

The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

# **Documentation for the tender announced in the subject of spectrum licences for broadband services**

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Budapest, 22 May 2014

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This document is the tender documentation of the tender procedure (hereinafter: Tender or tender procedure) for spectrum licences related to broadband services provided in the 800 MHz, 900 MHz, 1800 MHz, 2600 MHz and 26 GHz frequency bands (hereinafter: Documentation) issued by the National Media and Infocommunications Authority (1015 Budapest, Ostrom u. 23–25., hereinafter: Contracting Entity) specifying the detailed rules of the Tender and the application process.

## I. FUNDAMENTAL PROVISIONS

### 1.1. Definitions

The terms used in this Documentation shall be used in the following sense. The definitions and interpretations set out in the other provisions of the Documentation shall apply; in the absence of such, the pertaining legislative provisions shall apply.

a) "Bid"	a quotation for the acquisition of a spectrum licence for any of the Packages defined under Section 2.2 herein, as part of the Tender application
b) "Counterbid"	All bids submitted to an invitation by the Contracting Entity in cases where at least two valid Bids or Supplementary Bids are submitted for any of the Packages defined in Section 2.2 and the difference in score between the two best (highest-ranking) Bids made for a given Package does not exceed 15 points
c) "Supplementary Bid"	all bids submitted to the invitation issued by the Contracting Entity in cases where no valid Bid was submitted for any of the Packages defined in Section 2.2

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d) "incumbent mobile operator"	electronic communications service provider operating a mobile telephone network and providing retail mobile telephone services on the territory of Hungary on the initial date of the tender procedure
e) "offered price"	price offered by the applicant in its Bid, and by the participant in its Counterbid or Supplementary Bid for the spectrum licence of any of the Packages defined in Section 2.2, which cannot be lower than the tender price established for the Package concerned
f) "day"	calendar day
g) "basic block"	the smallest available frequency range defined within the frequency band specified in the Documentation
h) "user block"	frequency range consisting of a basic block or basic blocks defined within one or more available frequency bands that can be obtained by one participant
i) "Package"	frequency range defined in Section 2.2. consisting of a basic block or basic blocks defined within the available frequency band that can be obtained by one participant
j) "start of tender procedure"	the day of publication of the tender Notice (hereinafter: Notice) by the Contracting Entity on its website

## *1.2. Legislative background and the documents governing the tender procedure*

The rules of NMHH Decree 4/2011 (X. 6.) on the rules of auction or tender for obtaining spectrum licences (hereinafter: Decree on the rules of auction or tender) shall govern the tender procedure.

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The tender procedure is an administrative case and an administrative procedure within the NMHH's scope of authority. The rules set out in Act C of 2003 on Electronic Communications (hereinafter: Electronic Communications Act) and Act CXL of 2004 on the General Rules of Administrative Proceedings and Services (hereinafter: Administrative Proceedings Act) shall apply to the tender procedure.

The Documentation defines the detailed rules of the tender procedure pursuant to Section 3 (3) of the Decree on the rules of auction or tender.

The Documentation shall apply in issues arising during the tender procedure.

### *1.3. Liaising, notifications*

The applicant shall provide the name, personal identification data and contact details (telephone number, fax number, email, Hungarian mailing address or the agent for service of process as per the Administrative Proceedings Act) of the person with full powers of representation (hereinafter: Representative) in the tender application procedure (hereinafter: Application), as well as the name, personal identification data and contact details (telephone number, fax number, email, mailing address or the agent for service of process as per the Administrative Proceedings Act) of the authorised contact person (hereinafter: Contact person).

Any changes in the identity or data of the representative or the contact person shall be reported to the Contracting Entity in writing, within three days (3) of such change in a duly signed original statement, sent in one copy via post or courier service. The Contracting Entity shall acknowledge the changes in the identity or data of the representative or contact person only after receipt of the original copy of the statement fulfilling the criteria defined in this Section.

Any information shared with the contact person shall qualify as legally effective notification of the applicant/participant and all of the joint applicants in case of Joint Application as per Section 3.10.

The Contracting Entity shall liaise with the contact person via post and/or fax, as per the following.

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The Contracting Entity shall deliver all forms and documents related to the tender procedure to the address in Hungary provided for the contact person or to the agent for service of process appointed pursuant to the Administrative Proceedings Act. The Contracting Entity shall treat all administrative decisions made in the course of the tender procedure as official documents, pursuant to the rules set out in the Administrative Proceedings Act.

The Contracting Entity shall communicate with the contact person via fax in case the applicant/participant provides a fax number in the protocol when acquiring the hardcopy form of the Documentation as per Section 2.5 or in the Application, or provides such number at any time during the tender procedure, and expressly consents to the use of such number for liaison purposes in a relevant statement. If the applicant/participant has consented to liaison via fax, any document sent to the fax number provided – with the exception of administrative decisions – shall qualify as legally effective delivery to the applicant/participant and all joint applicants/participants applying within the consortium in case of Joint Applications from the moment of confirmation of successful delivery.

The applicant/participant can also opt for electronic liaising, besides postal mail and/or fax. Any electronic communication is void of legal effect, and in case of any discrepancies, the communication sent via postal mail or fax shall have legal effect.

For the sake of more efficient and faster liaison, the Contracting Entity may simultaneously send the documents dispatched via mail and/or fax in email with unchanged content, provided that the applicant/participant has provided an email address and has consented to the use of such address for liaison purposes. Any communication via email is void of legal effect, and in case of any discrepancies, the communication sent via postal mail or fax shall have legal effect.

Unless provided otherwise in the Documentation or any in amendments of the Documentation, or unless the Contracting Entity defines a mandatory delivery method in consideration of the action or the nature of the document, all statements and documents addressed to the Contracting Entity during the tender procedure, as well as any other documents related to the tender procedure shall be delivered to the Contracting Entity's official address or fax number in writing, via post, personal delivery or fax.

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Any documents sent to the Contracting Entity in any phase of the tender procedure can be deemed effectively delivered only if the Contracting Entity has received the original copy of such document. To facilitate the faster processing of statements and documents and improve the tender procedure's efficiency, statements, documents and other forms may also be sent by fax to the Contracting Entity's fax number specified below or by email to the Contracting Entity's email address specified below or, in case of electronic liaising, through electronic channels simultaneously to delivery by post (or personal delivery), with such notification by fax, email or electronic channels having no legal effect; in case of any discrepancies, the contents of notification sent by post (or delivered in person) shall prevail.

Unless provided otherwise by the Documentation, any document delivered to the Contracting Entity as set out in this Section shall be considered adequate in the tender procedure only if it fulfils the formal requirements and the document is signed by one of the following persons:

- the representative of the applicant/participant;
- the authorised signatory/signatories on behalf of the applicant/participant or the persons duly authorised by the them; or
- in case of Joint Application as per Section 3.10, the consortium member authorised for representation as defined by the consortium agreement, or the person duly authorised by him/her.

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### **Contact details of the Contracting Entity:**

#### OFFICE OF THE NATIONAL MEDIA AND INFOCOMMUNICATIONS AUTHORITY HUNGARY

- Address: 1015 Budapest, Ostrom u. 23-25.
- Mailing address: 1376 Budapest, Pf. 997.
- Telephone: (+36 1) 468 0673
- Telefax: (+36 1) 468 0682
- e-mail: mobilfrekvencia@nmhh.hu

## **II. GENERAL PROVISIONS**

### *2.1. Objective of the Tender*

The radio spectrum, as a scarce resource, is part of the national asset and bears significant social and economic value. One of the fundamental principles of spectrum management is to utilise spectrum assets in an efficient manner generating social welfare, considering social aspects to the greatest possible extent. Radio spectrum is an element that, if properly utilised, can foster the development of information society.

It is of high public interest to develop digital competencies among the population, to enhance the internet supply and online presence of micro, small and medium sized enterprises, to boost e-commerce, e-invoicing and e-payment and to spread e-signature.

The main objective of this Tender is therefore to leverage spectrum assets in order to enhance competition and consequently, to lay the foundations for further enhancing information society and consumer welfare, primarily by building networks using the frequency efficiently, increasing broadband coverage and lastly, by increasing the supply side of service and cutting retail prices.

In accordance with the objectives described above, the individual strategic goals linked to spectrum management that the National Media and Infocommunications Authority,

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Hungary (hereinafter: Authority) wishes to achieve by virtue of this Tender are, in particular, the following:

- a) foster, encourage and support the extension of broadband wireless coverage in Hungary;
- b) foster, encourage and support to enhance broadband penetration in order to allow Hungary to meet the European Digital Agenda targets (100% minimum-speed broadband coverage, the entire European Union to be covered by broadband above 30 Mbps by 2020, 50 percent of European households to subscribe to broadband above 100 Mbps by 2020).
- c) support and foster the deployment of broadband internet coverage in rural areas currently lacking broadband and to ensure the access to it to the greatest extent possible..

Article 6 of Decision No 243/2012/EU of the European Parliament and of the Council of 14 March 2012 establishing a multiannual radio spectrum policy programme (hereinafter: RSPP), entitled "Spectrum needs for wireless broadband communications" sets out a number of – frequency band-specific – utilisation obligations that Hungary has not yet fully met, such as certain steps related to authorisation are yet to be taken for the full utilisation of the 800 MHz, 900 MHz, 1800 MHz and 2600 MHz bands. A collateral objective of the Tender is that the Authority does its best within its functions and powers to allow Hungary to fulfil all of its related obligations towards the European Union.

The tender also aims to achieve sufficient state revenues from the sale of spectrum licences within the context of responsible management of national assets. The adequate tendering method is also capable of ensuring state revenues, over and above the definition and enforcement of minimum criteria for state objectives independent of revenue.

Distributing currently unused spectrum assets suitable for wireless broadband services is one of the necessary tools for achieving the abovementioned objectives.

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## 2.2. Subject of the Tender

This tender procedure applies to the following frequency bands:

- 790-821/832-862 MHz (the 800 MHz frequency band)
- 880-885.1/925-930.1 MHz (the 900 MHz frequency band)
- 1725-1740/1820-1835MHz (the 1800 MHz frequency band)
- 2500-2690 MHz (the 2600 MHz frequency band)
- 24549-24605/25557–25613 MHz (the 26 GHz frequency band)

### Total

23 paired basic blocks of 5 MHz	- 23x2x5 MHz	(230 MHz)
5 paired basic blocks of 1 MHz	- 5x2x1 MHz	(10 MHz)
8 unpaired basic blocks of 5 MHz	- 8x5 MHz	(40 MHz)
2 paired basic blocks of 28 MHz	- 2x2x28 MHz	(112 MHz)

The terms of use of the frequency bands forming the subject of the procedure are defined by NMHH Decree 2/2013 (I. 7.) on the establishment of the rules relating to the usage of frequency bands (hereinafter: Decree on the establishment of the rules relating to the usage of frequency bands). The following spectrum licences can be obtained for the Packages defined in tables 1-2 below, within the basic blocks regulated by the Decree on the establishment of the rules relating to the rights of use of frequency bands.

**Table 1**

Band	Quantity pending allocation (MHz)	Package „A”	Package „B”	Package „C”
800 MHz	6x2x5 (60)	2x2x5 <sup>*</sup> (20 <sup>*</sup> )	2x2x5 <sup>*</sup> (20 <sup>*</sup> )	2x2x5 <sup>*</sup> (20 <sup>*</sup> )
900 MHz	5x2x1 (10)	2x2x1 <sup>*</sup> (4 <sup>*</sup> )	2x2x1 <sup>*</sup> (4 <sup>*</sup> )	1x2x1 <sup>*</sup> (2 <sup>*</sup> )
2600 MHz	10x2x5 5x5 (125)	6x2x5 <sup>*</sup> (60 <sup>*</sup> )	4x2x5 <sup>*</sup> (40 <sup>*</sup> )	5x5 <sup>*</sup> (25 <sup>*</sup> )

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**Table 2**

Band	Quantity pending allocation (MHz)	Package „D”	Package „E”	Package „F”	Package „G”	Package „H”	Package „I”
1800 MHz	3x2x5 (30)	1x2x5* (10*)	1x2x5* (10*)	1x2x5* (10*)			
2600 MHz	4x2x5 3x5 (55)				4x2x5* (40*)	3x5* (15*)	
26 GHz	2x2x28 (112)						2x2x28*(112*)

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\* = MHz

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## Determination of Packages

### Package „A”

Band	Quantity	
800 MHz	2x2x5 MHz (20 MHz)	801-811/842-852 MHz
900 MHz	2x2x1 MHz (4 MHz)	882,1-884,1/927,1-929,1 MHz
2600 MHz	6x2x5 MHz (60 MHz)(paired)	2500-2530/2620-2650 MHz

### Package „B”

Band	Quantity	
800 MHz	2x2x5 MHz (20 MHz)	811-821/852-862 MHz
900 MHz	2x2x1 MHz (4 MHz)	880,1-882,1/925,1-927,1 MHz
2600 MHz	4x2x5 MHz (40 MHz) (paired)	2550-2570/2670-2690 MHz

### Package „C”

Band	Quantity	
800 MHz	2x2x5 MHz (20 MHz)	791-801/832-842 MHz
900 MHz	1x2x1 MHz (2 MHz)	884,1-885,1/929,1-930,1 MHz
2600 MHz	5x5 MHz (25 MHz) (unpaired)	2575-2600 MHz

### Package „D”

Band	Quantity	
1800 MHz	2x5 MHz (10 MHz)	

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### Package „E”

Band	Quantity	
1800 MHz	2x5 MHz	(10 MHz)

### Package „F”

Band	Quantity	
1800 MHz	2x5 MHz	(10 MHz)

### Basic blocks in the 1800 MHz band as defined in the Decree on the establishment of the rules relating to the usage of frequency bands

Block no.	Quantity		
4.	2x5 MHz	(10 MHz)	1725-1730/1820-1825 MHz
5.	2x5 MHz	(10 MHz)	1730-1735/1825-1830 MHz
6.	2x5 MHz	(10 MHz)	1735-1740/1830-1835 MHz

### Package „G”

Band	Quantity	
2600 MHz	4x2x5 MHz	(40 MHz) (paired)
		2530-2550/2650-2670 MHz

### Package „H”

Band	Quantity	
2600 MHz	3x5 MHz	(15 MHz) (unpaired)
		2600-2615 MHz

### Package „I”

Band	Quantity	
26 GHz	2x2x28 MHz	(112MHz)
		24 549-24 605/25 557-25 613 MHz

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## Tender prices for individual Packages

Package	Tender price (in HUF)	
	in figures	in words
Package „A”	33,225,000,000	thirty-three billion two hundred and twenty-five million
Package „B”	31,725,000,000	thirty-one billion seven hundred and twenty five million
Package „C”	27,200,000,000	twenty-seven billion two hundred million
Package „D”	2,650,000,000	two billion six hundred and fifty million
Package „E”	2,650,000,000	two billion six hundred and fifty million
Package „F”	2,650,000,000	two billion six hundred and fifty million
Package „G”	3,000,000,000	three billion
Package „H”	850,000,000	eight hundred and fifty million
Package „I”	200,000,000	two hundred million

Prices do not include VAT; the tender price payable is not subject to Act CXXVII of 2007 on Value Added Tax.

### Restrictions on obtaining the rights of use for frequencies

An applicant can only obtain rights of use for frequencies included within one of Packages “A”, “B” or “C”.

For a single licensee, the total of the frequency range affected by the spectrum licences obtained prior to 1 January 2014 within the 1710-1785/1805-1880 MHz frequency band and during the tender procedure in the 1800 MHz frequency band may not exceed 60 MHz.

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When assigning Packages “D”, “E” and “F” to basic blocks within the 1710-1785/1805-1880 MHz frequency band in accordance with the Decree on the establishment of the rules relating to the usage of frequency bands, the following shall be taken into account:

- the continuity of user blocks should be ensured, and
- the rights of use for frequencies for the basic blocks obtained by the incumbent mobile operator shall be valid for a frequency adjacent to the frequency blocks already used by said incumbent mobile operator.

Only participants who have not obtained any rights of use for frequencies within the 24 633 GHz-26 453 GHz frequency band prior to 1 January 2014 may obtain rights of use for frequencies within the 26 GHz band.

### **Scheduled date for the repeated tender of the frequency packages**

If, as a result of the tender procedure:

- a) any of the Packages remains unsold, or
- b) the rights of use for frequencies applicable to any of the frequency bands in a Package is not obtained by one of the participants — whether due to reasons within or outside the scope of the ongoing procedure —,

the Contracting Entity shall, in exercising its ownership rights over the frequencies that are in state ownership and represent a scarce resource, stipulate that, for a minimum period of two (2) years after the binding and substantive resolution concluding the tender procedure, it will refrain from announcing a tender for rights of use of frequencies, in the frequency bands forming the subject of the procedure, of the basic blocks regulated by the Decree on the establishment of the rules relating to the usage of frequency bands, unless mandated by legislation, spectrum regulation under international commitment, primary or secondary sources of European Union law on spectrum management, or court order, of if the sale of frequencies is justified by a priority element of spectrum policy or frequency management.

