rules of conduct in Items 2.11, 2.13–2.14 or 3.11, the Auctioneer calls upon the violating participant to cease and desist. In the case of repeated infringement and/or an infringement endangering the fairness of competition, the Auctioneer may expel the participant or impose a procedural fine.
- 2.16. Anyone who interferes with the order of the bidding, may be reprimanded by the Auction Manager or, in the case of repeated or grave disturbance, may be expelled from the room or be subject to a procedural fine, with the assistance of the Security Manager. Expelled participants or expelled representatives may not place valid bids, and must immediately leave the bidding booth and the bidding hall.
- 2.17. If, as a result of a participant or their representative being expelled, the presence or representation of the participant in question can no longer be adequately ensured at the onsite bidding, the Auctioneer shall call for an extraordinary break. The affected participant shall ensure the on-site appearance and registration of the participant or its representative entitled to bid within an hour of the extraordinary break being called.
- 2.18. The Auctioneer shall promptly call on the participant's contact representative as described in Item 1.7, in order to ensure that the participant shall arrange for the presence and registration of the participant or a representative who is eligible for participation in the bidding. The Auctioneer shall also inform the participant of the legal ramifications of omitting said registration, as per Item 2.19. The Auctioneer makes an audio recording of the notification. If the participant's listed contact representative is not available at the contact information, the Auctioneer shall retry the notification within 15 minutes of the time of the first notification. Failure to notify shall not affect the participant's obligation under Section 2.17, nor shall the participant be exempted from the legal consequences resulting

from failure to comply with its obligation under Section 2.17. The Auctioneer shall document the fact and content of the notification.

2.19. If

- 2.19.1. neither the participant nor any of the participant's representatives are present at the bidding venue by the deadline specified as per Item 2.17,
- 2.19.2. neither the participant nor any of the participant's representatives has begun registration by the deadline specified as per Item 2.17, or
- 2.19.3. during the onsite registration, neither the participant nor any of the participant's representatives have verified their identity and their right of representation in accordance with Section (19),

in this case, the Auctioneer shall invalidate the initial bid of the relevant participant for the given frequency band as per Section (240), shall apply the legal consequences described in Section (105) d), and the affected participant may no longer participate in the onsite bidding for the given frequency band.

- 2.20. If a participant or their representative fails to comply with Item 2.2 by leaving the onsite bidding before it is closed in accordance with Item 5 – with the exception of an ordinary or extraordinary break – and as a result, the presence or representation of the participant in question can no longer be adequately ensured at the onsite bidding, the Auctioneer shall call for an extraordinary break. The affected participant shall ensure the on-site appearance and registration of the participant or its representative entitled to bid within an hour of the extraordinary break being called. The stipulations of Items 2.17–2.19 shall apply to notifying the contact representative and the legal ramifications of failure to register.

3. Ordinary and extraordinary break, interruption of onsite bidding

- 3.1. The Auction Manager may call a 15-minute ordinary break between the bidding stages. With the consent of all participants and/or their representatives, the Auction Manager may waive the ordinary break and continue bidding without a break.
- 3.2. Once per bidding stage, any participant may request the Auction Manager to call an ordinary break of up to 30 minutes once per a bidding day (meaning that only one ordinary break may be requested on behalf of a single participant per bidding stage, regardless of the number of individuals present on their behalf at the onsite bidding.) An ordinary break may be requested after the end of a bidding round (i.e. between two rounds of bids) as per Section (247).
- 3.3. If the representative of the Competition Authority present at the auction observes an irregularity, the Auction Manager may respond to their observation by interrupting the bidding and calling an extraordinary break.
- 3.4. After the announcements in Items 2.8 and 2.9, the Auction Manager interrupts the bidding and calls an extraordinary break. If the participant or its representative has repeatedly submitted a report on the bidding day and manifestly wrongly, the Auctioneer may impose a procedural fine.
- 3.5. In the events described in Items (240) a) and b) 2)–4), the Auctioneer shall interrupt the onsite bidding and call an extraordinary break.

- 3.6. Upon the justified request of any participant and/or their representative, the Auctioneer may interrupt the bidding and call an extraordinary break. If the participant or their representative requests the interruption of the bidding and the ordering of an extraordinary break repeatedly on the same day and obviously without any grounds, the Auctioneer may impose a procedural fine.
- 3.7. The Auction Manager may, at any time, interrupt onsite bidding and call an extraordinary break for any compelling reason within the Auctioneer's interest or in case of any malfunction.
- 3.8. The duration of the extraordinary break is 30 minutes or less. The extraordinary break may be extended once by no more than 60 minutes on the basis of the Auction Manager's decision. If the bidding cannot resume even after the extension, the Auctioneer shall adjourn the bidding as per Item 4.1, and shall reschedule the onsite bidding.
- 3.9. If the auction is interrupted and an extraordinary break is called after the bidding round has begun, but before the current bidding round is complete, the Auctioneer shall pause bidding, and shall remove any bids made for the incomplete bidding round.
- 3.10. When an extraordinary break is called, the Auction Manager informs the participants and the representatives of the participants of the expected time bidding resumes.
- 3.11. Following the announcement of regular breaks, and extraordinary breaks, all participants and/or their representatives shall leave the bidding room.
- 3.12. After the ordinary or extraordinary break is over, participants are entitled to continue bidding via different representatives registered as per Item 1.5 and having undergone a security inspection as per Item 1.11. However, any participant may have no more than four representatives present at the bidding venue, and according to Item 2.6, any participant may have no more than two representatives present in the bidding room. The Auctioneer shall provide a separate room for representatives of the Participants who are to stay outside the bidding room.
- 3.13. After the extraordinary break is over, the Auction Manager will proceed with the bidding from the last closed bidding round or, failing this, the first round of bids for the current bidding stage.

4. Adjourning of onsite bidding

- 4.1. In the event of force majeure or a long-term malfunction affecting the onsite bidding, in the eventuality described in Item 3.8, or if the onsite bidding could not be concluded by the time stipulated in Item 2.4, the Auction Manager shall cease and adjourn the onsite bidding. If the auction is adjourned before the current bidding round is complete, the Auctioneer shall remove any bids made for the incomplete bidding round.
- 4.2. If onsite bidding is adjourned, the Auction Manager informs attendant participants and/or their representative about the time onsite bidding is expected to resume and which participants are entitled to make bids. The Auction Manager shall also close the bidding day as per Item 5.
- 4.3. Unlike the situation described in Item 1.4, participants or their representatives who are not entitled to make further bids may not participate in the new bidding day.

- 4.4. In the event the onsite bidding is adjourned, the Auction Manager shall inform the participants and their representatives of the results of adjourned onsite bidding and shall continue the bidding from the last closed bidding round before adjournment as per Item 4.1 or, failing that, shall open the first round of bidding for the first bidding stage.

5. Adjourning of the onsite bidding day

- 5.1. The Auction Manager shall adjourn the onsite bidding day, if:
 - 5.1.1. the Auction Manager has adjourned onsite bidding for the frequency band in question, or
 - 5.1.2. it is past the time specified in Item 2.4, and the Auction Manager adjourns the onsite bidding as per Item 4.1., or
 - 5.1.3. after declaring the initial bid invalid in cases described in Items 1.10, 1.17 and 2.19, the initial bids being evaluated in accordance with Section (215), closing the onsite bidding in accordance with Section (216).
- 5.2. After closing the onsite bidding, the Auctioneer completes the stage closing list, the final closing list, or the documentation for the onsite bidding, the Notary finalizes the report prepared during onsite bidding, and the Auction Manager hands over copies of said documents to the participants or the representatives of the participants.
- 5.3. After onsite bidding is adjourned, participants and/or their representatives shall leave bidding premises.

Annex 6 – Examples for onsite bidding

The following examples illustrate the procedure of onsite bidding as per Item 4.10 of the Documentation.

The information contained in this Annex should not be construed as an interpretation of the Documentation. The sole objective of the examples provided in the Annex is to illustrate the individual rules of the onsite bidding as described in Item 4.10 of the Documentation. Unlike the Documentation, the examples provided have no legal effect or legal binding force with regard to individual administrative proceedings or administrative decisions.

The Auctioneer may apply or interpret the provisions contained in the Documentation in the context of a detailed examination of the circumstances of the case in the course of an auction procedure or official procedure; accordingly, the Auctioneer reserves the right to interpret the provisions of the Documentation differently from the examples set out in this Annex.

The applicant shall be responsible for studying and interpreting the rules contained in the Documentation.

Onsite bidding – Example 1 – 3600 MHz

Onsite bidding – Example 1 – 3600 MHz: Bidding stage #1

Initial state:

- There are four participants: Participants „A”, „B”, „C”, and „D”.
- There are 31 lots available within the frequency band
- During the first bidding round, the unit price of the lots is equal to the reserve price (HUF 1.5 billion) increased by the price increment (HUF 150 million), which is then further increased by the price increment for every bidding round.
- The first row displays the reserve price for the lots, as well as the valid initial bids provided by the individual participants in their offers. This also determines the maximum amount that the given participant may bid for the lot in question in the first bidding round.
- There are a total of 44 lots the participants are competing for, which exceeds the number of obtainable lots.