The Contracting Entity does not guarantee or otherwise provide any assurance that, in a possible future tender procedure aimed at the sale of the frequency bands and frequencies forming the subject of the current procedure, the terms

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stipulated in this Documentation (regarding participation, conflict of interest, package definition, tender price, evaluation criteria etc.) will prevail. Neither does the Contracting Entity guarantee that winning participant(s) in the current procedure will be excluded from a possible future tender procedure aimed at the sale of frequency bands and frequencies (also) forming the subject of the current procedure.

### *2.3. Use of the frequency obtained in the Tender and the term of rights of use for frequencies*

A natural person, legal person, other registered organisation or sole entrepreneur/sole proprietorship – fulfilling all statutory conditions – may install and operate electronic communications networks allowing the provision of electronic communications services based on and in accordance with the frequency usage licences,.

NMHH Decree 7/2013 (IX.19.) on the secondary trading of radio frequencies (hereinafter: Decree on secondary trading) governs the rights of use for frequencies obtained in the tender procedure.

The detailed description and the rules of usage of the frequencies forming the subject of the tender procedure are specified in this Documentation, in particular the requirements set out in Annexes 1A, 1B, 1C, 1D, 1E, 2 and 3 and in the legislation governing frequency usage, particularly NMHH Decree 15/2012 (XII. 29.) on establishing national frequency allocations (hereinafter: Decree establishing national frequency allocations) and the Decree on the establishment of the rules relating to the usage of frequency bands.

The roll-out obligations and the rules governing the **assessment of coverage** applicable to the winning applicant are set out in Annex 2.

The new licensee shall put the frequency bands acquired in the tender procedure into use, in accordance with Annexes 1A, 1B, 1C, 1D, 1E and 2, and the Bid (Supplementary Bid, Counterbid) as per Annex 4.

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The common expiry date of the spectrum licences for the frequencies available in the context of this tender procedure is 15 June 2029. In the event that the new licensee fulfils its obligations set forth in the administrative contract stipulated in Section 4.4 without delay, this expiry date shall be extended by an additional five (5) years, with terms and conditions unchanged and without payment of an additional one-time licence fee. The detailed rules regarding contractual and timely performance and the extension of the licence expiry date, are set forth in the administrative contract as per Section 4.4..

The frequencies available in the context of this tender can be put into use from the following dates:

Frequency band	Availability	Detailed rules
800 MHz frequency band	The availability date of the frequency band for electronic communications systems depends on the shut-down of foreign terrestrial television broadcasting stations operating within the 790-862 MHz band.	Annex 1.A
900 MHz frequency band	Basic blocks can be used from the date of obtaining the rights of use for frequencies. Actual availability depends on the ongoing re-banding of the 900 MHz frequency band, but shall be no later than the end of the 18th month following the first working day after obtaining the rights. The actual availability of the basic blocks also depends on the technology used.	Annex 1.B
1725-1725.1/1820-1820.1 MHz	From the expiry of Vodafone Magyarország Zrt.'s rights of use for frequencies in the 1725–1725.1/1820-1820.1 MHz band, or from 9 April 2022 at the latest.	Annex 1.C
1725.1-1740/1820.1-1835 MHz	The frequency band is available from the date of obtaining the rights of use for frequencies.	
2600 MHz frequency band	The frequency band is available from the date of obtaining the rights of use for frequencies..	Annex 1.D

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26 GHz frequency band	The frequency band is available from the date of obtaining the rights of use for frequencies..	Annex 1.E
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Further rules on the usability of the Packages are set out in the Documentation and the administrative contract to be concluded with the winner(s) of the tender procedure.

## **2.4. *Publication of the Notice***

The tender procedure is launched ex officio on the date of publication of the Notice on the Contracting Entity's website (and posting it to its bulletin board), on 22 May 2014.

## **2.5. *Acquiring the Documentation***

The Documentation can be obtained in hardcopy from the Contracting Entity, from the date of publication of the Notice until the expiry of the application deadline and following the transfer of the Documentation fee to the Contracting Entity, [Office of the National Media and Infocommunications Authority, Hungary (1015 Budapest, Ostrom u. 23-25.), between 9:00 am and 2:00 pm from Monday to Thursday, and between 9:00 am and 12:00 pm on Fridays]. The Documentation fee shall be transferred to the Contracting Entity's account number 10032000-00300939-00000017 held at the Hungarian State Treasury, indicating "Documentation fee for the broadband tender".

The Documentation fee is HUF 25 000, that is twenty-five thousand forints, inclusive of VAT.

Proof of the transfer shall be presented upon collection of the Documentation, in particular the bank account statement showing the debiting of the account or bank transfer certificate (including printed copies of online bank transfer orders). The Contracting Entity shall also verify the crediting of the amount to its payments account specified herein based on its own records. The person purchasing the Documentation shall provide proof of identification, and persons purchasing the Documentation on behalf of a legal entity, sole entrepreneur or other registered organisation shall submit an original copy of the officially signed proxy letter authorising representation (for purchasing the Documentation) to the Contracting Entity. The legal representative of the

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legal entity, sole entrepreneur or other registered organisation purchasing the Documentation may certify that he/she is authorized for representation with a certificate of incorporation no older than 30 (thirty) days , an authority certificate or document officially corroborating the lawful representation right. If the person purchasing the Documentation is doing so on behalf of a natural person or sole entrepreneur, they shall submit an original copy of the officially signed proxy letter (for purchasing the Documentation) to the Contracting Entity.

The Contracting Entity shall draw up a protocol on the hand-over of the Documentation. The protocol may not be deemed as registration for the Tender (hereinafter: tender registration) as per Section 3.20.

The Documentation can be downloaded from the Contracting Entity's website ([www.nmhh.hu](http://www.nmhh.hu)) in electronic form free of charge, but acquiring the Documentation in this form (downloading) does not grant eligibility for participating in the tender procedure as an applicant.

## **2.6. *Written questions***

The Contracting Entity shall enable applicants having purchased the documentation to ask questions in writing.

Questions regarding the Documentation submitted in writing up to the 10th day prior to the application deadline shall be replied to by the Authority within eight days so as to ensure that the applicant will have at least two days from receiving the answer to the expiry of the application deadline. The Contracting Entity may summarise the questions and answer them collectively. Prior to the application deadline, the Contracting Entity shall send all written questions raised by the applicants having purchased the Documentation, as well as all pertaining answers, to all persons or entities having purchased the Documentation, without specifying the name of the party having raised the question.

Those entitled to it may submit their questions in writing to the postal addresses of 1015 Budapest, Ostrom u. 23-25. or 1376 Budapest, Pf. 997., or via fax to (+36-1) 468 0682.

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The answers given and distributed by the Contracting Entity only serve informational purposes and, contrary to the Documentation, have no legal effect or legal binding force with regard to individual administrative procedures or in terms of the interpretation of the applicable legislation.

## ***2.7. Modification of the tender notice documents***

The Contracting Entity has the right to modify the Notice and Documentation taking into account of the principles of an objective, transparent and non-discriminatory procedure pursuant to Section 6 of the Decree on the rules of auction or tender.

The Notice and the Documentation may be amended up to the 8th (eighth) day preceding the application deadline. The Documentation may be amended in particular if any of its provisions are not in line with legislation or if the Contracting Entity perceives that the Documentation calls for specification or supplementation based on a written enquiry made pursuant to Section 2.6. When amending the Documentation, the Contracting Entity shall proceed in an objective, transparent and non-discriminatory manner.

Amendments to the Notice shall be published as per the rules on the publication of the Notice.

Amendments to the auction/tender documentation shall be published by the Contracting Entity by posting them to its bulletin board or publishing them on its website, and parties having purchased the Documentation shall be notified by the Contracting Entity within two days of the publication of said amendment and the exact content thereof. The publication date shall be the date of publication of the amendment to the Documentation on the Contracting Entity's website.

Modifications to the Notice and the Documentation shall enter into force upon their publication.

## ***2.8. Conditions of participation and conflict of interest***

**2.8.1** The following legal entities, other registered organisations, sole entrepreneurs, sole

proprietorships or natural persons may take part in the tender procedure, either individually or as part of a consortium as per Section 3.10:

- a) those complying with the conditions set out in Section 9 of the Decree on the rules of auction or tender;
- b) those that do not have customs duty, social security contribution payment debt or tax payment obligation registered by the central tax authority overdue for more than 60 days;
- c) those undertaking an irrevocable and unconditional obligation made out in writing to fulfil at least the roll-out obligations set out in Annex 2 of the Documentation should they win the tender procedure (In the case of Applications submitted only for Package “1”, the applicant is not required to undertake an obligation as per this Section);
- d) those with no frequency fee payment obligations more than thirty (30) days overdue towards the Contracting Entity (the Contracting Entity shall verify outstanding frequency fee payment obligations based on its own records; applicants are not required to provide a certificate thereof); and
- e) those having issued a separate written document in the course of Application, irrevocably, without restriction and unconditionally acknowledging that the contents of the Documentation are binding upon them, and
- f) those that/who during the 24 months preceding the launch of the tender procedure have not been found guilty, whether in a court of law or in a binding administrative ruling, of violating the prohibition of agreements aimed at restricting economic competition, the prohibition of abuse of a dominant market position or of the rules governing concentrations between undertakings;
- g) those that/who have not suspended their activities or whose activities have not been suspended;
- h) those (natural persons, sole entrepreneurs) who are (current or past) public officers, employees, consultants or proxies of the Contracting Entity having participating in drafting the Documentation, or are close relatives of such persons;

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- i) those that have no senior 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 Contracting Entity having participating in drafting the Documentation, or are close relatives of such persons;
- j) those (natural persons, sole entrepreneurs) that have no prior conviction for any of the following crimes:
  - ja. crimes against public justice as defined in title VI of Chapter XV, , or economic crime defined in Chapter XVII of Act IV of 1978 on the Penal Code, being in force until 30 June 2013.
  - jb. 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; or
- k) that have no senior officers or person holding a business share of at least 25 (twenty-five) percent among their executive officers with prior conviction of any of the crimes listed under items ja) and jb) or is banned from employment in a manner prohibiting it from holding an executive office in the business organisation or company, or is not an organisation whose activity has been restricted by the court in a binding ruling pursuant to Section 5 (2) of Act CIV of 2001 on Measures Applicable to Legal Entities under Criminal Law.

**2.8.2** Persons subject to the conflict of interest rules set out under Points a)-c) below may not participate in the tender procedure, whether individually or as part of a consortium as per Section 3.10 (in case of a consortium, each member must comply individually with the conflict of interest rules, i.e. each member shall be examined separately from the perspective of conflict of interest):

- a) Natural or legal persons, other registered organisations or sole entrepreneurs/sole proprietorships holding a controlling stake in each other or in which a third party holds a controlling stake may not participate simultaneously in the Tender.

A controlling share is:

- a direct and indirect stake in a company, the total of which provides control in excess of twenty-five percent of the company's assets or voting rights; direct and indirect stakes of close relatives as per Article 8:1 (1) 1) of Act V of 2013 on the Civil Code (hereinafter: the New Civil Code) shall be combined,
  - any situation which makes a controlling influence in the company possible on the basis of a contract, the deed of foundation (bylaws) or preferred stock, through the appointment (removal) of the decision-making or supervisory bodies, or in any other way.
- b) Persons not qualified as a transparent organisation pursuant to Section 3 (1) 1) b) of Act CXCVI on 2011 on National Assets (hereinafter: National Assets Act) are barred from participating in the Tender.
- c) Natural persons and legal entities, other registered organisations, sole entrepreneurs or sole proprietorships with controlling stakes in each other or controlled by a company (or other organisation) not participating in the tender procedure may not participate simultaneously in the Tender.

Pursuant to Sections 23 (2) and (3) of Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices (hereinafter: Competition Act) a controlling relationship shall mean that an undertaking or several undertakings jointly:

- has the ownership of the interests or shares of another undertaking entitling them to exercise majority voting rights, or are holders of more than fifty percent of the voting rights; or
- are entitled to appoint, elect or recall the majority of the executive officials of another undertaking; or
- are entitled by contract to exercise decisive influence on the decisions of another undertaking; or

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- acquire the ability on a factual basis to exercise decisive influence on the decisions of another undertaking.

Control is also exercised by one undertaking over another undertaking (or organisation) which is controlled, solely or together with it, by a third party under its control or is jointly controlled by third parties under its control.

**2.8.3** No modifications, changes or legal succession in the person of the applicant/participant affecting the formal validity of the Application shall be permitted during the tender procedure.

**2.8.4** Only those persons are entitled to participate in the Tender who have acquired the Documentation as per Section 2.5 and paid the participation fee as per the Notice and Section 3.13 of this Documentation to the Contracting Entity.

**2.8.5** Each applicant shall submit the documents, declarations and deeds required as per this Documentation and the Decree on the rules of auction or tender in the manner and form defined herein.

## ***2.9. Requirements to confirm the appropriateness of the Application and the professional suitability of the applicant***

Applicants providing services outside the territory of Hungary or targeted outside the territory of Hungary shall submit a certificate issued by the competent electronic communications regulatory authority with jurisdiction over the service provided by the applicant(s), by which to confirm having at least five (5) years of experience in electronic communications services. According to the relevant experience, the term 'electronic communications services' refers to services that are typically provided in exchange of remuneration and involve, whether in full or in part, the conveyance and, if applicable, the controlling of signals via electronic communications networks, but exclude services providing, or exercising editorial control over, content transmitted using electronic communications networks and services, and do not include information society services, defined in other legislation, that do not primarily comprise the conveyance of signals via electronic communications networks.

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In case of application of a consortium, any of the consortium members may submit a certificate evidencing experience as an electronic communications service provider.

Applicants or consortium members located on the territory of Hungary or providing services aimed at the territory of Hungary need not submit such a certificate verifying compliance with the criteria – a minimum of five (5) years' experience as an electronic communications service provider – set out in this section, as declaring this fact in their Application will suffice. The Contracting Entity will verify the suitability of applicants or consortium members located on the territory of Hungary or providing services aimed at the territory of Hungary in its own records.

## ***2.10. Method, place and time of submission of Applications***

Only the applicant's authorised representative may submit the Application. Natural persons and sole entrepreneurs may submit their own application.

The person submitting an Application shall identify themselves with a personal identification document, and persons submitting an Application on behalf of a legal entity, sole entrepreneur or other registered organisation, shall submit an original copy of the officially signed proxy letter authorising representation (for submitting an Application) to the Contracting Entity. The legal representative of the persons submitting the Application may certify its representation rights with a certificate of incorporation no older than 30 (thirty) days, an authority certificate or document officially corroborating the lawful representation right. If the representative is submitting an application on behalf of a natural person or sole entrepreneur, he/she shall submit an original copy of the officially signed proxy letter (for submitting an Application) to the Contracting Entity.

The Application must include all statements, deeds and certificates specified under Section 3.12, as well as all compulsory substantive elements set out in the Documentation and in the Decree on the rules of auction or tender, in the required format and number of copies.

Applications of applicants can be submitted on 16 June 2014 between 9:00 am and 4:00 pm at the following address of the Contracting Entity, taking into account the requirements for format and content specified in the Documentation:

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## **OFFICE OF THE NATIONAL MEDIA AND INFOCOMMUNICATIONS AUTHORITY, HUNGARY**

Address: 1015 Budapest, Ostrom u. 23-25., ground floor meeting room II

When receiving an Application, the Contracting Entity shall indicate the exact time and date of receipt on the sealed packages, simultaneously issuing an acknowledgement of receipt. Applicants may submit any additional documents separately before the expiry of the application deadline, in line with the requirements for format and content set out in the Documentation and the Decree on the rules of auction or tender, excluding the requirement for such separate documents being bound together with the Documentation already submitted. The Contracting Entity shall also indicate the exact time and date of receipt on the packaging of such subsequently submitted documents, issuing an acknowledgement of receipt.

One applicant may only submit one Application. If an applicant submits more than one Application, the Contracting Entity shall deem the Application submitted at the latest date to be the sole Application submitted.

### **III. RULES OF PROCEDURE**

#### ***3.1. Underlying principles of the tender procedure***

When carrying out the tender procedure, the Contracting Entity shall proceed in line with the prevailing legislation – in particular the stipulations set out in the Electronic Communications Act, the Administrative Proceedings Act, the Decree on the rules of auction or tender —, 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 Administrative Proceedings Act, the Decree on the rules of auction or tender, the Contracting Entity shall proceed in line with the requirement of equal treatment.

The Contracting Entity shall also take into account the criterion of cost-effectiveness, conducting the tender procedure so as to allow for the possible fastest conclusion, respecting the statutory deadlines and yielding a result.

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Applicants/participants shall proceed in line with the principles of good faith and fairness in the tender procedure, and shall cooperate with the Contracting Entity to facilitate the fast and successful conclusion of the procedure. Applicants/participants may not conduct themselves in a manner aimed at deceiving the Contracting Entity, may not issue statements (including the Application) in the course of the tender procedure that contain misrepresentations (incorrect, false information), and may not conceal any data substantial from the perspective of the Tender 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 tender procedure. In the event of the violation of the requirements pertaining to documents and statements defined under this Section, the Contracting Entity may enforce the legal consequences set out under Section 3.9.

### 3.2. Language of the procedure

The official language of the tender procedure shall be Hungarian. The Tender and all communication between the applicants/participants and the Contracting Entity pertaining to the Tender shall be conducted in Hungarian.

If the applicant 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.

Translations prepared by the Hungarian Office for Translation and Attestation (Országos Fordító és Fordításhitelesítő Zrt.), Hungarian foreign representative bodies, Hungarian notaries public, as well as translations endorsed with a certification clause and those prepared by specialised qualified translators or translator-revisers, shall be considered certified.

Public documents issued outside Hungary, and private documents certified by a foreign court of law, administrative authority, notary public or any other person bestowed with public trust bear, under Hungarian law, evidentiary weight only if the Hungarian mission authority to the country of issuing the document furnished it with diplomatic legalisation,

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unless it follows differently from the law regulating the specific branch of cases, an international agreement or the practice of reciprocity.

The applicant shall be liable for confirming and attesting that, due to an international agreement or the practice of reciprocity, having public documents and private documents, certified by a foreign court of law, administrative authority, notary public or any other person bestowed with public trust and submitted as part of its Application, furnished with diplomatic legalisation by the Hungarian mission authority to the country of issuance is not necessary.

Any documents made available by the Contracting Entity in a foreign language shall serve informational purposes only.

### 3.3. Hierarchy of the Tender notice documents

The tender notice includes the Notice published in the subject of the tender procedure, this Documentation specifying the detailed conditions and provisions of the tender (along with its annexes) and any amendments to the Documentation or the Notice.

In the event of any discrepancy between the documents constituting the tender notice and other documents, 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 protection of personal data

During the tender procedure – in particular when allowing the inspection of the documents, the announcement of the decision and its publication – the Contracting Entity shall ensure the protection of personal data and the secrets defined under Section 172 I) of the Administrative Proceedings Act, protected on a statutory basis.

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

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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 data that is public for general public interests and data that may not be rated 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.

Any data, document, information or notification delivered to the Contracting Entity by the applicant/participant in the context of the tender procedure shall be deemed to be a trade secret if qualified as such by the applicant/participant in line with relevant legislation, in particular Section 33 (2) of the Electronic Communications Act. Parts of the Bids (Counterbids or Supplementary Bids) that are subject to assessment concerning the Packages as per the Documentation cannot be qualified as secrets protected under the law. The Contracting Entity may publicly disclose this information to the extent required for conducting the tender procedure and meet legislative requirements. In its Application, the applicant – also including consortium members in case of a joint application – shall furnish a separate written declaration acknowledging, irrevocably and unreservedly, that, until the administrative procedure is substantially concluded, it may have no access to the parts of other applicants' Bid (Counterbid or Supplementary Bid), during the inspection of the documents, that are subject to assessment concerning the Packages as per Section 4.2.1 of the Documentation, as well as to the notarised records of the opening and content of Bids and Supplementary Bids.

The applicant/participant shall acknowledge that, in its call for Counterbids as per Section 4.2.2, the Contracting Entity shall disclose the commitments having been awarded the highest score in every assessment category for a given Package in accordance with the evaluation set out in Section 4.2.1, in keeping with the principles of transparency, objectiveness and non-discrimination and withholding the personal data of applicants/participants.

The substantive decision concluding the tender procedure and any annexes thereto can be revealed and must be published by the Contracting Entity to the extent set out in the effective legislation. Qualification by the applicant/participant as a trade secret will not

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restrict the Contracting Entity's ability to fulfil its public disclosure obligation pursuant to the relevant legislation, while providing adequate guarantees for the protection of data lawfully qualified to be a trade secret.

The Contracting Entity reserves the right to publish information from the Applications to the extent necessary for the enforcement of the procedural and substantive rights and potential right of redress of the applicants/participants, to the extent and to the group required for carrying out the Tender among the other applicants/participants taking part in the procedure, in keeping with the principles of necessity, proportionality, transparency, objectiveness and non-discrimination, and withholding the personal data of applicants/participants.

Applicants/participants acknowledge that the Contracting Entity shall treat the entirety of the Application submitted by them, the annexes and amendments thereto, the portions submitted in the context of rectifying deficiencies and the written questions and replies to requests for clarification submitted to the Contracting Entity 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 Contracting Entity, the Contracting Entity's officers, employees, authorised parties, experts and organisations and persons acting on their behalf, as well as other persons or bodies authorised by legislation may gain knowledge of data, information and documents protected under the law without the separate consent of the applicant/participant, in keeping with the rules governing the protection of data.

The Contracting Entity, the Contracting Entity's officers, employees, authorised parties, experts and organisations and persons acting on their behalf, as well as applicants/participants shall preserve secrets protected under the law and ensure that no unauthorised persons gain access to them. Data, information and documents containing secrets protected under the law shall be strictly used or made available to third parties by the Contracting Entity, the Contracting Entity'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 preparation of the Application to the Tender, to the assessment of Applications and

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those defined in legislation, with due heed to the rules on the regularity of the Tender set out under this Section and Sections 3.1 and 3.6.

Applicants/participants shall inform their employees, colleagues, authorised parties, performance assistants and all other cooperating entities involved in the Tender on the confidential nature and scope of the data, information and documents handled confidentially, and shall oblige them to adhere to their obligations regarding the protection of data. Applicants/participants shall be held liable for the conduct of their cooperating entities as if they were their own.

At the Contracting Entity's separate request, the applicant/participant shall clearly specify, supported by justification, which data among those protected under the law would entail disproportionate damage to the applicant/participant's business interests in the event of disclosure or publication.

### 3.5. Copyrights

Applicants/participants hereby acknowledge that the Contracting Entity 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 in written or electronic form to the Contracting Entity in the context of this Tender (hereinafter, 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/participant related to this tender procedure, in particular their hardcopy or electronic reproduction and their use in the work material prepared by the Contracting Entity on the Tender (including reworking and broadcasting to the public). The Contracting Entity shall be entitled to exercise such rights in an unrestricted manner via the intermediary of its authorised parties or experts, the bodies or persons acting on behalf thereof, and the persons or bodies authorised by virtue of legislation.

### 3.6. The applicant's or participant's responsibility in respect of the Tender

In the course of the Application process, the applicant – including consortium members in the case of a consortium application – shall issue a statement to the effect that it irrevocably and unconditionally acknowledges to be bound by the contents of the Documentation and the Notice, with no reservations or restrictions whatsoever.

The applicant shall be responsible for the inspection and interpretation of the Documentation, including the technical conditions and specifications, as well as the forms specified in the Annex. The applicant/participant shall assume the risk of being denied registration in the tender register by the Contracting Entity or its Application or pertaining Bid being pronounced invalid in case of its failure to fulfil the formal or substantive requirements defined in the relevant legislation or the Documentation. The applicant shall be responsible for assessing the domestic electronic communications market and the legislative environment governing electronic communications activities and any related risks. The Contracting Entity 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 communication activities during or following the Tender.

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 the Decree on the rules of auction or tender; in all other cases the applicant/participant may not reclaim its costs related to the Tender from the Contracting Entity, its authorised party, cooperating entity or any other state or public administrative body or authority on any grounds, irrespective of the Tender's outcome.

Applicants/participants shall refrain from any conduct that may impact the outcome of the Tender in any form or unfairly influence the decision of another applicant/participant, thus, in particular, from any form of collusion and from making any declarations, statements, or allusions – especially in public (through the press, electronic media, online websites or forums) – that apply to (a) the value of the spectrum licence that can

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be obtained; (b) the conditions of participation in the Tender or the contents of the Application; (c) the conduct of applicants/participants toward new market entrants or (d) the business plans based on the obtained licences.

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

In the event of any doubt regarding the regularity of the Tender, the Contracting Entity may seek the opinion of the Hungarian Competition Authority (hereinafter as: Competition Authority), primarily to assess the restricting effect of such conduct on competition and to evaluate the social 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.

If (a) it has been established in a binding authority or court decision that the spectrum licence at issue was obtained based on an unlawful agreement as per Section 11 of the Competition Act (cartel agreement), or (b) it is established in a binding authority or court decision following the successful conclusion of the Tender that the participant had concluded a cartel agreement that also impacted its participation in this Tender, the Contracting Entity may revoke the spectrum licences affected by the cartel agreement and terminate the administrative contract specified in Section 4.4 with immediate effect. The licensee's spectrum licences shall be automatically terminated with immediate effect upon the entry into force of the resolution declaring termination with immediate effect or the date of enforcement of such resolution.

### 3.7. Tender Committee

In the tender procedure, the Contracting Entity will not establish a tender committee as defined under Section 15 (1) of the Decree on the rules of auction or tender.

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### 3.8. Supervision of compliance with the conditions of the Tender

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 tender procedure.

If the applicant/participant fails to comply with any of the conditions of participation or the conflict of interest rules for any reason during the tender procedure, it shall immediately notify the Contracting Entity thereof.

### 3.9. Legal consequences applicable in the event of infringing conduct by the applicant/participant

The applicant/participant shall comply with the rules of procedure and provisions on order of procedure set out in the Documentation and in legislation, in particular in the Decree on the rules of auction or tender (hereinafter, in this Section, as: procedural law obligations).

If the Contracting Entity detects any violation of procedural law obligations, in its ruling it may impose a procedural fine set out under Section 38 of the Electronic Communications Act and, in the event of non-payment of said fine, may enforce, in part or in full, the procedural security.

The levying of a procedural fine or the enforcement of the procedural security shall not affect the Contracting Entity's right to seek other legal remedies.

In particular, if the applicant/participant withdraws its Bid (Supplementary Bid or Counterbid) made for any of the Packages affected or its declaration as per Section 3.16.2.d) herein, or participates in collusive behaviour as per Section 3.6, or the winning consortium fails to fulfil its reporting obligation set out in Sections 3.10.2 - 3.10.4, it shall be deemed to have violated its obligations under procedural law.

If, during the tender procedure

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- a) it is established in a binding court judgment – or such judgment is not excluded by the lack of substantiation —, that, by engaging in criminal conduct, the applicant/participant, or any of its officers, employees, agents or experts has misled the Contracting Entity and such conduct is deemed by the Contracting Entity to have affected the outcome of the procedure in earnest, or
- b) it is established in a binding administrative decision that the applicant/participant has misled the Contracting Entity and such conduct has affected the outcome of the procedure in earnest,
- c) the applicant/participant withdraws its Application before the conclusion of the Tender procedure including the period reserved for redress or a possible repeat procedure, or
- d) the participant withdraws its Bid made for any of packages 'A', 'B' or 'C' following receipt of the Call for Supplementary Bids as per Section 3.24 herein.

the Contracting Entity shall, besides imposing the procedural fine set out under Section 38 of the Electronic Communications Act, apply the legal consequences of formal invalidity (that is, in the event that any of the conditions listed in Points a) through d) above are met, the Application shall be qualified as formally invalid as per Section 3.19.).

If the breach of obligations under procedural law entails, in addition to the legal consequences defined under this Section, a fine or liability under administrative or criminal law, or an indemnification liability set out under public administration substantive legislation, the legal consequences applied pursuant to the Documentation or the provisions of the Decree on the rules of auction or tender will not exempt from other legal consequences arising out of the applicant's/participant's behaviour.

### 3.10. Joint Application (consortium)

**3.10.1** Several applicants may submit an Application jointly (Joint Application). In the event of Joint Application, the stipulations set out in the Documentation shall apply with the following deviations.

In the event of a Joint Application, only one member of the consortium is required to purchase the Documentation. If an applicant submits an Application as a single, individual applicant, in the interest of fair competition and the prevention of competitive distortion, it may not submit a subsequent Joint Application as a member of a consortium, moreover if an applicant submits an Application as member of a consortium, it may not subsequently submit an Application as a single, individual applicant or another Joint Application.

Joint Applications shall be considered formally invalid if a consortium agreement duly signed by the consortium members, valid and effective on the day of submission of the Application is not appended even after a prospective rectification of deficiencies. Joint Applications shall be considered formally invalid if the consortium agreement does not meet all of the following conditions: it contains the specification of the legal form of the applicants' Joint Application in case it is not apparent based on the consortium agreement;

- a. it contains the specification of the method of signature of the Application;  
and
- b. it contains the consortium members' unanimous statement of intent according to which in the event of a winning bid the members undertake an irrevocable and unconditional obligation to establish an incorporated business organisation, branch office or commercial representation (hereinafter for the purpose of Section 3.10: organization);
- c. it contains a unanimous letter of intent by the consortium members stating that, if the establishment of the organisation specified in Point b) fulfils the conditions of concentration subject to authorisation as set out under Chapter IV of the Competition Act or falls within the scope of Council Regulation (EC) No 139/2004 of 20 January 15 on the control of concentrations between undertakings (the EC Merger Regulation) (hereinafter: EC Merger Regulation), the consortium member designated in the consortium agreement shall be declared — within fifteen (15) days of the binding, substantive resolution concluding the tender procedure and

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- until the Hungarian Competition Authority or the European Commission (hereinafter: Commission) issues a substantive decision regarding the application for concentration — as the subject of rights and responsibilities stemming from said binding resolution concluding the tender procedure;
- d. it contains consortium members' respective stakes in the company specified in Point b), and the related rights;
  - e. it contains the rights and obligations of consortium members;
  - f. it identifies the consortium member authorised to represent, with
    - the representative is authorised to represent all joint applicants before the Contracting Entity in the tender procedure and in the issuance of legal statements made, either on a compulsory or discretionary basis, by the Contracting Entity to the applicant/participant, or from the applicant/participant to the Contracting Entity in any further procedures related thereto,
    - the representative shall also be otherwise entitled to communicate with the Contracting Entity;
  - g. it contains a statement issued by each consortium member establishing that the consortium and consortium members shall have joint and several, as well as individual liability for compliance with the stipulations of the Documentation and relevant legislation from the perspective of administrative procedures, and
  - h. the applicability or enforceability of the agreement shall not depend on any suspension, implementation, termination or other conditions.

In the event of the formal or substantive invalidity of the Joint Application, Sections 3.19. and 3.21 shall be applied as necessary.

The validity and effect of Joint Applications may not depend on the approval of any third party or the Contracting Entity as from the date of Application.

In the case specified under Point c), the applying consortium shall submit an irrevocable and unconditional declaration signed by each member of

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the consortium in the context of the Application, stating that in the event of winning the tender procedure, the consortium shall – if the conditions set out under Section 24 of the Competition Act or the EC Merger Regulation apply – initiate the Hungarian Competition Authority’s authorisation or the Commission’s concentration supervision procedure within 30 days of the binding, substantive resolution concluding the tender procedure.

In case of Joint Applications, each member of the consortium shall meet the conditions set out under Sections 2.8.1 a-b), d-k), 2.8.2 and 2.8.3 and consortium members or the consortium shall jointly submit the certificated specified in Section 2.8.1. c) and any other documents and declarations specified in the Documentation and the Decree on the rules of auction or tender.. It is sufficient for consortium members to comply jointly with the conditions set out under Section 2.8.4.

In the event that the obligations under procedural law as specified in Section 3.9 are violated by any members of the consortium, the Contracting Entity shall apply legal consequences universally to all members of the consortium.

**3.10.2** In the event that the Hungarian Competition Authority or Commission procedure specified in Section 3.10.1. c) is not required to be performed, the consortium members shall establish a company wholly owned by them within ten days of the final substantive decision concluding the tender procedure.

The consortium member authorised to represent the consortium shall notify the Contracting Entity of the establishment of the company as per this section within 15 days of its registration — or, if registration under relevant legislation is not mandatory, within 15 days of the company’s establishment —, submitting the deed of foundation and certificate of incorporation or any other document officially certifying the establishment of the newly established created company to the Contracting Entity.

If a consortium wins, the Contracting Entity shall conclude the administrative contract specified in Section 4.4 – with the derogation set out in Section

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3.10.3 – in the context of separate administrative proceedings with the new business organisation established pursuant to this section, following the rules of procedure laid down in Section 4.4. In the event that a consortium wins, the consortium members — irrespective of their stake or the size thereof in the business organisation established pursuant to this section, or of the termination of their participation in such organisation — and the business organisation established by them shall have joint and several liability for the fulfilment of the administrative contract specified in Section 4.4.

If the winning consortium fails to meet its obligations regarding the establishment of the new company pursuant to this section, the Contracting Entity shall terminate the proceedings for concluding the administrative contract.

**3.10.3** If a consortium wins and the Hungarian Competition Authority or Commission procedure specified in Section 3.10.1. c) needs to be performed, the Contracting Entity shall conclude the administrative contract specified in Section 4.4 in the context of separate administrative proceedings with the consortium member specified in Section 3.10.1. c), following the rules of procedure laid down in Section 4.4.

If the winning consortium fails to meet its obligations under Section 3.10.1 regarding the authorisation of amalgamation among companies, the Contracting Entity shall terminate the administrative contract with immediate effect by virtue of a resolution. The licensee's spectrum licences shall be automatically terminated with immediate effect upon the entry into force of the resolution declaring termination with immediate effect or the date of enforcement of such resolution.

The consortium members shall establish a business organisation wholly owned by them within 10 (ten) days of the final substantive Hungarian Competition Authority decision or the entry into force of the Commission's decision.

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The consortium member defined in Section 3.10.1 c) shall notify the Contracting Entity of the Hungarian Competition Authority's or the Commission's positive decision within 15 days of the entry into force of the Hungarian Competition Authority's or the Commission's positive decision, and send such decision to the Contracting Entity.

In the event of a positive decision by the Hungarian Competition Authority or the Commission, the consortium member specified in Section 3.10.1 c) shall submit the newly founded company's deed of foundation and certificate of incorporation, or any other document officially certifying its establishment, to the Contracting Entity, along with the notification of the decision.