| Bidding stage #1 | | | | | | | |
|------------------|-----------------|-----------------------------|-----------------|-----------------|-----------------|-------|--|
| Bidding round | Lot price (HUF) | Number of lots competed for | | | | | Number of lots within the frequency band |
| | | Participant „A” | Participant „B” | Participant „C” | Participant „D” | Total | |
| Initial bid | 1,500,000,000 | 14 | 8 | 14 | 8 | 44 | 31 |
| Bidding round #1 | 1,650,000,000 | 14 | 8 | 12 | 6 | 40 | 31 |
| Bidding round #2 | 1,800,000,000 | 14 | 8 | 12 | 4 | 38 | 31 |
| Bidding round #3 | 1,950,000,000 | 14 | 8 | 12 | 3 | 37 | 31 |

| Bidding stage #1 | | | | | | | |
|-------------------------------------|----------------------|-----------------------------|-----------------|-----------------|-----------------|-----------|--|
| Bidding round | Lot price (HUF) | Number of lots competed for | | | | | Number of lots within the frequency band |
| | | Participant „A” | Participant „B” | Participant „C” | Participant „D” | Total | |
| Bidding round #4 | 2,100,000,000 | 12 | 4 | 10 | 0 | 26 | 31 |
| Bidding stage #1 Winning bid | 2,100,000,000 | 12 | 4 | 10 | 0 | 26 | |

Summary of the results of the bidding stage

a) Through continuously incrementing the reserve price by the price increment, bidding stage #1 ends in the 4th bidding round, because here the total number of lots competed for by participants (26) became less than the number of lots available in the frequency band (31).

b) Results of the bidding stage:

Participant „A”: obtained 12 lots.

Participant „B”: obtained 4 lots.

Participant „C”: obtained 10 lots.

Participant „D”: No lots obtained

The above are entered into the stage closing list. The participants have obtained a total of 26 lots, with 5 lots remaining.

c) Number of lots on offer in the next, 2nd bidding stage: 5 ($31-26=5$).

d) participants taking part in the next, 2nd bidding stage may make bids as follows:

In the next stage, the number of lots available to each participant can be determined by subtracting the bid made in the last (4th) bidding round from the bid made in the last-but-one (3rd) bidding round of bidding stage 1.

- Participant „A”: may bid for 2 or fewer lots ($14-12=2$);
- Participant „B”: may bid for 4 or fewer lots ($8-4=4$);
- Participant „C”: may bid for 2 or fewer lots ($12-10=2$);
- Participant „D”: may bid for 3 or fewer lots ($3-0=3$);

e) All participants are entitled to attend the next bidding stage: because based on d), they have all made valid bids in the 3rd (last-but-one) bidding round, and they have all made lower bids in the last bidding round than in the last-but-one bidding round.

Onsite bidding – Example 1 – 3600 MHz: Bidding stage #2

Initial state:

- There are still four participants: Participants „A”, „B”, „C”, and „D”.
- 5 lots remain available in the frequency band, according to item c) in the previous stage.
- During the first bidding round, the price of the lots is equal to the unit price for the last-but-one bidding round in the previous stage (HUF 1.95 billion) increased by the price increment for this stage (HUF 60 million), which is then further increased by the price increment for every bidding round.
- The first row displays the initial status for the lots (as of the last-but-one bidding round in the previous stage) and the associated price, as well as the highest bids available to the individual participants.
- There are a total of 11 lots the participants are competing for, which exceeds the number of obtainable lots.

| Bidding stage #2 | | | | | | | |
|---------------------------------------|----------------------|-----------------------------|-----------------|-----------------|-----------------|-----------|--|
| Bidding round | Lot price (HUF) | Number of lots competed for | | | | | Number of lots available in bidding stage #2 |
| | | Participant „A” | Participant „B” | Participant „C” | Participant „D” | Total | |
| Initial status | 1,950,000,000 | 2 | 4 | 2 | 3 | 11 | 5 |
| Bidding round #1 | 2,010,000,000 | 2 | 4 | 2 | 3 | 11 | 5 |
| Bidding round #2 | 2,070,000,000 | 2 | 2 | 2 | 2 | 8 | 5 |
| Bidding round #3 | 2,130,000,000 | 2 | 2 | 1 | 2 | 7 | 5 |
| Bidding round #4 | 2,190,000,000 | 2 | 2 | 1 | 2 | 7 | 5 |
| Bidding round #5 | 2,250,000,000 | 2 | 2 | 0 | 2 | 6 | 5 |
| Bidding round #6 | 2,310,000,000 | 2 | 1 | | 0 | 3 | 5 |
| Bidding stage #2 – Winning bid | 2,310,000,000 | 2 | 1 | 0 | 0 | 3 | |

Summary of the results of bidding stage #2

a) Bidding stage #2 ended in the 6th bidding round for the initial price of bidding stage #2, because here the total number of lots competed for by participants (3) became less than the number of lots available during bidding stage #2 (5).

b) Results of the bidding stage:

Participant „A”: obtained 2 lots.