In the event of a positive Hungarian Competition Authority or Commission decision, the consortium member defined in Section 3.10.1 c) shall transfer the spectrum licences obtained to the company established by the consortium members within 15 (fifteen) days of the entry into force of the Hungarian Competition Authority's or the Commission's decision, notifying the Contracting Entity within 5 (five) days and initiating the amendment of the administrative contract specified in Section 4.4. Transfer of spectrum licences does not qualify as reselling, transfer or secondary trading as per the Electronic Communications Act and the applicable legislation.

In the event that the consortium member specified in Section 3.10.1 c) fails to notify the Contracting Entity of the elements set out in this section, or provides inadequate notification, and the Contracting Entity gains knowledge of the positive decision issued by the Hungarian Competition Authority or the Commission or the establishment, incorporation or registration of the new company, the Contracting Entity will unilaterally amend the administrative contract specified in Section 4.4, with the company established by the consortium members replacing the licensee upon the entry into force of the amendment.

If the winning consortium fails to meet its obligations regarding the establishment of the new company, the Contracting Entity shall terminate the

administrative contract concluded with the consortium member specified in Section 3.10.1. c) with immediate effect. The licensee's spectrum licences shall be automatically terminated with immediate effect upon the entry into force of the resolution declaring termination with immediate effect or the date of enforcement of such resolution.

**3.10.4** In the event of the consortium being announced the winner, if the Competition Authority rejects the application for the authorisation of concentration of companies submitted by the winner consortium as per the Competition Act, or if the Commission pronounces the merger incompatible with the single market, or if the competition supervisory procedure reveals that the merger created without authorisation and otherwise subject to authorisation as per Section 24 of the Competition Act would not have been granted authorisation, the Contracting Entity shall, based on a notice in line with Section 3.10.3 on the entry into force of the pertaining decision, terminate the administrative contract specified in Section 3.10.3 with immediate effect – or, if the consortium member specified in Section 3.10.1 c) fails to notify the Contracting Entity of the elements set out in Section 3.10.3, or provides inadequate notification, and the Contracting Entity gains knowledge of the decision issued by the Hungarian Competition Authority or the Commission, upon gaining knowledge of such information.

The licensee's spectrum licences shall be automatically terminated with immediate effect upon the entry into force of the resolution declaring termination with immediate effect or the date of enforcement of such resolution.

In the event of the termination of the administrative contract with immediate effect, the Contracting Entity shall refund the entire tender price to the consortium previously pronounced as the winner in the substantive decision. The consortium or any of its members shall not make any claims vis-à-vis the Contracting Entity, and shall not reclaim costs or investments related to the tender procedure from the Contracting Entity, its authorised party, cooperating entity or any other state or public administrative body or authority

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on any grounds. If the Hungarian Competition Authority refuses to authorise the concentration or if the Commission does not grant authorisation, it shall not constitute a violation of the procedural rules set out in the Documentation.

### 3.11.Format requirements for and accessories of the Application

The Application to be submitted is comprised of two separate main units:

1. the application for participation, and
2. the Bid.

Accordingly, the envelope (or package) containing the Application shall contain

1. the documents specified in Section 3.12, appended as part of the application [except those specified in Section 3.12. j) (i.e. the Bid itself and its annexes)], and
2. the documents prepared in accordance with Section 3.16 and Section 3.16.1 and enclosed as part of the Bid and, for each Package sought to be acquired by the applicant, the documents prepared in accordance with Section 3.16 (2) points a) through g).

Folders, packaging materials, documents, declarations and CDs/DVDs may be submitted formatted to the Applicant's corporate image and also bearing its name.

- a) The application for participation and the Bid shall be submitted, in definitely separate packaging, as parts of the Application.
- b) If the Application (containing the application for participation and the Bid) contains data to be handled confidentially, the applicant shall also submit, as part of both its application for participation and Bid, a version free of confidential information (hereinafter in this section: unclassified), as set out under points ba) and bb) below.
  - ba) As part of the Application, the application for participation
    - shall be submitted in two (2) hard-copies – one (1) original copy and one duplicate –, furthermore

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- in one (1) electronic copy – exclusively as MS Word, MS Excel and/or PDF files on a CD/DVD,

with the condition that original copies and duplicates shall be submitted in two clearly separated bundles and that the electronic copy of the application for participation shall be placed inside the bundle also containing the original application for participation. In the unclassified, original hardcopy of the application for participation and the Bid, the documents issued by persons/organisations other than the applicant/participant may be submitted in duplicates, with the applicant/participant ensuring that confidential information as per Section 3.4 are rendered unrecognisable.

bb) As part of the Application, the Bid

- shall be submitted in two (2) hard-copies — one (1) original copy and one duplicate —, furthermore
- in one (1) electronic copy — exclusively as MS Word, MS Excel and/or PDF files on a CD/DVD,

with the condition that original copies and duplicates shall be submitted in two clearly separated bundles and that the electronic copy of the Bid shall be placed in a separate sealed envelope inside the bundle also containing the original Bid.

In the event of any discrepancy between the counterparts of the Application, the original hard-copy (containing confidential information) shall prevail.

- c) The packaging of the original application for participation and the original Bid (containing the originals of the submitted documents) shall bear clear inscriptions as follows: "ORIGINAL APPLICATION FOR PARTICIPATION" and "ORIGINAL BID", with the packaging of the duplicate inscribed as "DUPLICATE APPLICATION FOR PARTICIPATION" and "DUPLICATE BID". If either the application for participation or the Bid contains confidential data as per Section 3.4 herein, their unclassified counterparts shall be labelled as "UNCLASSIFIED ORIGINAL APPLICATION FOR PARTICIPATION", "UNCLASSIFIED ORIGINAL BID", "UNCLASSIFIED DUPLICATE APPLICATION FOR PARTICIPATION" and "UNCLASSIFIED DUPLICATE BID", as appropriate.

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- d) In addition to the provisions of point c) above, the media used for the electronic copies shall bear the inscription "ELECTRONIC COPY" as well.
- e) The Application shall be submitted sealed. The number of documentation specified under Point b) shall be bundled together. The packaging of the Application shall meet the following criteria:
  - the elements listed under Points c) and d) shall be shown on the surface of the packaging;
  - the unopened state of each sealed envelope/packaging shall be clearly visible, with the sealing being intact.
- f) the outer packaging of the Application shall feature the following details:
  - the name and address of the Contracting Entity;
  - the name of the Applicant;
  - the inscription "APPLICATION – for the tender procedure announced in the subject of rights of use for frequencies for broadband services";

The packaging of the Bid shall contain:

- i) the document as per Section 3.16.1 herein,
- ii) separately for each Package sought to be acquired by the Applicant, the documents (Commitments) as per Section 3.16.2 points a) through g) and
- iii) the CD or DVD containing the electronic version of the Bid

The items listed in Points i. through iii. above shall be placed in separate sealed envelopes (those featured in Point ii. shall be provided separately for each Package). The sealed envelopes shall feature the following:

- name of the Applicant and
- where Section 3.16.1 applies: "General Bid Information"
- on the envelope (also) containing the Bidding Sheet(s): the name of the Package sought to be acquired and for which a bidding sheet is placed in the envelope
- for the electronic version of the Bid: the inscription as per point d)

All packaging materials (including the packaging/envelope containing the Bid and the envelopes forming part of the Bid) shall bear no other inscription than those outlined above. Any other inscription besides the name and design elements of the Applicant shall imply the risk of the Application being deemed invalid.

- g) The pages of each hard-copy of the Application, including the sealed envelopes containing the documents submitted as part of the Bid, shall be bound or otherwise attached in an indivisible manner.
- h) With the exception of official deeds or documents issued by a person/organisation other than the applicant/participant (hereinafter jointly referred to for the purposes of this Section as other documents) —, each individual page of the original copy of the Application shall be consecutively numbered and signed by the applicant's representative, irrespective of whether the page is left blank. The page numbering shall begin on the application for participation and continue on the Bid. Individual sealed envelopes forming a part of the Bid shall be bound together with the pages and treated as single pages for numbering purposes.

The separating pages bearing no inscriptions and the cover sheets shall also be numbered and signed by the applicant's representative. The name of the following document shall be written on the cover sheet, and if such document cannot be numbered (being another document), the number of pages that the document consists of, and consecutive numbering shall be resumed on the next page suitable for numbering (with the pages of the unnumbered document taken into account as pages).

A table of contents shall be added to the Application.

- i) The Application shall not contain any inserts, deletions or over-written segments, except if the applicant carries out any corrections. In this case, corrections shall be clearly indicated and the signature of the applicant's representative affixed to them.
- j) The Application shall be prepared in Hungarian. For the rules on translation and certification, refer to Section 3.2 herein. If necessary, public documents issued outside Hungary or private documents certified by a foreign court of law,

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administrative authority, notary public or any other person bestowed with public trust shall be legalised as described in Section 3.2. 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, administrative authority, notary public or any other person bestowed with public trust and submitted as part of its Application, furnished with diplomatic legalisation by the Hungarian mission authority to the country of issuance is not necessary, all documents affected shall be submitted with documented evidence separately confirming the legality of abolishing legalisation.

For more details on the packaging method required for the main components of the Application to be submitted, refer to Annex 5.

### 3.12. Documents to be submitted as part of the Application, and contents of the Application

To apply for the Tender, the applicant shall submit the following documents in line with the requirements for format and content set out under Section 3.11.

- a) in the course of the Application, the applicant shall issue a statement on its clear intent to participate, also acknowledging — on behalf of each consortium member and the consortium as a whole in case of Joint Application — that the contents of the Decree on the rules of auction or tender, the Documentation and the Notice are irrevocably binding upon it/them, with no legal reservations or restrictions.
- b) A written declaration by the applicant — for each consortium member and by all consortium members in case of Joint Application — undertaking an irrevocable and unconditional obligation to fulfil at least the roll-out obligations and other technical conditions set out in Annex 2 of the Documentation should it/they win the tender procedure (solely in the case of Applications submitted for Package “I”, the applicant is not required to submit a declaration as per this Section);

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- c) any of the following documents suitable for identification of the applicant, or of every consortium member in case of Joint Application:
- certificate of incorporation or certificate issued by a competent foreign authority not older than 30 days earlier showing the fact and date of registration, the amount of capital registered, the names of the company's owners and the names of authorised signatories in case of other organisations, 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 tender procedure, or a copy thereof certified by a notary public, or another deed of foundation;
  - in case of natural persons, a copy of the administrative deed suitable for the identification of the applying natural person;
  - in case of sole entrepreneurs, a proof of registration (the certified copy of their sole entrepreneurs's licence or official document), and for single-member limited liability companies, the articles of association and a copy of the order of registration certified by a notary public.
- d) 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) — or in the undertaking of each consortium member in case of Joint Application — and the documents, deeds or data needed for verification and evidencing of the undertakings which hold a controlling share in the applicant's undertaking — or in the undertaking of every consortium member in case of Joint Application —, and a statement and corroborating deeds or documents issued under the penalty of perjury of the applicant (or consortium member in case of a Joint Application) on the absence of any conflict of interest as per Section 2.8.2. Compliance with Section 2.8.2. b) can be certified by way of declaration made by the applicant stating that 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 2.8.2. arise, the Contracting Entity may request further documents, certificates or declarations, rectification of deficiencies or

issuance of declarations from the applicant to evidence compliance with Section 2.8.2.

- e) A document specifying the names, personal identification data and contact details (telephone and fax number, e-mail, mailing address in Hungary or the address of the agent for service of process as per the Administrative Proceedings Act) of the persons authorised for full representation of the applicant in the tender procedure and the document certifying the representation right – if such a document cannot be obtained from certified public records —, as well as the indication of the contact person as per Section 1.3 along with its personal identification data and contact details (telephone and fax number, e-mail, mailing address in Hungary or the address of the agent for service of process as per the Administrative Proceedings Act). When designating an agent for service of process, the applicant shall also enclose the pertaining authorisation.
- f) documents certifying the purchase of the Documentation and the payment of the participation fee via bank transfer.
- g) The declarations specified in Section 2.8.1 pertaining to the applicant — or all consortium members or the consortium in case of a Joint Application pursuant to Section 3.10.1 —, as well as the certificates and documents corroborating the conditions of participation set out in Section 2.8.1 and no more than 30 (thirty) days old:
  - ga. A certificate by the competent tax authority of compliance with the provisions set forth in Section 2.8.1 b) or reference to being listed in the database of taxpayers with no public debt. (In case of non-Hungarian citizens or non-resident legal entities or other unincorporated entities, a certificate issued by the competent tax authority of the country of establishment on the satisfaction of the condition defined in Section 2.8.1. b) in ). If the competent authority does not issue certificates on the fulfilment of the conditions defined in item 2.8.1. b), then a declaration by the applicant, certified by a notary-public on the fulfilment of the condition). Such certificates and/or declarations shall be legalised as per Section 3.2 herein unless the applicant provides evidence in accordance with Section 3.2 that legalisation is not necessary;

- gb. A certificate on the absence of any bankruptcy, liquidation or winding-up proceedings against, or any procedures aimed at the termination of the applicant (or a certificate issued by the competent authorities of the country of establishment that the legal entity or other unincorporated entity is not under any bankruptcy, liquidation or winding-up procedure in case of non-Hungarian applicants or non-resident legal entities or other unincorporated entities). If the competent authority does not issue the type of certificates defined in item gb), then a declaration by the applicant, certified by a notary public on the fulfilment of the condition. Such certificates and/or declarations shall be legalised as per Section 3.2 herein unless the applicant provides evidence in accordance with Section 3.2 that legalisation is not necessary;
- gc. A statement confirming that the applicant is not subject to the condition barring participation as set out in Section 2.8.1 f);
- gd. If the applicant is a natural person, a declaration stating that the condition barring participation set out in Section 2.8.1. h) and j) does not apply to it,
- ge. If the applicant is not a natural person, a declaration stating that the condition barring participation set out in Section 2.8.1. i) and k) does not apply to it,
- h) The procedural security as per Section 3.14 (bank guarantee or a certificate of security deposit).
- i) The documents listed under Section 3.10 in case of a Joint Application.
- j) The documents defined in Section 3.16
- k) A written declaration by the applicant — or, for joint applications, by each consortium member and also on behalf of the consortium itself — acknowledging, irrevocably and unreservedly, that, until the administrative procedure is substantially concluded, no other applicant/participant may have access to the parts of its Bid (Counterbid or Supplementary Bid) that are subject to assessment concerning the Packages as per Section 4.2.1 of the Documentation, as well as the notarised records on the opening of the Bid and the content of its envelopes.
- l) A certificate or statement as set out in Section 2.9.

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- m) If the applicant only submitted a Bid for one of Packages “A”, “B” or “C” in its Application, an irrevocable and unconditional written declaration as specified in Section 3.16. 2) concerning the elements regulated under Section 4.3.1.3.
- n) Furthermore, all documents and statements that are compulsory pursuant to the provisions of the Documentation and the Decree on the rules of auction or tender, or that confirm any of the circumstances requiring certification.

As part of the Bid or application for participation, the applicant may submit the required declarations in aggregate form, bundling the declarations forming part of the Bid, but without mixing the declarations to be submitted as part of the Bid with those belonging to the application for participation. Before the conclusion of the Tender procedure — including the period reserved for redress and a possible repeated procedure — the applicant/participant cannot withdraw or amend its Application, except in the cases specified in Section 4.2.2.

Commitments made and documents submitted by the applicants/participants as part of their Application or in the course of the tender procedure — unless otherwise provided for in the Documentation — may not be subject to the endorsement or approval of any person or organisation. Conversely, if such commitments made by an applicant/participant are subject to the endorsement and/or approval of any person or organisation, this shall be duly specified by the given applicant/participant in its Application. Furthermore, prior to submitting its Application, the applicant/participant shall acquire the necessary endorsement and/or approval under company or other law by said person or organisation, also making sure to enclose in its Application all documents and declarations confirming the endorsement and/or approval.

### 3.13. The participation fee and conditions of payment

Applicants to the tender procedure shall pay, via an irrevocable transfer, a participation fee of **HUF 40,000,000 (forty million Hungarian forints) + VAT** to the Contracting Entity’s account number 10032000-00300939-00000017 held at the Hungarian State Treasury. “Tender participation fee for the broadband tender” must be indicated in the transfer’s comment section.

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The participation fee will be refunded to participants in the case specified in Section 7 (3) of the Decree on the rules of auction or tender.

### 3.14.Procedural security

If the applicant or the consortium specified in Section 3.10 in case of a Joint Application submits an Application for at least one of Packages “A”, “B”, “C”, “D”, “E”, “F”, “G” or “H”, it shall submit as part of its Application a procedural security in the form of a guarantee by a credit institution (hereinafter: bank guarantee) or security bond totalling HUF 100,000,000 that is, one hundred million Hungarian Forints, issued in favour of the Contracting Entity in line with the relevant provision of the Decree on the rules of auction or tender and this Section for guaranteeing the performance of its obligations defined in this Documentation, irrevocable or only revocable subject to the Contracting Entity's authorisation. If the applicant or the consortium specified in Section 3.10 in case of a Joint Application submits an Application exclusively for Package “I”, it shall submit as part of its Application a security in the form of a bank guarantee or security bond of HUF 25,000,000 that is twenty-five million Hungarian Forints issued in favour of the Contracting Entity in line with the relevant provision of the Decree on the rules of auction or tender and this Section for guaranteeing the performance of its obligations defined in this Documentation, irrevocable or only revocable subject to the Contracting Entity's authorisation.