Participant „B”: obtained 1 lot.

Participant „C”: No lots obtained

Participant „D”: No lots obtained

The above are entered into the stage closing list. The participants have obtained a total of 3 lots, with 2 lots remaining

c) Number of lots on offer in the next, 3rd bidding stage: 2 ($5-3=2$).

d) participants taking part in the next, 3rd bidding stage may make bids as follows:

In the next stage, the number of lots available to each participant can be determined by subtracting the bid made in the last (6th) bidding round from the bid made in the last-but-one (5th) bidding round of bidding stage 2.

- Participant „B”: may bid for 1 or fewer lots ($2-1=1$);
- Participant „D”: may bid for 2 or fewer lots ($2-0=2$);

e) participants who may not take part in the next, 3rd bidding stage:

- Participant „A”, because they obtained 2 lots in bidding stage 2, and that was all left available to them;
- Participant „C”, because in the last-but-one, 5th bidding round of bidding stage 2 they bid for 0 (zero) lots, and therefore they may not take part in the last bidding round of bidding stage 2, or in any further stages of the onsite bidding procedure.

Onsite bidding – Example 1 – 3600 MHz: Bidding stage #3

Initial state:

- There are only two participants left: „B” and „D”.
- 2 lots remain available in the frequency band, according to item c) in the previous stage.
- During the first bidding round, the price of the lots is equal to the unit price for the last-but-one bidding round in the previous stage (HUF 1.25 billion) increased by the price increment for this stage (HUF 15 million), which is then further increased by the price increment for every bidding round.
- The first row displays the initial status for the lots (as of the last-but-one bidding round in the previous stage) and the associated price, as well as the highest bids available to the individual participants.
- There are a total of 3 lots the participants are competing for, which exceeds the number of obtainable lots.

| Bidding stage #3 | | | | | | | |
|---------------------------------------|----------------------|-----------------------------|-----------------|-----------------|-----------------|----------|--|
| Bidding round | Lot price (HUF) | Number of lots competed for | | | | | Number of lots available in bidding stage #3 |
| | | Participant „A” | Participant „B” | Participant „C” | Participant „D” | Total | |
| Initial status | 2,250,000,000 | | 1 | | 2 | 3 | 2 |
| Bidding round #1 | 2,265,000,000 | | 1 | | 2 | 3 | 2 |
| Bidding round #2 | 2,280,000,000 | | 1 | | 2 | 3 | 2 |
| Bidding round #3 | 2,295,000,000 | | 0 | | 2 | 2 | 2 |
| Bidding stage #3 – Winning bid | 2,295,000,000 | | 0 | | 2 | 2 | |

Summary of the results of the bidding stage

a) Bidding stage #3 ended in the 3rd bidding round, because here the total number of lots competed for by participants (2) was equal to the number of lots available during bidding stage #3 (2), meaning that this concluded the onsite bidding process.

b) Results of the bidding stage:

Participant „B”: No lots obtained

Participant „D”: obtained 2 lots.

All of the lots obtained as per the above and entered into the final closing list. The participants have successfully obtained all 31 lots.

Onsite bidding – Example 1 – 3600 MHz: onsite bidding results

| Onsite bidding results – Page 1 | | | | |
|---------------------------------|-----------------------|--------------------|--------------------------------------|---------------------------|
| Name of participant | Name of bidding stage | Number of lots won | Obtained lot prices by section (HUF) | One-off fee payable (HUF) |
| Participant „A” | Bidding stage #1 | 12 | 2,100,000,000 | 25,200,000,000 |
| | Bidding stage #2 | 2 | 2,310,000,000 | 4,620,000,000 |
| | Bidding stage #3 | - | - | - |
| | Total | 14 | | 29,820,000,000 |
| Participant „B” | Bidding stage #1 | 4 | 2,100,000,000 | 8,400,000,000 |
| | Bidding stage #2 | 1 | 2,310,000,000 | 2,310,000,000 |
| | Bidding stage #3 | - | - | - |
| | Total | 5 | | 10,710,000,000 |
| Participant „C” | Bidding stage #1 | 10 | 2,100,000,000 | 21,000,000,000 |
| | Bidding stage #2 | - | - | - |
| | Bidding stage #3 | - | - | - |
| | Total | 10 | | 21,000,000,000 |
| Participant „D” | Bidding stage #1 | - | - | - |
| | Bidding stage #2 | - | - | - |
| | Bidding stage #3 | 2 | 2,295,000,000 | 4,590,000,000 |
| | Total | 2 | | 4,590,000,000 |

Onsite bidding – Example 2 – 700 MHz

Onsite bidding – Example 2 – 700 MHz: Bidding stage #1

Initial state:

- There are four participants: Participants „A”, „B”, „C”, and „D”.
- There are 5 lots available within the frequency band
- During the first bidding round, the unit price of the lots is equal to the reserve price (HUF 5 billion) increased by the price increment (HUF 50 million), which is then further increased by the price increment for every bidding round.
- The first row displays the reserve price for the lots, as well as the valid initial bids provided by the participants in their offers. This also determines the maximum amount that the given participant may bid for the lot in question in the first bidding round.
- There are a total of 8 lots the participants are competing for, which exceeds the number of obtainable lots.

| Bidding stage #1 | | | | | | | |
|---------------------------------------|----------------------|-----------------------------|-----------------|-----------------|-----------------|----------|--|
| Bidding round | Lot price (HUF) | Number of lots competed for | | | | | Number of lots within the frequency band |
| | | Participant „A” | Participant „B” | Participant „C” | Participant „D” | Total | |
| Initial bid | 5,000,000,000 | 2 | 2 | 2 | 2 | 8 | 5 |
| Bidding round #1 | 5,500,000,000 | 2 | 2 | 2 | 2 | 8 | 5 |
| Bidding round #2 | 6,000,000,000 | 2 | 2 | 2 | 2 | 8 | 5 |
| Bidding round #3 | 6,500,000,000 | 2 | 1 | 2 | 2 | 7 | 5 |
| Bidding round #4 | 7,000,000,000 | 1 | 0 | 0 | 0 | 1 | 5 |
| Bidding stage #1 – Winning bid | 7,000,000,000 | 1 | 0 | 0 | 0 | 1 | |

Summary of the results of the bidding stage

a) Bidding stage #1 ended in the 4th bidding round, because here the total number of lots competed for by participants (1) became less than the number of lots available in the frequency band (5).

b) Results of the bidding stage:

Participant „A”: obtained 1 lot.

Participants „B”, „C” and „D”: No lots obtained

The single lot obtained is entered into the stage closing list. Participant „A” has obtained 1 lot, with 4 lots remaining.

c) Number of lots on offer in the next, 2nd bidding stage: 4 (5-1)

d) Participants who may take part in the next, 2nd bidding stage:

In the next stage, the number of lots available to each participant can be determined by subtracting the bid made in the last (4th) bidding round from the bid made in the last-but-one (3rd) bidding round of bidding stage 1.

- Participant „A”: may bid for 1 or fewer lots ($2-1=1$).
- Participant „B”: may bid for 1 or fewer lots ($1-0=1$).
- Participant „C”: may bid for 2 or fewer lots ($2-0=2$).
- Participant „D”: may bid for 2 or fewer lots ($2-0=2$);

e) All participants are entitled to attend the next bidding stage: because based on d), they have all made valid bids in the 3rd (last-but-one) bidding round, and they have all made lower bids in the last bidding round than in the last-but-one bidding round.

Onsite bidding – Example 2 – 700 MHz: Bidding stage #2

Initial state:

- There are still four participants: Participants „A”, „B”, „C”, and „D”.
- 4 lots remain available in the frequency band, according to item c) in the previous stage.
- The “Initial bid” row displays the initial status for the lots (as of the last-but-one bidding round in the previous stage) and the associated unit price, as well as the highest bids available to the individual participants.
- During the first bidding round, the price of the lots is equal to the unit price for the last-but-one bidding round in the previous stage (HUF 6.5 billion) increased by the price increment for this stage (HUF 200 million), which is then further increased by the price increment for every bidding round.

•

| Bidding stage #2 | | | | | | | |
|---------------------------------------|----------------------|-----------------------------|-----------------|-----------------|-----------------|----------|--|
| Bidding round | Lot price (HUF) | Number of lots competed for | | | | | Number of lots available in bidding stage #2 |
| | | Participant „A” | Participant „B” | Participant „C” | Participant „D” | Total | |
| Initial status | 6,500,000,000 | 1 | 1 | 2 | 2 | 6 | 4 |
| Bidding round #1 | 6,700,000,000 | 1 | 1 | 2 | 2 | 6 | 4 |
| Bidding round #2 | 6,900,000,000 | 1 | 1 | 2 | 2 | 6 | 4 |
| Bidding round #3 | 7,100,000,000 | 0 | 0 | 0 | 0 | 0 | 4 |
| Bidding stage #2 – Winning bid | 7,100,000,000 | 0 | 0 | 0 | 0 | 0 | |

Summary of the results of bidding stage #2

a) Bidding stage #2 ended in the 3rd bidding round, because here the total number of lots competed for by participants (0) became less than the number of lots available during bidding stage #2 (4).

b) Results of the bidding stage: No lots obtained by any of the participants.

c) Number of lots on offer in the next, 3rd bidding stage: 4 (4-0)

d) participants taking part in the next, 3rd bidding stage may make bids as follows:

In the next stage, the number of lots available to each participant can be determined by subtracting the bid made in the last (3rd) bidding round from the bid made in the last-but-one (2nd) bidding round of bidding stage 2.