The procedural security may be submitted as a single security covering the entire amount or in the form of several securities adding up to the total amount.

The full amount of the procedural security may be enforced, or fully or proportionately drawn immediately when the applicant/participant breaches any of the rules and procedural law obligations set out under Section 3.9 of this Documentation and fails to pay the procedural fine levied against it by the Contracting Entity on time.

The issuer of the procedural security shall notify the Contracting Entity in writing of any changes in the data included in the security, within two (2) working days of the occurrence of such change.

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Security bonds in compliance with the following criteria may be accepted as procedural security:

- a) the security bond has been placed in the custody of an attorney, who undertakes an obligation in the escrow agreement to unconditionally perform the bond – in line with the rules governing bank turnover, but within three banking days at the latest – based on the Contracting Entity's request and without assessing the underlying legal relationship,
- b) the bond names the Contracting Entity as the sole beneficiary,
- c) the guarantee is irrevocable or can only be revoked with the authorisation of the Contracting Entity.

The attorney concluding the escrow agreement shall not be involved in a procedure aimed at terminating its Bar Association membership as per Section 12/A (1) a) of Act XI of 1998 on Attorneys (hereinafter: Act on Attorneys), and its activities may not be suspended as per Section 12/A (1) c) of the Act on Attorneys.

Over and above items a)-c) above, the escrow agreement shall also contain:

- a) the personal identification data and contact details (telephone and fax number, e-mail, mailing address in Hungary) of the attorney concluding the escrow agreement with the applicant;
- b) the name, address, current account number and tax number of the assignor;
- c) the amount of the security bond, expressed in numbers and written as text;
- d) the start and end date of the security bond's validity period;
- e) an irrevocable obligation according to which the issuer of the security shall disburse the amount drawn down by the Contracting Entity in line with the regulations on bank payments, but no later than within 3 (three) banking days via bank transfer to the Contracting Entity in the event of the full or partial enforcement of the security and
- f) The Contracting Entity's request sent to the custodian attorney shall qualify as a declaration as per Article 5:138 of the New Civil Code.

Bank guarantees in compliance with the following criteria may be accepted as security:

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- a) the guarantee is an original bank guarantee in which the issuing credit institution undertakes an obligation to unconditionally perform the guarantee – in line with the rules governing bank turnover, but within 3 (three) banking days at the latest – based on the Contracting Entity’s request and without assessing the underlying legal relationship,
- b) the Contracting Entity is listed as the sole beneficiary of the bank guarantee,
- c) the guarantee is irrevocable or can only be revoked with the authorisation of the Contracting Entity.

The credit institution issuing the bank guarantee shall hold a valid licence for the provision of financial services within Hungary. Bank guarantees cannot be accepted if extraordinary measures as per Article 189 of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises or the legislative provisions replacing it have been instituted against the resident credit institution providing the bank guarantee or the additional guarantee.

The bank guarantee shall include

- a) the name and bank account number of the credit institution providing it;
- b) the name, address, current account number and tax number of the assignor;
- 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 irrevocable obligation according to which the issuer of the security shall disburse the amount drawn down by the Contracting Entity within three (3) banking days via domestic wire transfer to the Contracting Entity in the event of the full or partial enforcement of the security;
- f) a declaration by the credit institution providing the bank guarantee stating that the provisions of Article 6:436 of the New Civil Code shall not apply.

In the event of full or partial enforcement of the procedural security, the participant shall renew the procedure related security for the entire amount with the original conditions set out under this Section and submit the renewed procedural security certificate to the Authority within 5 (five) days.

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The procedural security shall be valid until 31 August 2014.

The applicant or participant shall submit a new or extended procedural security at the Contracting Entity's warranted request for the period ending 30 November 2014, but at most until the 60th day following the substantive decision concluding the tender procedure, in line with the terms stated in the request and within ten (10) days of receipt of the request.

If a judicial review of the binding decision concluding the tender procedure was initiated, the winning participant shall extend the procedural security at the Contracting Entity's request within 10 (ten) days of receipt of the request until the date specified therein for the period between the judicial review and the conclusion of the administrative contract or the period of the potential repeated procedure, submitting the extended or new security to the Contracting Entity.

### ***3.15. Performance bond***

#### **3.15.1 General rules concerning performance bonds**

Except for the case detailed under Section 3.15.2 below, the applicant or the consortium specified in Section 3.10. in case of a Joint Application shall submit, as part of its Bid, a security issued, with the Contracting Entity as its beneficiary, in the form of a guarantee by a credit institution at least equalling or exceeding the price offered in the pertaining Bid (hereinafter: security or bank guarantee), in line with the relevant provision of the Decree on the rules of auction or tender and this Section for guaranteeing the performance of its obligations defined in this Documentation, irrevocable or only revocable subject to the Contracting Entity's authorisation. If an applicant — or, in the case of a Joint Application, the consortium as per Section 3.10 — has submitted Bids for more of the Packages as per Section 2.2, it shall submit, as part of its Bid, a security separately for each Bid and at least equalling or exceeding the price offered for the given Package, unless Section 3.15.2 below provides otherwise.

Bank guarantees in compliance with the following criteria may be accepted as security:

- a) the guarantee is an original bank guarantee in which the issuing credit

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institution undertakes an obligation to perform the guarantee upon the Contracting Entity's request, without inspecting the underlying legal relationship, in line with the rules governing bank turnover but at least within 3 (three) banking days at the latest;

- b) the guarantee names the Contracting Entity as the sole beneficiary of a request for payment;
- c) the guarantee is irrevocable or can only be revoked with the authorisation of the Contracting Entity.

The credit institution issuing the security must be authorised to provide financial services in Hungary. Bank guarantees cannot be accepted if extraordinary measures as per Article 189 of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises or the legislative provisions replacing it have been instituted against the credit institution providing the bank guarantee.

The bank guarantee shall include

- a) the name and bank account number of the credit institution providing it;
- b) the name, address, current account number and tax number of the principle;
- 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 irrevocable obligation according to which the issuer of the security shall disburse the amount drawn down by the Contracting Entity within three (3) banking days via domestic wire transfer to the Contracting Entity in the event of the full or partial enforcement of the security
- f) a declaration by the credit institution providing the bank guarantee stating that the provisions of Article 6:436 of the New Civil Code shall not apply.

The performance bond may be submitted as a single bond covering the entire amount or in the form of several bonds adding up to the total amount.

The performance bond shall be valid until 31 August 2014.

Upon the Contracting Entity's warranted request, within 10 (ten) days of receipt thereof, the applicant or participant shall submit a new or extended performance bond for the

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period defined by the Contracting Entity, but until 30 November 2014 at the latest, in line with the terms stated in the request.

If a judicial review of the legally binding decision concluding the tender procedure was initiated, the winning participant shall extend the performance bond upon the Contracting Entity's request within 10 (ten) days of receipt thereof until the date specified for the period open for the judicial review and for the conclusion of the administrative contract or for a potential repeated procedure, and submit either the extended bond to the Contracting Entity or a new performance bond.

The issuer of the bond undertakes to notify the Contracting Entity of any changes in the data included in the bond in writing within two (2) business days of the occurrence of such change.

The full or proportional amount of the bond may be immediately drawn in the event that the winner of the tender procedure fails or only partially performs its obligation to pay the full tender price.

### 3.15.2 Special rules concerning performance bonds

a) **Special rules of the provision of security for Bids submitted for Packages "A", "B" and "C"**

If an applicant — or, in the case of a Joint Application, the consortium as per Section 3.10 — has submitted Bids for at least two of Packages "A", "B" and "C" as per Section 2.2, the applicant or the consortium shall submit, as part of its Bid, a security for each Package involved in its Bid and at least equalling or exceeding the highest price offered for the given Package. If the amount of security submitted fails to reach the highest price offered, the Contracting Entity shall declare the given Bid formally invalid for the Package or Packages in relation to which the price offered exceeds the amount of security submitted.

b) **Special rules of the provision of security for Supplementary Bids and Counterbids**

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If, upon the call as per Section 3.24, the applicant submits a Supplementary Bid, it shall also make available a security at least equalling or exceeding the price offered in said Supplementary Bid.

If the participant submits a Supplementary Bid for at least one of Packages "A", "B" or "C", the applicant shall be required to provide a security at least equalling or exceeding the highest price offered in the Supplementary Bid for individual Packages, if it did not submit a Bid for Packages "A", "B" or "C" as part of its Application.

If the participant did not submit a Bid for Packages "A", "B" or "C" as part of its Application but submits a Supplementary Bid for at least two of these Packages in response to the call defined in Section 3.24, it shall provide a security at least equalling or exceeding the highest price offered for individual Packages as an annex to its Supplementary Bid. If the security provided is below the highest price offered for the individual Packages, the Contracting Entity shall establish the substantive invalidity of the given Bid in respect of such Package or Packages, where the price offered is higher than the security amount submitted as part of the Supplementary Bid.

If the participant submitted a Bid for any of Packages "A", "B" or "C" as part of the Application, it shall be required to supplement the amount of security offered as part of the Application in respect of those Packages affected by the Supplementary Bid where the price offered in the Supplementary Bid exceeds the highest price offered in the Bids as part of the Applications. In this case, parallel to submitting its Supplementary Bid, the applicant shall attach a security corresponding to the amount of the difference.

Except for Packages "A", "B" and "C", if, upon the call as per Section 4.2.2, the participant submits a Counterbid and the performance bond initially submitted along with its Application for the given Package fails to reach the security amount calculated according to the price offered in the Counterbid, the participant shall submit, together with its Counterbid, a security equalling the difference between the security amount calculated based on the price offered in the Counterbid and the initial security amount submitted in the Application. If, when making its Counterbid, the participant does not or inappropriately submits said new performance bond, the Contracting

Entity shall leave the participant's given Counterbid ignored without rendering its Application invalid, whether for form or content. In this case, the Contracting Entity shall assess the participant's Bid or Supplementary Bid as specified in Section 4.2 herein.

If, upon the call as per Section 4.2.2, the participant submits a Counterbid for at least one of Packages "A", "B" and "C", it shall supplement the security amount initially submitted along with its Application — for the Packages at hand — provided the price offered in said Counterbid exceeds, for any of the Packages "A", "B" or "C", the highest price offered in the Bids submitted in the Application. In this case, the participant shall provide a security alongside its Counterbid equalling the difference between said amounts.

If, when submitting its Application, the participant does not or inappropriately submits said new performance bond, the Contracting Entity shall not render the Bid (Counterbid) invalid, whether for form or content. In this case, when evaluating the Bids, the Contracting Entity shall leave all Counterbids ignored in which the price offered exceeds the amount of security made available in the Application. For the Package(s) affected, the Contracting Entity shall assess the participant's Bid as specified in Section 4.2 herein.

- c) In the event that an participant only submits a Bid for one or two of Packages "A", "B", or "C" but states in its Bid pursuant to Section 3.16 2) that it wishes to acquire any of the other Packages other than the one defined in its Bid (subject to the limitation defined in Section 2.2) in case the Contracting Entity is unable to determine a winner for either one of the Packages for the reasons defined in Section 4.3.1.3, it shall submit a security bond as part of its Bid with a value equal to or greater than the price stated in its Bid for the Package or the highest tender price within the meaning of Section 2.2 stated in the declaration in the event that the tender price of any of the Packages is higher than the price proposed by the participant in its Bid.

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### 3.16. Requirements for content, restriction on Bid (Supplementary Bid) amendment or withdrawal

The applicant may submit an Application for any of the Packages (including multiple Packages) specified in Section 2.2. The applicant may submit one Application for each Package, not including the Counterbid specified in Section 4.2.2.

Applicants shall prepare their Applications based on the following substantive structure:

#### 1. General section:

The general section of the Application must include a summary of the Application not exceeding 15 (fifteen) pages and present the applicant in no more than 10 (ten) pages, including its professional suitability and experience in provision of electronic communications services.

#### 2. Commitments

The applicant shall draw up its commitments separately for each Package.

Commitments shall be drawn up with the following contents:

- a) The section containing the commitments shall include the duly completed bidding sheet included in Annex 4 for the given Package, specifying the offered price and the commitments for each assessment criterion for each Package. The price offered must be a multiple of 25 million for Packages “A”, “B”, “C”, “D”, “E”, “F” and “G”, and a multiple of 5 million for Packages “H” and “I”.
- b) In the section of the Application containing the commitments, the applicant shall attach a separate performance bond as specified in Section 3.15 for each Package it is bidding for. If the applicant submitted a Bid for at least two of Packages “A”, “B” or “C”, it shall be required to provide a performance bond as per Section 3.15 for only the Package in respect of which it offered the highest price.
- c) If the applicant is submitting an Application for more than one of Packages “A”, “B” or “C”, it shall submit a clear, irrevocable and unconditional declaration

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stating its Package preference as per Section 4.3.1 If the applicant made a Bid in its Application for one of Packages “A”, “B” and “C” but submits a Bid for one of Packages of “A”, “B” and “C” upon the Contracting Entity’s Call for Supplementary Bids, it shall be required to specify its Package preference parallel to submitting its Supplementary Bid. The declaration shall be drawn up in one copy only, and placed inside the envelope containing the bidding sheet of the Applicant’s choice.

- d) In the event that an applicant only submits a Bid for one or two of Packages “A”, “B”, or “C” , it shall submit an irrevocable and unconditional written declaration stating whether it wishes to obtain (subject to the limitation defined in Section 2.2) any of Packages “A”, “B”, or “C” for which no winner can be established for the reasons defined in Section 4.3.1.3, and if so, which Package(s) not affected by its Bid, committing to the tender price defined in Section 2.2 and the network construction requirements defined in Section 1 of Annex 2 for the particular Package.
- e) In case of Applications for Packages “G”, “H” or “I”, the applicant shall submit documents certifying its financial and professional background. It may decide on the documents used to certify the criterion pertaining to its financial and professional background within the assessment framework defined in Sections 4.2.1.4. c) or 4.2.1.5. b).
- f) In the section of its Application submitted for Package(s) “G”, “H” or “I” presenting its commitments, the applicant shall also append its business plan for the implementation of the services using the spectrum defined in the Package at hand.

The applicant must include its plans for network development, systems and traffic engineering, as well as installation plans and technical documentation to substantiate the soundness of its business plan.

- g) In addition to the aforementioned documents, the applicant may also submit documents at its own discretion certifying the contents of its commitments from a technological or financial perspective.

### 3.16.1. Restriction on Bid (Supplementary Bid) amendment or withdrawal

- a) Until the conclusion of the administrative contract as per Section 4.4, the applicant/participant may not amend or withdraw its Bid.
- b) If the applicant/participant withdraws its Bid for any of Packages 'A', 'B' or 'C' before receipt of the Call for Supplementary Bids as per Section 3.24, the Contracting Entity shall be entitled to impose a procedural fee as predefined in Section 3.9 herein.
- c) If the participant withdraws its Bid for any of Packages 'A', 'B' or 'C' following the receipt of the Call for Supplementary Bids as per Section 3.24, its Application shall be deemed formally invalid in accordance with Section 3.9.
- d) If the applicant/participant withdraws its Bid for any of Packages 'D', 'E', 'F', 'G', 'H' or 'I' before the winner is announced (Section 4.3), the Contracting Entity shall be entitled to impose a procedural fee as defined in Section 3.9.
- e) With the exception of the case listed in Point c) above, the withdrawal of a Bid made for any of the Packages shall not affect the validity of the participant's other Bids made for additional Package(s). In its assessment of Bids as per Section 4.2.1, the Contracting Entity shall leave the participant's withdrawn Bid ignored. Should a Bid made for any of the Packages be withdrawn, the Contracting Entity shall — with the exception of the case listed in Point c) above — assess the participant's Bid(s) made for additional Package(s) in accordance with Section 4.2.

As far as the Call for Supplementary Bids described under Section 3.24 is concerned, any withdrawn Bid shall be considered as though the participant having withdrawn its Bid for the Package at hand had not even submitted any Bids in the first place. Withdrawal of a Bid may not terminate the validity of other participants' Bids, nor may other participants amend their respective Bids by citing said withdrawal.

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### 3.17. Opening of Applications:

- Date of opening of Applications: 17 June 2014 at 10:00 am.
- Location: “Office of the National Media and Infocommunications Authority, Hungary” (1015 Budapest, Ostrom utca 23-25, ground floor meeting room)

Applications shall be opened in the presence of a notary public.

The Contracting Entity shall open the original and duplicate copies of both the application for participation and the Bid, in order to document the contents of the submitted Application.

At the opening, neither formal nor substantive validity will be examined by the Contracting Entity.

The representatives of applicants may also be present at the opening (no more than four persons per applicant). The person opening the Applications shall provide proof of identification, and persons taking part at the opening of Applications on behalf of a legal entity, sole entrepreneur or other registered organisation as applicant shall submit to the Contracting Entity an original copy of the officially signed proxy letter authorising representation (for participating at the opening of Applications). The applicant's legal representative may certify its representation rights with a certificate of incorporation no older than 30 (thirty) days old, an authority certificate or document officially corroborating the lawful representation right. If the person purchasing the Documentation is doing so on behalf of a natural person or sole entrepreneur, they shall submit an original copy of the officially signed proxy letter (for purchasing the Documentation) to the Contracting Entity.

A notary public shall draw up a protocol on the opening and content of Applications (including the names of applicants and the Packages for which they submitted a Bid), and the persons present, a copy of which shall be sent out by the Contracting Entity to every applicant.

In this procedure, the sealed envelopes submitted as part of the Bid shall remain unopened, as the only pieces of information recorded at this point are the names of applicants and the Packages for which their Bids have been submitted as shown by the

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inscription on the envelope containing the bidding sheets. The sealed envelopes submitted as part of the Bid shall be opened by the Contracting Entity when evaluating substantive validity, in the presence of a notary public. The opening of Bid shall take place behind closed doors, without the participants being present.

The notary public shall prepare records on the opening and contents of the Bids.

### 3.18. Examination and validity of Bids

The Contracting Entity shall examine within 15 (fifteen) days of the expiry of the deadline whether the Application complies with the personal conditions of participation and conflict of interest, and the requirements for format set out in Section 9 of the Decree on the rules of auction or tender and herein (hereinafter jointly as: conditions of formal validity).

Following registration, when assessing substantive validity, the Contracting Entity shall examine, separately for each Package involved in the Bid, the content of documents submitted in the Bid, checking whether they comply with the substantive conditions set out in the Decree on the rules of auction or tender and in the Documentation (substantive validity conditions).

### 3.19. Formal invalidity

When assessing formal validity, the Contracting Entity shall examine whether the Application meets the (personal) conditions of participation and conflict of interest as defined in the Documentation, whether it complies with the requirements for format and accessories as set forth in Section 3.11 and contains the documents and statements listed under Section 3.12, and whether the method and form of its submission complies with the requirements set out in this Documentation.

Applications shall furthermore be formally invalid if

- a) the participation fee was not paid on time;
- b) not submitted at the deadline, place, in the form, quantity and manner defined in the Notice or the Documentation;

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- c) the Application does not meet the requirements for format or feature the accessories defined in Section 1.3 or Section 3.11 of the Documentation;
- d) the applicant or participant shall comply with the (personal) conditions of participation and conflict of interest defined in Section 2.8.1-2.8.3 of the Documentation from the time of submission of its Application throughout the entire duration of the tender procedure; or
- e) the applicant (participant) failed to submit all documents, deeds or declarations prescribed by the Documentation and the Decree on the rules of auction or tender, or did not submit them in the manner defined therein;
- f) the applicant has imposed conditions or limitations contrary to the Documentation in the documents submitted as part of its Application, with the exception of its Bid; or
- g) in the cases defined in the Documentation where the Documentation stipulates the application of the legal consequences of formal invalidity.

If the Application does not comply with the formal validity conditions, the Authority shall issue a call for rectification of deficiencies pursuant to Section 3.23. Remedying deficiencies pertaining to the requirements of formal validity shall only be permitted for items under Points e)-f) above.

If the Application does not meet formal validity criteria or still does not meet the conditions of formal validity following the rectification of deficiencies performed according to the Documentation, i.e. the Application remains formally invalid, the Contracting Entity shall deny registration of the applicant in the tender register.

If the Contracting Entity perceives such grounds for formal invalidity or said grounds arise only following registration and the Application remains invalid after rectification permissible according to the Documentation in specific circumstances, the Contracting Entity shall not establish formal invalidity in a separate order, declaring the Application's invalidity in a substantive resolution concluding the procedure.

### 3.20.Registration as participant

The Contracting Entity shall register formally valid Applications in the tender register.

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The Contracting Entity shall notify the registered applicants of their registration in the tender register and shall publish the list of applicants registered as participants on its website. Among the data listed in the register, the name and data allowing their identification shall be public.

### 3.21. Substantive invalidity

When assessing Bids from a substantive (content) perspective, the Contracting Entity shall assess and examine, separately for each Package, the well-foundedness of the Applications submitted by registered participants as a whole and regarding each individual tender element. Moreover, the Contracting Entity shall check, also separately for each Package, whether the Bid made for a given Package meets the substantive requirements set out in the Documentation.

The Contracting Entity shall assess the Bids submitted by participants in terms of content, verifying, in particular, that the mandatory commitments to be made in the Bid for the given Package are in line with the relevant considerations set out in the Documentation, that the terms or limitations set by the participants do not contradict the provisions of the Documentation, and that the performance bond and procedural security have been submitted in accordance with the content requirements stipulated in the Documentation and in the Decree on the rules of auction or tender. When inspecting the Bids for content, the Contracting Entity shall also check whether the bidding sheet included in Annex 4 has been filled out correctly (an amount equal to or greater than the tender price is given as the offered price, the offered prices for Packages “D”, “E” and “F” do not exceed the maximum price defined in the Documentation for these Packages, and the offer complies with Section 2.2 and Annex 4).

If the Application is found substantively deficient, the Contracting Entity shall request the participant to rectify such deficiencies as per Section 3.23. Unless otherwise specified in the Documentation, the option of rectification of deficiencies shall be available during the Tender procedure for all criteria of substantive validity.

The Bid shall be substantively invalid in the cases defined in Section 27 (5) of the Decree on the rules of auction or tender.

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If, for a given Package, the Application still does not meet the conditions of substantive validity following the rectification of deficiencies performed according to the Documentation, the Contracting Entity shall state the respective Bid's substantive invalidity in its decision concluding the tender procedure.

A Bid shall be considered substantively invalid if

- a) it contains commitments or conditions forming evaluation criteria within the meaning of Section 4.2.1 based on the Documentation that are unclear, contradicting or clearly impossible, and which impeded the effective evaluation of the Bid;
- b) it contains impossible, excessively high or low or highly disproportionate commitments based on the Contracting Entity's assessment, or contains clearly disproportionate or irrational or unfounded commitments contradicting the facts or data available to the Contracting Entity, thereby rendering evaluation based on the system set out in the Documentation impossible;
- c) it is unsuitable for achieving and implementing the objectives set out in the relevant legislation and the Documentation;
- d) the commitments made in the Application pertaining to the given Package do not comply with the commitment criteria defined in Sections 3.16, 3.21, 4.2.1 or Annex 4 of the Documentation;
- e) the applicant has not completed the bidding sheet included in Annex 4 in line with the rules set out in the Documentation, in particular if the offered price is lower than the tender price defined for the Package or if any of the commitments made do not meet the criteria defined for the specific assessment criterion;
- f) the applicant/participant has linked its mandatory commitments made in its Bid pertaining to the Package to conditions or restrictions that are contrary to the Documentation; or
- g) the applicant has not submitted its performance bond or procedural security as part of its Bid in line with the Documentation and the Decree on the rules of auction or tender.

In case of the Packages "D", "E" and "F", the Bid shall be deemed substantively invalid if the offered price exceeds the maximum price defined for these Packages.

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Furthermore, Bids submitted for Packages D”, “E” or “F” by an applicant (or by a participant in case of a Supplementary Bid) falling under the restriction on the acquisition of spectrum licences set out in Section 2.2 for the specific Package shall also be deemed substantively invalid.

In case of Bids submitted for Package “I”, Bids that are submitted by an applicant (or by a participant in case of a Supplementary Bid) falling under the spectrum right acquisition restriction set out in Section 2.2 for this specific Package shall also be deemed substantively invalid.

If, following a rectification available according to the Documentation, the Bid remains substantively invalid for any of the Packages concerned, the Contracting Entity shall determine substantive invalidity in its decision concluding the tender procedure only for the Package concerned.

### 3.22. Request for clarification

If the Bid is not adequately clear, the Contracting Entity may, without prejudice to the principle of equal opportunities, request clarification from the participant pursuant to the rules set out in the Decree on the rules of auction or tender. A period of 15 (fifteen) days from the date of delivery shall be available for the providing clarification.

The clarification provided may not result in any change in the financial and value-related obligations and main declarations set forth in the Application, as it only serves for their interpretation.

The Contracting Entity shall not be bound by the contents of the clarification supplied by the participant, and shall be free to decide whether to consider such clarification in its decision-making. If the participant fails to fulfil the request for clarification, the Contracting Entity shall assess the Application based on the declarations and documents submitted by the participant and available to the Contracting Entity.

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### 3.23. Rectification of deficiencies

If the Application does not fulfil the conditions necessary for formal or substantive validity and the Documentation allows for the rectification of deficiencies for the validity criterion, the Contracting Entity shall issue a request for the rectification of deficiencies to the applicant/participant, setting a 5 (five)day deadline. The Contracting Entity may set a deadline for rectification longer than 5 (five) days — but no more that 15 (fifteen) days pursuant to Section 10 (5) of the Decree on the rules of auction or tender — if the 5 (five)day period is evidently insufficient for acquiring the data, certificate or declaration or due to reasons of scope.

If the applicant/participant rectifies the deficiency and supplements the missing items within the deadline specified in the call, the Application shall be considered as having been originally correct and complete. The deadline defined for performance shall lose effect; after expiry of the deadline, no request for certification may be submitted.

For Supplementary Bids made according to Section 3.24 and Counterbids submitted upon the call as per Section 4.2.2, the rules defined in this Section shall apply to rectification, with the provision that rectification shall only be possible if the bidding sheet or performance bond submitted by the participant does not meet the substantive requirements set out in the Documentation and in the Decree on the rules of auction or tender. In such cases, the option of rectification shall be available to the participant for (3) three days upon delivery of the rectification request; this term is peremptory and no extension is possible.

### 3.24. Supplementary Bids

If no valid Bid has been received for any of the Packages, the Contracting Entity may issue a maximum of one call for Supplementary Bids to all registered applicants. The Contracting Entity shall evaluate the Bids received for all Packages on a preliminary basis, applying the rules defined in Section 4.2. The above preliminary assessment preceding the call for Supplementary Bids only serves the purpose of informing participants regarding the submission of Supplementary Bids and does not constitute an assessment of the formal or substantive validity of the Bids, nor does it affect the actual

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assessment used for ranking pursuant to Section 4.2 or the determination of the winner pursuant to Section 4.3. In line with the principles of transparency, objectivity and non-discrimination, the Contracting Entity shall disclose to all participants having submitted a Bid for Packages “A”, “B”, “C”, “D”, “E” and “F” all of the commitments for each assessment criterion and category defined in Section 4.2 having received the highest scores pursuant to Section 4.2 in its call for Supplementary Bids, concealing any information on the identity of participants. For Packages “G” and “H”, the Contracting Entity shall only disclose the commitments for the assessment criteria defined in Section 4.2.1.4. a) and b) having received the highest scores pursuant to the above specified preliminary assessment for the Package(s) affected by the Bids, and the assessment criteria defined in Section 4.2.1.5. a) in case of Package “I”.

Applicants shall have 5 (five) days from the receipt of the Contracting Entity’s notice to make their Supplementary Bid. The deadline defined for placing the Supplementary Bid shall lose effect; after expiry of the deadline, no request for certification may be submitted.

Supplementary Bids shall be opened by the Contracting Entity in the presence of a notary public. The opening of Supplementary Bids shall take place behind closed doors, without the attendance of the participants. The notary public shall draw up a protocol of the opening and contents of the Supplementary Bids.

Supplementary Bids shall be subject to the rules defined for Bids as applicable, with the exceptions defined in the Documentation. To the assessment of Supplementary Bids, the respective rules of Bid assessment shall apply.

## IV. RULES OF IMPLEMENTING THE TENDER PHASE

### 4.1. Implementation and phases of the Tender

The Contracting Entity shall issue its decision concluding this tender procedure between the 45th and 150th day following the publication of the Notice; this deadline may be extended only once by no longer than thirty (30) days.

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## 4.2. Assessment of the Bids

The Contracting Entity shall assess the formally valid Applications and the substantively valid Bids separately for each Package. In assessing the applications, the Contracting Entity establishes the order of the Bids for each Package by assigning a score to each individual Bid. Furthermore, the Contracting Entity examines compliance with the evaluation criteria set out under Section 4.2.1 and, based on the criteria defined therein, it determines the relative ranking of the Bids based on the scores awarded during the assessment. If a Bid submitted by the applicant for a Package is declared invalid, this shall not affect the validity of the Bids submitted by it for any other Packages.

Should an applicant/participant withdraw its Bid or Supplementary Bid for any of the Packages during the tender procedure, the Contracting Entity shall re-assess the Bids and Supplementary Bids in accordance with the prevailing rules of evaluation, ignoring the valid Bid or Supplementary Bid that may have been submitted by the said applicant/participant for the given Package.

### 4.2.1 Evaluation criteria and weighting

#### 4.2.1.1. Packages “A” and “B”

When assessing Bids, the Contracting Entity evaluates the Bids according to the evaluation criteria and principles described below and, based on its judgement, awards points up to the maximum score defined and according to the principles specified below:

a)	price offered:	maximum 40 points;
b)	commitment regarding coverage and its scheduling	maximum 60 points.

When assessing the price offered — that is, evaluation criterion a) —, the Contracting Entity ranks Bids based on the price offered, and awards the maximum score defined in criterion a) to the Bid offering the highest price. In order to define the scores of the remaining Bids as regards criterion a), the Contracting Entity uses the formula below for expressing the tender price specified in individual Bids as a percentage of the highest Bid, then multiplies the value thus obtained by the maximum score that can be awarded for criterion a), and rounds the result to two decimal places.

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$$P_i = \left( \frac{A_i}{A_{max}} \right) * P_{max}$$

where,

$P_i$ : is the score of the  $i^{\text{th}}$  Bid;

$A_i$ : indicates the price offered in the  $i^{\text{th}}$  Bid;

$A_{max}$ : denotes the Bid with the highest price offered;

$P_{max}$ : is the maximum score that can be awarded for the given evaluation criterion.

As regards criterion b), the Contracting Entity awards scores for the commitments regarding coverage and its scheduling by examining the commitments offered by the applicants in respect of the coverage requirements indicated in Table 1.2 of Annex 2 in case the applicant obtains the Packages specified above. For this purpose, the Contracting Entity calculates the points that can be awarded based on the following evaluation:

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Evaluation criterion	Evaluated parameter	Maximum score
1. In case of the 800 MHz frequency band, in addition to the localities required in Phase 1 as per Table 1.2 of Annex 2, commitment to cover localities with a population of less than 1,000 <sup>1</sup> within the required deadline	Number of localities with less than 1,000 inhabitants	15
2. In case of the 800 MHz frequency band, in addition to the localities required in Phase 2 as per Table 1.2 of Annex 2, commitment to cover localities with a population of less than 1,000 <sup>1</sup> within the required deadline	Number of localities with less than 1,000 inhabitants	15
3. In case of the 800 MHz frequency band, commitment to deploy national coverage earlier than the prescribed deadlines defined for phase 2 in Table 1.2 of Annex 2	Deadline*	15
4. The date of placing the 2600 MHz frequency band into use** undertaken by the operator, no later than the end of the fourth year following the date of acquisition of the spectrum right.	Deadline*	15

In order to assess the commitments undertaken by applicants for the evaluation criterion set out for the 800 MHz band under items 1 and 2 of the above table, the Contracting Entity ranks the number of localities undertaken by the applicants and awards the maximum score specified in the table above for this evaluation criterion to the commitment for the greatest number of localities. In order to define the scores of the remaining commitments, the Contracting Entity uses the formula below for determining the value of the number of localities undertaken as a proportion of the commitment for

<sup>1</sup> The Contracting Entity identifies the number of inhabitants based on the census data of the Central Statistical Office. Title of the CSO publication: Gazetteer of Hungary, 1 January 2013. The CSO publication is available at [http://www.ksh.hu/apps/shop.kiadvany?p\\_kiadvany\\_id=15906](http://www.ksh.hu/apps/shop.kiadvany?p_kiadvany_id=15906)

\* The commitment regarding the scheduling of coverage must be specified in whole months.

\*\* The date of placing the frequency band into use is the date of entry into force of the framework licence.

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the highest number of localities, then multiplies the figure thus obtained by the maximum awardable score defined in the table above, and rounds the result to two decimal places.

$$P_i = \left( \frac{T_i}{T_{max}} \right) * P_{max}$$

where,

$P_i$ : is the score of the  $i^{th}$  Bid;

$T_i$ : indicates the value for the number of localities offered in the  $i^{th}$  Bid;

$T_{max}$ : denotes the value of the commitment for the highest number of localities offered in the Bids;

$P_{max}$ : the maximum score that can be awarded for the given evaluation criterion.

In order to assess the commitments made for the evaluation criterion set out under item 3 of the above table, the Contracting Entity ranks the deadlines undertaken by the applicants and awards the maximum score specified in the table above for this evaluation criterion to the Bid with the shortest deadline. In order to define the scores of the remaining commitments, the Contracting Entity uses the formula below for describing, for a given evaluation criterion, the deadline specified in the Bid offering the shortest deadline as a proportion of the deadline undertaken by a given applicant, then multiplies the value thus obtained by the maximum score that can be awarded for the given evaluation criterion, and rounds the result to two decimal places.

$$P_i = \left( \frac{H_{min}}{H_i} \right) * P_{max}$$

where,

$P_i$ : is the score of the  $i^{th}$  Bid;

$H_{min}$ : indicates the value of the shortest deadline undertaken in the Bids ;

$H_i$ : denotes the value of the deadline undertaken in the  $i^{th}$  Bid;

$P_{max}$ : is the maximum score that can be awarded for the given evaluation criterion.