- Participant „A”: may bid for 1 or fewer lots (1-0=1).
- Participant „B”: may bid for 1 or fewer lots (1-0=1).
- Participant „C”: may bid for 2 or fewer lots (2-0=2).
- Participant „D”: may bid for 2 or fewer lots (2-0=2);

e) All participants are entitled to attend the next bidding stage: because based on d), they have all made valid bids in the 2nd (last-but-one) bidding round, and they have all made lower bids (0) in the last bidding round than in the last-but-one bidding round.

Onsite bidding – Example 2 – 700 MHz: Bidding stage #3

Initial state:

- There are still four participants: Participants „A”, „B”, „C”, and „D”.
- 4 lots remain available in the frequency band, according to item c) in the previous stage.
- The Initial bid row displays the initial status for the lots (as of the last-but-one bidding round in the previous stage) and the associated unit price, as well as the highest bids available to the individual participants.
- During the first bidding round, the unit price of the lots is equal to the unit price for the last-but-one bidding round in the previous stage (HUF 6.9 billion) increased by the price increment for this stage (HUF 50 million), which is then further increased by the price increment for every bidding round.

| Bidding stage #3 | | | | | | | |
|-----------------------|----------------------|-----------------------------|-----------------|-----------------|-----------------|----------|--|
| Bidding round | Lot price (HUF) | Number of lots competed for | | | | | Number of lots available in bidding stage #3 |
| | | Participant „A” | Participant „B” | Participant „C” | Participant „D” | Total | |
| Initial status | 6,900,000,000 | 1 | 1 | 2 | 2 | 6 | 4 |
| Bidding round #1 | 6,950,000,000 | 1 | 1 | 2 | 2 | 6 | 4 |
| Bidding round #2 | 7,000,000,000 | 1 | 1 | 2 | 2 | 6 | 4 |
| Bidding round #3 | 7,050,000,000 | 1 | 1 | 2 | 2 | 6 | 4 |
| Bidding round #4 | 7,100,000,000 | 1 | 0 | 2 | 2 | 5 | 4 |
| Bidding round #5 | 7,150,000,000 | 1 | | 2 | 2 | 5 | 4 |
| Bidding round #6 | 7,200,000,000 | 1 | | 2 | 2 | 5 | 4 |
| Bidding round #7 | 7,250,000,000 | 1 | | 2 | 2 | 5 | 4 |
| Bidding round #8 | 7,300,000,000 | 1 | | 2 | 2 | 5 | 4 |
| Bidding round #9 | 7,350,000,000 | 1 | | 2 | 2 | 5 | 4 |
| Bidding round #10 | 7,400,000,000 | 1 | | 2 | 2 | 5 | 4 |

Summary of the results of bidding stage #3

a) Bidding stage #3 ended in the 10th bidding round, because the number of bidding round reached 10, the maximum, while the total number of lots competed for by participants (5) still exceeded the number of lots available during bidding stage #3 (4).

b) Results of the bidding stage:

No lots obtained by any of the participants.

c) Number of lots on offer in the next, 4th bidding stage: 4

d) participants taking part in the next, 4th bidding stage may make bids as follows:

- Participant „A”: May propose a unit price in order to obtain 1 lot
- Participant „C”: May propose a unit price in order to obtain 2 lots
- Participant „D”: May propose a unit price in order to obtain 2 lots

e) participants who may not take part in the next, 4th bidding stage:

- Participant „B”, because in the 4th bidding round of bidding stage 3 they bid for 0 (zero) lots, and therefore they may not take part in the next (5th) bidding round of bidding stage #3, or in stage #4 of the onsite bidding.

Onsite bidding – Example 2 – 700 MHz: Bidding stage #4

Initial state:

- There are only three participants left: Participants „A”, „C” and „D”.
- 4 lots remain available in the frequency band, according to item c) in the previous stage.
- Participants must make offers for the unit price of the lots they are competing for. No bid can go below the unit price for the 10th bidding round of bidding stage #3, and they must also comply with the numbering rules.

| Bidding stage #4 | | | |
|---------------------|-----------------------------|---|--------------------------|
| Name of participant | Number of lots competed for | Lowest unit price that can be offered (HUF) | Offered unit price (HUF) |
| Participant „A” | 1 | 7,400,000,001 | 7,410,000,100 |
| Participant „C” | 2 | 7,400,000,001 | 7,402,000,500 |
| Participant „D” | 2 | 7,400,000,001 | 7,402,000,500 |
| Total | 5 | | |

Summary of the intermediate results of bidding stage #4

Ranking by the amount of offered unit prices

| Item | Name of participant | Offered unit price (HUF) |
|------|---------------------|--------------------------|
| 1 | Participant „A” | 7,410,000,100 |
| 2 | Participant „C” | 7,402,000,500 |
| 2 | Participant „C” | 7,402,000,500 |
| 2 | Participant „D” | 7,402,000,500 |
| 2 | Participant „D” | 7,402,000,500 |

a) The participants offered the above unit prices for a total of 5 lots. All unit prices offered by the participants are valid, as they meet the minimum requirements stipulated in Sections (278)–(280) of the Documentation, as well as the numbering rules set out in Section (281).

b) Results of the bidding stage: In bidding stage #4, Participant „A” offered the highest unit price and thereby obtained the 1 lot they were entitled to. The result is entered into the stage closing list.

In bidding stage #4, Participants „C” and „D” offered the same unit price, resulting in a draw; since they have equal claims to the lots available in bidding stage #4, their ranking should be decided by a lottery.

c) Number of lots to be distributed via lottery: 3 ($4-1=3$)

d) Participants „C” and „D” are entitled to participate in the lottery, as they ended up in a draw.

Onsite bidding – Example 2 – 700 MHz: Lottery

| Lottery | | | | |
|---------------------|-----------------------------|--------------------------|---------------------------|-------------------------|
| Name of participant | Number of lots competed for | Offered unit price (HUF) | Ranking after the lottery | Number of lots obtained |
| Participant „C” | 2 | 7,402,000,500 | 1 | 2 |
| Participant „D” | 2 | 7,402,000,500 | 2 | 1 |
| Total | 4 | | | 3 |

Onsite bidding – Example 2 – 700 MHz: results after the lottery in bidding stage #4

Results after the lottery in bidding stage #4:

| Item | Name of participant | Offered unit price (HUF) |
|------|---------------------|--------------------------|
| 1 | Participant „A” | 7,410,000,100 |
| 2 | Participant „C” | 7,402,000,500 |
| 2 | Participant „C” | 7,402,000,500 |
| 3. | Participant „D” | 7,402,000,500 |
| 3. | Participant „D” | 7,402,000,500 |

- Participant „A”: obtained 1 lot.
- Participant „C”: obtained 2 lots.
- Participant „D”: Obtained 1 lot (because only 1 available lot was left).

The results of the lottery and those of the previous stages are entered into the final closing list.

Onsite bidding – Example 2 – 700 MHz: Onsite bidding results

| Onsite bidding results | | | | |
|------------------------|-----------------------|--------------------|--------------------------------------|---------------------------|
| Name of participant | Name of bidding stage | Number of lots won | Obtained lot prices by section (HUF) | One-off fee payable (HUF) |
| Participant „A” | Bidding stage #1 | 1 | 7,000,000,000 | 7,000,000,000 |
| | Bidding stage #2 | - | - | - |
| | Bidding stage #3 | - | - | - |
| | Bidding stage #4 | 1 | 7,410,000,100 | 7,410,000,100 |
| | Total | 2 | | 14,410,000,100 |
| Participant „B” | Bidding stage #1 | - | - | - |
| | Bidding stage #2 | - | - | - |
| | Bidding stage #3 | - | - | - |
| | Bidding stage #4 | - | - | - |
| | Total | 0 | | - |

| | | | | |
|------------------------|------------------|----------|---------------|-----------------------|
| Participant „C” | Bidding stage #1 | - | - | - |
| | Bidding stage #2 | - | - | - |
| | Bidding stage #3 | - | - | - |
| | Bidding stage #4 | 2 | 7,402,000,500 | 14,804,001,000 |
| | Total | 2 | | 14,804,001,000 |
| Participant „D” | Bidding stage #1 | - | - | - |
| | Bidding stage #2 | - | - | - |
| | Bidding stage #3 | - | - | - |
| | Bidding stage #4 | 1 | 7,402,000,500 | 7,402,000,500 |
| | Total | 1 | | 7,402,000,500 |

Annex 7 – The description of the software supporting onsite bidding

This brochure describes the basic functionality of the software used by the Auctioneer to conduct onsite bidding (hereinafter: Software) as part of the system supporting the Bidding, and how the Software represents the bidding rules as specified in Section 4.10 of the Documentation, and how it supports onsite bidding. In connection with the onsite bidding system, the description, as needed, refers to the specific rules of the onsite bidding procedure described in Section 4.10 of the Documentation.