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In order to assess the commitments made for the evaluation criterion set out for the 2600 MHz band under item 4 in the above table, the Contracting Entity ranks the deadlines undertaken by the applicants and awards the maximum score specified in the table above for this evaluation criterion to the Bid with the shortest deadline. In order to define the scores of the remaining commitments, the Contracting Entity uses the formula below for describing, for a given evaluation criterion, the deadline specified in the Bid offering the shortest deadline as a proportion of the deadline undertaken by a given applicant, then multiplying the value thus obtained with the maximum score that can be awarded for the given evaluation criterion and rounding the result to two decimal places.

$$P_i = \left( \frac{H_{\min}}{H_i} \right) * P_{\max}$$

where,

$P_i$ : is the score of the  $i^{\text{th}}$  Bid;

$H_{\min}$ : indicates the value of the shortest deadline undertaken in the Bids ;

$H_i$ : denotes the value of the deadline undertaken in the  $i^{\text{th}}$  Bid;

$P_{\max}$ : is the maximum score that can be awarded for the given evaluation criterion.

The sum of the points awarded for the evaluation criteria described above will be the total score of the Bid for the Package at hand.

Based on the total score, the Contracting Entity determines, for each individual Package, the ranking of the Bids and thus the ranking of the applicants' Bids relative to one another.

#### 4.2.1.2 Package "C"

When assessing Bids, the Contracting Entity evaluates the Bids according to the evaluation criteria and principles described below and, based on its judgement, awards points up to the maximum score defined and according to the principles specified below:

a)	price offered	maximum 40 points;
b)	commitment regarding coverage and its scheduling	maximum 60 points.

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When assessing the price offered — that is, evaluation criterion a) —, the Contracting Entity ranks Bids based on the price offered, and awards the maximum score defined in criterion a) to the Bid offering the highest price. In order to define the scores of the remaining Bids as regards criterion a), the Contracting Entity uses the formula below for expressing the tender price specified in individual Bids as a percentage of the highest Bid, then multiplies the value thus obtained by the maximum score that can be awarded for criterion a), and rounds the result to two decimal places.

$$P_i = \left( \frac{A_i}{A_{\max}} \right) * P_{\max}$$

where,

$P_i$ : is the score of the  $i^{\text{th}}$  Bid;

$A_i$ : indicates the price offered in the  $i^{\text{th}}$  Bid;

$A_{\max}$ : denotes the Bid with the highest price offered;

$P_{\max}$ : is the maximum score that can be awarded for the given evaluation criterion.

As regards criterion b), the Contracting Entity awards scores for the commitments regarding coverage and its scheduling by examining the commitments offered by the applicants in respect of the coverage requirements indicated in Table 1.2 of Annex 2 in case the applicant obtains the Package specified above. For this purpose, the Contracting Entity calculates the points that can be awarded based on the following evaluation:

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Evaluation criterion	Evaluated parameter	Maximum score
1. In case of the 800 MHz frequency band, in addition to the localities required in Phase 1 as per Table 1.2 of Annex 2, commitment to cover localities with a population of less than 1,000 <sup>2</sup> within the required deadline	Number of localities with less than 1,000 inhabitants	20
2. In case of the 800 MHz frequency band, in addition to the localities required in Phase 2 as per Table 1.2 of Annex 2, commitment to cover localities with a population of less than 1,000 within the required deadline	Number of localities with less than 1,000 inhabitants	20
3. The date of placing the 2600 MHz frequency band into use** undertaken by the operator, no later than the end of the fourth year following the date of acquisition of the spectrum right.	Deadline*	20

In order to assess the commitments undertaken by applicants for the evaluation criterion set out for the 800 MHz band under items 1 and 2 of the above table, the Contracting Entity ranks the number of localities undertaken by the applicants and awards the maximum score specified in the table above for this evaluation criterion to the commitment for the greatest number of localities. In order to define the scores of the remaining commitments, the Contracting Entity uses the formula below for determining the value of the number of localities undertaken as a proportion of the commitment for the highest number of localities, then multiplies the figure thus obtained by the maximum awardable score defined in the table above, and rounds the result to two decimal places.

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<sup>2</sup>The Contracting Entity identifies the number of inhabitants based on the census data of the Central Statistical Office. Title of the CSO publication: Gazetteer of Hungary, 1 January 2013. The CSO publication is available at [http://www.ksh.hu/apps/shop.kiadvany?p\\_kiadvany\\_id=15906](http://www.ksh.hu/apps/shop.kiadvany?p_kiadvany_id=15906)

\* The commitment regarding the scheduling of coverage must be specified in whole months.

\*\* The date of placing the frequency band into use is the date of entry into force of the framework licence.

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$$P_i = \left( \frac{T_i}{T_{max}} \right) * P_{max}$$

where,

$P_i$ : is the score of the  $i^{th}$  Bid;

$T_i$ : indicates the value for the number of localities offered in the  $i^{th}$  Bid;

$T_{max}$ : denotes the value of the commitment for the highest number of localities offered in the Bids;

$P_{max}$ : the maximum score that can be awarded for the given evaluation criterion.

In order to assess the commitments made for the evaluation criterion set out for the 2600 MHz band under item 3 in the above table, the Contracting Entity ranks the deadlines undertaken by the applicants and awards the maximum score specified in the table above for this evaluation criterion to the Bid with the shortest deadline. In order to define the scores of the remaining commitments, the Contracting Entity uses the following formula for describing, for a given evaluation criterion, the deadline specified in the Bid offering the shortest deadline as a proportion of the deadline undertaken by a given applicant, then multiplying the value thus obtained by the maximum score that can be awarded for the given evaluation criterion, and rounds the result to two decimal places.

$$P_i = \left( \frac{H_{min}}{H_i} \right) * P_{max}$$

where,

$P_i$ : is the score of the  $i^{th}$  Bid;

$H_{min}$ : indicates the value of the shortest deadline undertaken in the Bids ;

$H_i$ : denotes the value of the deadline undertaken in the  $i^{th}$  Bid;

$P_{max}$ : is the maximum score that can be awarded for the given evaluation criterion.

The sum of the points awarded for the evaluation criteria described above will be the total score of the applicant's Bid for this Package.

Based on the total score, the Contracting Entity determines the ranking of the Bids and thus the ranking of the applicants' Bids relative to one another for this Package.

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#### 4.2.1.3 Packages “D”, “E” and “F”

When assessing Bids, the Contracting Entity evaluates the Bids according to the evaluation criteria and principles described below and, based on its judgement, awards points up to the maximum score defined and according to the principles specified below:

a)	price offered:	maximum 90 points;
b)	commitment regarding the date of payment for the amount offered	maximum 10 points.

When assessing the price offered — that is, evaluation criterion a) —, the Contracting Entity ranks Bids based on the price offered, and awards the maximum score defined in criterion a) to the Bid offering the highest price. In order to define the scores of the remaining Bids as regards criterion a), the Contracting Entity uses the formula below for expressing the tender price specified in individual Bids as a percentage of the highest Bid, then multiplies the value thus obtained by the maximum score that can be awarded for criterion a), and rounds the result to two decimal places.

$$P_i = \left( \frac{A_i}{A_{max}} \right) * P_{max}$$

where,

$P_i$ : is the score of the  $i^{th}$  Bid;

$A_i$ : indicates the price offered in the  $i^{th}$  Bid;

$A_{max}$ : denotes the Bid with the highest price offered;

$P_{max}$ : is the maximum score that can be awarded for the given evaluation criterion.

In order to assess the commitments, made in a number of days, regarding the date of payment for the amount offered in excess of the tender price — evaluation criterion b) —, the Contracting Entity ranks the payment deadlines undertaken by the applicants in the Bids and awards the maximum score specified for this evaluation criterion to the commitment with the shortest payment deadline measured in days. In order to determine the scores of the remaining commitments, the Contracting Entity uses the formula below for describing, for a given evaluation criterion, the deadline specified in the Bid offering the shortest deadline as a proportion of the deadline undertaken by a

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given applicant, then multiplying the value thus obtained by the maximum score that can be awarded for the given evaluation criterion, and rounds the result to two decimal places.

$$P_i = \left( \frac{H_{min}}{H_i} \right) * P_{max}$$

where,

$P_i$ : is the score of the  $i^{th}$  Bid;

$H_{min}$ : indicates the value of the shortest deadline undertaken in the Bids ;

$H_i$ : denotes the value of the deadline undertaken in the  $i^{th}$  Bid;

$P_{max}$ : is the maximum score that can be awarded for the given evaluation criterion.

The sum of the points awarded for the evaluation criteria described above will be the total score of the Bid for the given Package.

Based on the total score, the Contracting Entity determines, for each individual Package, the ranking of the Bids and thus the ranking of the applicants' Bids relative to one another.

#### 4.2.1.4 Packages "G" and "H"

When assessing Bids, the Contracting Entity evaluates the Bids according to the evaluation criteria and principles described below and, based on its judgement, awards points up to the maximum score defined and according to the principles specified below:

a)	price offered:	maximum 50 points;
b)	commitment regarding coverage and its scheduling	maximum 40 points;
c)	the applicant's financial and professional background and business plan	maximum 10 points.

When assessing the price offered — that is, evaluation criterion a) —, the Contracting Entity ranks Bids based on the price offered, and awards the maximum score defined in criterion a) to the Bid offering the highest price. In order to define the scores of the remaining Bids as regards criterion a), the Contracting Entity uses the formula below for expressing the tender price specified in individual Bids as a percentage of the highest

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Bid, then multiplies the value thus obtained by the maximum score that can be awarded for criterion a), and rounds the result to two decimal places.

$$P_i = \left( \frac{A_i}{A_{max}} \right) * P_{max}$$

where,

$P_i$ : is the score of the  $i^{\text{th}}$  Bid;

$A_i$ : indicates the price offered in the  $i^{\text{th}}$  Bid;

$A_{max}$ : denotes the Bid with the highest price offered;

$P_{max}$ : is the maximum score that can be awarded for the given evaluation criterion.

As regards criterion b), the Contracting Entity awards scores for the commitments regarding coverage and its scheduling by examining the commitments offered by the applicants in respect of the coverage requirements indicated in Table 1.2 of Annex 2 in case the applicant obtains the Packages specified above. For this purpose, the Contracting Entity calculates the points that can be awarded based on the following evaluation:

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Evaluation criterion	Evaluated parameter	Maximum score
1. A commitment to cover, within the required deadline, localities <sup>3</sup> with fewer inhabitants than prescribed in Table 1.2 of Annex 2 for the 2600 MHz frequency band	Number of localities with less than 30,000 inhabitants	20
2. A commitment to reach earlier deadlines than those specified in Table 1.2 of Annex 2 for the 2600 MHz frequency band	Deadline*	20

In order to assess the commitments made for the evaluation criterion set out in item 1 of the above table, the Contracting Entity ranks the number of localities undertaken by the applicants and awards the maximum score specified in the table above for this evaluation criterion to the commitment for the greatest number of localities. In order to define the scores of the remaining commitments, the Contracting Entity uses the formula below for determining the value of the number of localities undertaken as a proportion of the commitment for the highest number of localities, then multiplies the figure thus obtained by the maximum score defined in the table above, and rounds the result to two decimal places.

$$P_i = \left( \frac{T_i}{T_{max}} \right) * P_{max}$$

where,

$P_i$ : is the score of the  $i^{th}$  Bid;

$T_i$ : indicates the value for the number of localities offered in the  $i^{th}$  Bid;

$T_{max}$ : denotes the value of the commitment for the highest number of localities offered in the Bids;

$P_{max}$ : the maximum score that can be awarded for the given evaluation criterion.

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<sup>3</sup> The Contracting Entity identifies the number of inhabitants based on the census data of the Central Statistical Office. Title of the CSO publication: Gazetteer of Hungary, 1 January 2013. The CSO publication is available at [http://www.ksh.hu/apps/shop.kiadvany?p\\_kiadvany\\_id=15906](http://www.ksh.hu/apps/shop.kiadvany?p_kiadvany_id=15906)

\* The commitment regarding the scheduling of coverage must be specified in whole months.

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In order to assess the commitments made for the evaluation criterion set out in item 2 of the above table, the Contracting Entity ranks the deadlines undertaken by the applicants in their Bids and awards the maximum score specified in the table above for this evaluation criterion to the Bid with the shortest deadline. In order to determine the scores for the remaining commitments, the Contracting Entity uses the formula below for describing, for a given evaluation criterion, the deadline specified in the Bid offering the shortest deadline as a proportion of the deadline undertaken by a given applicant, then multiplying the value thus obtained by the maximum score that can be awarded for the given evaluation criterion, and rounds the result to two decimal places.

$$P_i = \left( \frac{H_{\min}}{H_i} \right) * P_{\max}$$

where,

$P_i$ : is the score of the  $i^{\text{th}}$  Bid;

$H_{\min}$ : indicates the value of the shortest deadline undertaken in the Bids ;

$H_i$ : denotes the value of the deadline undertaken in the  $i^{\text{th}}$  Bid;

$P_{\max}$ : is the maximum score that can be awarded for the given evaluation criterion.

In the case of assessment criterion c), the Contracting Entity evaluates the applicant's financial and professional background and the contents of the business plan prepared in relation to the services the applicant wishes to provide through the frequency specified in the Package. The Contracting Entity assigns points to the Bids within the maximum score defined in criterion c) by comparing and weighing against each other the Bids, but makes its decision regarding the scoring only after a thorough analysis of each individual Bid.

Factors to be assessed and weighed by the Contracting Entity in respect of the financial and professional background and business plan of the applicant are as follows:

- i. As regards financial and professional background, the Contracting Entity evaluates the applicant's basic operating conditions (ownership, financial security and organisational structure), its experience in electronic communications obtained in the domestic and international infocommunications sector, and a reasoning as to why the applicant believes that obtaining the Package for which it submitted a Bid is necessary.

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- ii. As regards the business plan, the Contracting Entity assesses how the use of the tendered Package can facilitate the electronic communications services to be provided or planned by the applicant — including the novelty of innovative services that may be introduced — and the consistency between the business plan and the submitted network development and installation plans and technical documentation.

The sum of the points awarded for the evaluation criteria described above will be the total score of the Bid for the Package at hand.

Based on the total score, the Contracting Entity determines, for each individual Package, the ranking of the Bids and thus the ranking of the applicants' Bids relative to one another.

#### 4.2.1.5 Package "1"

When assessing Bids, the Contracting Entity evaluates the Bids according to the evaluation criteria and principles described below and, based on its judgement, awards points up to the maximum score defined and according to the principles specified below:

a)	price offered:	maximum 90 points;
b)	the applicant's financial and professional background and business plan	maximum 10 points.

When assessing the price offered — that is, evaluation criterion a) —, the Contracting Entity ranks Bids based on the price offered, and awards the maximum score defined in criterion a) to the Bid offering the highest price. In order to define the scores of the remaining Bids as regards criterion a), the Contracting Entity uses the formula below for expressing the tender price specified in individual Bids as a percentage of the highest Bid, then multiplies the value thus obtained by the maximum score that can be awarded for criterion a), and rounds the result to two decimal places.

$$P_i = \left( \frac{A_i}{A_{\max}} \right) * P_{\max}$$

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where,

$P_i$ : is the score of the  $i^{\text{th}}$  Bid;

$A_i$ : indicates the price offered in the  $i^{\text{th}}$  Bid;

$A_{max}$ : denotes the Bid with the highest price offered;

$P_{max}$ : is the maximum score that can be awarded for the given evaluation criterion.

In the case of assessment criterion b), the Contracting Entity evaluates the applicant's financial and professional background and the contents of the business plan prepared in relation to the services the applicant wishes to provide through the frequency specified in the Package. The Contracting Entity assigns points to the Bids within the maximum score defined in criterion b) by comparing and weighing against each other the Bids, but makes its decision regarding the scoring only after a thorough analysis of each individual Bid.

Factors to be assessed and weighed by the Contracting Entity in respect of the financial and professional background and business plan of the applicant are as follows:

- i. As regards financial and professional background, the Contracting Entity evaluates the applicant's basic operating conditions (ownership, financial security and organisational structure), its experience in electronic communications obtained in the domestic and international infocommunications sector, and the reasoning as to why the applicant believes that obtaining the Package for which it submitted a Bid is necessary.
- ii. As regards the business plan, the Contracting Entity assesses how the use of the tendered Package can facilitate the electronic communications services to be provided or planned by the applicant - including the novelty of innovative services that may be introduced - and the consistency between the business plan and the submitted network development and installation plans and technical documentation.

The sum of the points awarded for the evaluation criteria described above will be the total score of the Bid for the Package.

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Based on the total score, the Contracting Entity determines the ranking of the Bids in respect of the Package, and thus the ranking of the applicants' Bids relative to one another.

#### 4.2.2 Call for Counterbids

With regards to a given Package, the Contracting Entity shall issue a call for Counterbids if at least two Bids or Supplementary Bids are received for the given Package and, following the assessment of Bids (Supplementary Bids) as per Section 4.2.1, the difference between the scores awarded to the two best Bids does not exceed or equals 15 (fifteen) points (including the case of identical scores).