1. Onsite bidding shall be conducted by the Auctioneer using the software developed specifically for this auction procedure.
2. The software operates in a closed system, is disconnected from the Internet and from any other external network.
3. The software is a Windows-based application consisting of two separate parts:
 - 3.1. one called „Auctioneer” (hereinafter: the **Auctioneer Interface**), which is used exclusively by the Auctioneer during the onsite bidding,
 - 3.2. and one called „Participant” (hereinafter: **Participant Interface**), which is used by the participants during the onsite bidding. Each participant receives its own Participant Interface and can only use and see its own Participant Interface.
4. The Auctioneer can start and close each bidding round on the Auctioneer Interface, and can use this interface to switch to the next bidding stage in the case specified in section (252) b) of the Documentation.
5. Each participant present at the onsite bidding can only make their bids on their own Participant Interface, which is independent of all other Participant Interfaces. The Auctioneer provides each participant with a numeric keypad to enter the bids and to use the „Submit” button on the Participant Interface to submit their bids to the Auctioneer.
6. The software tracks the minimum number of lots to be acquired by each participant in the specific bidding round of the specific bidding stage of the onsite bidding for the specific frequency bands as per the acquisition rules in Section (29) of the Documentation and the number of lots already acquired by the participant in the preceding bidding stages as well as the maximum number of lots that can still be obtained at the time of bidding, and subject to the rules set out in Sections (232)–(235) of the Documentation.
7. In stages 1–3 of the onsite bidding, the Software allows bids only in the range between the minimum and maximum limits applicable to the specific participant in the specific bidding round of the specific bidding stage of the onsite bidding for the specific frequency band. If the participant attempts to make a bid outside of this range in the bidding cell, an automatic error message is displayed on the Participant Interface, and the Submit button becomes inactive.
8. On the Participant Interface, the „Submit” button remains inactive until the participant enters a number in the bidding cell that is in the range as defined under Item 7. If the participant does not wish to acquire any lot at the price specified by the Auctioneer in the given bidding round, it may use the „Skip bidding round (0)” button to indicate its intent to the Auctioneer. After using the „Skip

bidding round (0)" button, a confirmation message is automatically displayed on the Participant Interface, where the participant can select the „Yes" or the „No" button whether or not it really meant to use the „Skip bidding round (0)" button.

9. (9) The participant can track on the Participant Interface the time remaining from the specific bidding round of the specific bidding stage of the onsite bidding for the specific frequency band as specified in Section (237) of the Documentation, during which period it can make a single bid or use the „Skip bidding round (0)" button once in accordance with Section (247) of the Documentation. If the participant has made a bid in a given bidding round, used the „Skip bidding round (0)" button, or the time available for making the bid has expired, both the „Submit" and the „Skip bidding round (0)" buttons will become inactive on the Participant Interface, and in the latter case, the message „Bidding is over" will appear at the place where the time remaining from the specific bidding round is otherwise displayed.
10. After using the „Submit" button on the Participant Interface, the participant cannot modify or overwrite its bid, even if there is still time remaining for the specific bidding round.
11. In bidding stage 4, participants can also enter the offered unit price using a numeric keypad. Following the entry of the offered unit price, the software also displays the number as a text to help participants make sure that the amount entered is correct. Next, the participant can submit the offered unit price using the „Submit" button.
12. In bidding stage 4, the Participant Interface will display the numbering rules as per Section (282) of the Documentation, as well as the minimum unit price that can be submitted by the participant as per Sections (279)–(281) of the Documentation and the numbering rules contained in Section (282) of the Documentation. If the offered unit price entered does not comply with the numbering rules or those on the minimum offered unit price defined in Sections (279)–(281) of the Documentation, the Participant Interface will automatically display an error message and the „Submit" button will become active only if the unit price offered complies with the rules in the Documentation. The „Skip bidding round (0)" button is inactive in bidding stage 4.
13. Participants may also use the Participant Interface to keep track of the number of the current bidding stage and bidding round during the onsite bidding of the given frequency band, the number of lots still available to them in the bidding round of the bidding stage, the price determined by the Auctioneer for a single lot in the specific bidding round of the specific bidding stage, a table of the bids made in the previous bidding rounds, and also the bidding rounds of the previous bidding stages in which they have already acquired lots and their prices.
14. Participants will only be able to enter numerals on the Participant Interface, and only in the cells for the bid and the offered unit price. All other values are automatically calculated by the software and cannot be modified/overwritten by the participants.