After the assessment as per Section 4.2.1, the Contracting Entity shall evaluate, for each individual Package, whether a round of Counterbids should be held. The Contracting Entity issues a maximum of 1 (one) call for Counterbids, addressed to all applicants having submitted a Bid for the Package concerned.

In line with the principles of transparency, objectivity and non-discrimination, the Contracting Entity shall disclose to all participants having submitted a Bid (Supplementary Bid) for packages "A", "B", "C", "D", "E" and "F" all of the commitments for each assessment criterion and category defined in Section 4.2 having received the highest scores pursuant to Section 4.2 in its call for Counterbids, concealing any information on the identity of participants. For Packages "G" and "H", the Contracting Entity shall only disclose the commitments for the assessment criteria defined in Section 4.2.1.4. a) and b) having received the highest scores pursuant to Section 4.2 for the Package(s) affected by the Bids (Supplementary Bids), and the assessment criteria defined in Section 4.2.1.5. a) in case of Package "I".

Participants shall have 7 (seven) days from the receipt of the Contracting Entity's call to make their Counterbid. In the case of Counterbids for Packages "A", "B", "C", "D", "E", "F" and "G", the price offered as specified on the bidding sheet must be at least HUF 25,000,000 (twenty five million forints) higher than the price offered in the applicant's Bid for the same Package, and it must be at least HUF 5,000,000 (five million forints) higher in the case of Counterbids for Packages "H" and "I"; moreover, in case of

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Counterbids for Packages “A”, “B”, “C”, “D”, “E”, “F”, “G” and “H”, it must be a multiple of twenty-five million, while in the case of Package “I”, it must be a multiple of five million.

The deadline defined for placing the Counterbid is peremptory; after expiry of the deadline, no extension is possible.

For Packages “D”, “E” and “F”, the Contracting Entity shall not issue a call for Counterbids to a participant whose Bid or Supplementary Bid for any one (or more) of Packages “D”, “E” and “F” has been awarded the maximum of 100 points based on the assessment specified in Section 4.2.1 while specifying the maximum amount for the fee offered and 0 (zero) months (immediate payment) as regards the commitment for payment deadline. Simultaneously with its sending out Calls for Counterbids — to affected participants —, the Contracting Entity shall inform this participant that Calls for Counterbids for the Package(s) sought to be acquired by the participant of Packages “D”, “E” and “F” have been sent out.

The validity of Counterbids is governed by the rules applicable to the Bids, with the exceptions set out in the Documentation. In their Counterbids, applicants cannot make less favourable offers for any of the evaluation criteria or parameter set out in their respective Bid or Supplementary Bid, and the Counterbid must include at least one commitment more favourable than that offered for a criterion or assessed parameter included in the Bid or Supplementary Bid.

If, even following a rectification that is permissible according to the Documentation, a Counterbid fails to meet the pertaining substantive requirements, the Contracting Entity shall leave the applicant’s given Counterbid ignored without rendering its Bid invalid in terms of substance. In this case, the Contracting Entity shall assess the applicant’s Bid or Supplementary Bid as specified in Section 4.2.1 herein.

Before the administrative contract set out in Section 4.4 is concluded, an applicant may not modify or withdraw its Counterbid.

Should an applicant withdraw its Counterbid for any of the Packages before the decision concluding the tender procedure, the Contracting Entity shall apply the legal consequences defined under Section 3.9, while repeating the assessment of Bids as

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per Section 4.2.1, leaving the applicant's withdrawn Counterbid ignored and assessing the applicant's Bid or Supplementary Bid. Withdrawal of a Counterbid shall not abolish or amend the validity of other applicants' Counterbids.

### 4.2.3 Assessment of Counterbids

If, upon a call for Counterbids, no Counterbid is received for a given Package, the Contracting Entity shall establish the order of Bids for the Package at hand based on the assessment as per Section 4.2.1.

If, upon a call for Counterbids, a valid Counterbid is made for the Package concerned, the Contracting Entity shall repeat the assessment as set out in Section 4.2.1 by taking the Counterbid into account for whichever applicant has submitted one, unless otherwise specified herein.

If, for any of Packages "G and "H", a call for Counterbids must be issued, the Contracting Entity shall send it out to applicants having submitted Bids for the Package at hand concerning only the price offered by the applicant (evaluation criterion a) under Section 4.2.1.4) as well as coverage and its scheduling (evaluation criterion b) under Section 4.2.1.4).

If the Counterbid directly affects the contents of the business plan submitted as part of the Bid, the participant shall also submit an amendment of the relevant section of the business plan. The Contracting Entity shall not assess the amendment to the business plan separately, only examining it in terms of substantive validity.

If valid Counterbids are submitted for Packages "G" and "H", the Contracting Entity shall repeat the assessment as set out in Section 4.2.1 by evaluating, for each applicant having submitted a Counterbid, the commitments undertaken in the Counterbid for criteria a) and b) under Section 4.2.1.4 and the commitment undertaken in the Bid for criterion c) under Section 4.2.1.4. The sum of points thus awarded for the given Package shall represent the total score of the applicant having submitted a Counterbid.

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If, for Package “I”, a call for Counterbids must be issued, the Contracting Entity shall send it out to applicants having submitted Bids for the Package at hand concerning only the price offered by the applicant (evaluation criterion a) under Section 4.2.1.5).

If the Counterbid directly affects the contents of the business plan submitted as part of the Bid, the participant shall also submit an amendment of the relevant section of the business plan. The Contracting Entity shall not assess the amendment to the business plan separately, only examining it in terms of substantive validity.

If valid Counterbids are submitted for Package “I”, the Contracting Entity shall repeat the assessment as set out in Section 4.2.1 by evaluating, for each applicant having submitted a Counterbid, the commitments undertaken in the Counterbid for criterion a) under Section 4.2.1.5 and the commitment undertaken in the Bid for criterion b) under Section 4.2.1.5. The sum of points thus awarded for the given Package shall represent the total score of the applicant having submitted a Counterbid.

### 4.3. Selection of the winner

In case of a successful tender procedure, in its substantive resolution closing the tender procedure the Contracting Entity determines the winner(s) of the Tender for each Package.

The Contracting Entity shall bring a consolidated resolution in respect of each Package subject to the tender procedure.

The Contracting Entity shall notify each participant of the tender procedure about its decision concluding the procedure, and publish the decision on its website.

Redress against the tender procedure shall be governed by the provisions of the Electronic Communications Act and the Administrative Procedures Act.

The winner may be selected only from among applicants that, from the submission of their application, have continuously complied with the conditions set out in the Documentation and in the Decree on the rules of auction or tender. In case of each

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Package, only participants not subject to the restriction on frequency acquisition as per Section 2.2 at the time of the decision may be pronounced winners.

If, for any of the Packages available, no call for Counterbids is required, the Contracting Entity shall establish the winner, for each individual Package, based on the applicants' ranking of their Bids as per Section 4.2.1, in accordance with the rules set out under this Section. In case of a Counterbid, the Contracting Entity shall establish the relative ranking of Applications for each Package based on the procedure outlined under Section 4.2.3

Unless otherwise specified in the Documentation, the applicant having submitted the highest-scoring Application based on Section 4.2.1 shall be declared winner for the Package at hand.

If, for any of the Packages available, at least two of the highest-scoring Bids end up having a tied score and the procedure specified in Sections 4.3.1 and 4.3.2 cannot be applied, or a winner cannot be established according to the rules set out in said Sections, the Contracting Entity shall determine the winner of the Package concerned by way of a draw of lots, held in the presence of a notary.

Should a draw of lots become necessary, the Contracting Entity shall notify the affected participants at least 5 (five) days in advance.

Representatives of participants (up to four people per applicant) may be present at the draw. Attendees shall provide proof of identification, and those representing a legal entity, sole entrepreneur or other registered organisation shall submit an original copy of the officially signed proxy letter authorising representation (for participating at the draw) to the Contracting Entity.

The legal representative of the participant may certify its representation rights with a certificate of incorporation no older than 30 (thirty) days, an authority certificate or document officially corroborating the lawful representation right.

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If the person intending to attend the draw is doing so on behalf of a natural person or sole entrepreneur, they shall submit an original copy of the officially signed proxy letter (for attending the draw) to the Contracting Entity.

#### 4.3.1. Special rules on determining the winner for Packages “A”, “B” and “C”

In case of Packages “A”, “B” and “C”, the Contracting Entity shall first examine, based on the ranking established pursuant to Section 4.2.1, whether any of the participants can be considered winner of several Packages pursuant to Section 4.3, i.e. is there any participant having submitted the highest-scoring Application (including ties) for at least two among Packages “A”, “B” and “C”. If so, the Contracting Entity shall proceed in line with Section 4.3.1.1 and first establish the winner(s) for Packages “A”, “B” and “C” with reference to the concerned Packages.

If none of the participants would violate the restrictions on spectrum acquisition set out in Section 2.2 in case of a winning Bid, the Contracting Entity shall determine the identity of the winner based on the ranking established pursuant to Section 4.2.1, with the winner of the Package being the participant having submitted the highest-scoring Application based on the ranking. If there is a tied score between Applications for one or more Packages based on the ranking established pursuant to Section 4.2.1 for Packages “A”, “B” and “C”, the Contracting Entity shall proceed according to Section 4.3.1.2.

##### 4.3.1.1. *Determining the winner in line with the restrictive rules on spectrum acquisition*

If an applicant has made the best (highest ranking) Bid for at least two of the Packages “A”, “B” and “C” (including cases where its Application scores highest in a tie), in other words, based on the scores defined a single applicant would acquire more than one of Packages “A”, “B” and “C” contrary to the restriction defined under Section 2.2 of the Documentation, the Contracting Entity shall determine the Package to be obtained by the winner as follows:

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The Contracting Entity verifies whether there is any Package for which only the specific applicant submitted a valid Bid among the ones the applicant's Bid has the highest score for.

- a) If there is a Package for which only the given participant submitted a valid Application, the Contracting Entity shall pronounce the participant as the winner of that particular Package. If there are several Packages for which only the given participant submitted a valid Application, the Contracting Entity shall pronounce the participant as the winner of the Package indicated as the preferred Package in the participant's earlier declaration as per Section 3.16. As for the remaining Packages, i.e. the ones for which the same participant submitted the best (highest ranking) Application, the Contracting Entity shall re-assess the remaining Bids in accordance with Section 4.2.1, ignoring the Bid by the applicant pronounced winner as above. The Contracting Entity then determines the winner for the Package at hand based on the ranking of the remaining Bids as per Section 4.2.1.

If following re-assessment of the remaining Applications an applicant ends up having the best Bid for every remaining Package (including cases where its Application scores highest in a tie), that is, based on the scores established and contrary to the restriction set forth in Section 2.2, the same applicant would be selected as winner for more than one Package, the Contracting Entity shall proceed in accordance with the this Section and the general rules set out in Section 4.3.1.

- b) If at least one additional valid Bid is submitted for each Package concerned, the given applicant will be pronounced the winner of the Package indicated as the preferred package by the applicant in its earlier declaration as per Section 3.16.

For the rest of the Packages concerned, i.e. the ones for which the same participant submitted the best (highest ranking) Application, the Contracting Entity shall re-assess the remaining Bids in accordance with Section 4.2.1, ignoring the Bid by the applicant pronounced winner as above. The Contracting Entity then determines the winner for the Package at hand based on the ranking of the remaining Bids as per Section 4.2.1. If, following re-assessment

of the remaining Applications an applicant ends up having the best Bid (including cases where its Application scores highest in a tie) for every remaining Package, that is, based on the scores established and contrary to the restriction set forth in Section 2.2, the same applicant would be selected as winner for more than one Package, the Contracting Entity shall proceed in accordance with this Section and the rules set out in Section 4.3.1.

*4.3.1.2. Procedure in case of a tied score for Packages “A”, “B” and “C”*

2. This procedure is only applicable if a tie emerges in the case of one or more Packages of Packages “A”, “B” and “C” in such a manner, that the applicant with the highest score with a tie would win only one of Packages “A”, “B” and “C” if it was selected the winner. the same applicant would be selected as winner for more than one Package the winner for each Package shall be selected according to the rules set out in Section 4.3.1.1.
3. If there is a tied score between Applications for one or more Packages based on the ranking established pursuant to Section 4.2.1 for Packages “A”, “B” and “C”, the Contracting Entity shall first establish the identity of the winner for the Package for which the highest-scoring Application was submitted. In case of Applications with identical highest scores, the Contracting Entity shall decide by draw which of the Packages it will first establish the identity of the winner for. Section 4.3 sets out the rules governing the draw. The identity of the winner shall be determined pursuant to items a) or b) by the Contracting Entity as follows:
  - a) If there is no tie in scores based on the ranking for the first Package to be examined, i.e. a single Application leads the ranking drawn up according to Section 4.2.1, the Contracting Entity shall determine the identity of the winner of the given Package pursuant to Section 4.3.  
Afterwards, for any other Packages where the winning participant – in respect of the given Package – is also deemed to be participant pursuant to this Section, the Contracting Entity shall reassess the Applications as per Section 4.2.1, ignoring the Application of the participant having been pronounced as the winner pursuant to this Section. The Contracting Entity shall establish the winner for each remaining Package based on the relative ranking of the

Applications as per Section 4.2.1. If there is a tied score between Applications for any of the remaining Packages based on the ranking, the Contracting Entity shall establish the identity of the winner for the Package for which the highest-scoring Application was submitted. In case of Bids with identical highest scores, the Contracting Entity decides by draw in which of the concerned Packages it determines first the winner. The rules of the draw are set out in Section 4.3. Next, the Contracting Entity shall determine the winner according to points a) or b) below.

If there is a tied score based on the ranking established pursuant to Section 4.2.1 for the first Package to be examined, the Contracting Entity shall examine the declarations of preference as specified in Section 3.16 made by the participants having submitted the Applications, and the winner of the Package examined first shall be the participant having ranked the particular Package first in its order of preference. In case of a tie in the orders of preference or if any of the participants submitting the highest ranking Applications made its Bid (Supplementary Bid) for only one of Packages "A", "B" or "C" and therefore did not define a preferential ranking as per Section 3.16, the Contracting Entity shall establish the winner by draw. Section 4.3 sets out the rules governing the draw. Afterwards, for any other Packages where the winning participant – in respect of the given Package – is also deemed to be a participant pursuant to this Section the Contracting Entity shall reassess the Applications as per Section 4.2.1, ignoring the Application of the participant having been pronounced as the winner pursuant to this Section. The Contracting Entity shall establish the winner for each remaining Package based on the relative ranking of the Applications as per Section 4.2.1. If there is a tied score between Applications for any of the remaining Packages based on the ranking, the Contracting Entity shall establish first the identity of the winner for the Package for which the highest-scoring Application was submitted. In case of Bids with identical highest scores, the Contracting Entity decides by draw the Package for which it first determines the winner among those concerned. Section 4.3 sets out the rules governing the draw. Next, the Contracting Entity shall determine the identity of the winner pursuant to this Section according to point a) above or this point b).

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***4.3.1.3. Procedure to be followed for Packages “A”, “B” and “C” if Bids (Supplementary Bids) are received for all packages, but no winner can be selected for any of the Packages by the Contracting Entity***

The procedure specified herein only applies if all of the following conditions have been met:

- a) a Bid or a Supplementary Bid in the context of the call for Supplementary Bids as per Section 3.24 has been submitted as part of the Application for each of Packages “A”, “B” and “C”; furthermore,
- b) at least three applicants/participants have submitted Bids in the context of Application or Supplementary Bids as per Section 3.24 for Packages “A”, “B” and “C”; and
- c) no winner could be determined for at least one of Packages “A”, “B” and “C” based on the rules defined in Sections 4.3, 4.3.1, 4.3.1.1 and 4.3.1.2 (hereinafter: remaining Packages).

If the above case is established by the Contracting Entity following the assessment of Bids, Supplementary Bids and Counterbids for Packages “A”, “B” and “C”, it shall proceed as follows.

**4.3.1.3.1** In case of one remaining Package, the Contracting Entity shall, for Packages ‘A’, ‘B’ and ‘C’, verify whether there is any non-winning participant who - parallel with submitting its Bid - declared in line with Section 3.16 point 2) d) to intend to acquire the particular Package for which no winner could be announced according to the scenario set out in Section 4.3.1.3.

- a) If there is only one such participant, the Contracting Entity shall declare it the winner of the remaining Package.
- b) If there are several such participants, the Contracting Entity shall select the winner of the remaining Package by draw. Section 4.3 sets out the rules governing the draw.

**4.3.1.3.2** If there are two remaining Packages, the Contracting Entity shall, for Packages ‘A’, ‘B’ and ‘C’, verify whether there is any non-winning participant who –

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parallel with submitting its Bid – declared in line with Section 3.16 point 2) d) to intend to acquire any of the particular packages for which no winner could be announced in the case defined in Section 4.3.1 and according to the rules defined in Sections 4.3, 4.3.1, 4.3.1.1 and 4.3.1.2.

a) If there is only one such participant, and its declaration as per Section 3.16. point 2 d) only applies to one remaining Package, the Contracting Entity shall declare it the winner of the remaining Package at hand.

b) If there is only one such participant; though, its declaration as per Section 3.16. point 2 d) applies to both remaining Packages, the Contracting Entity shall set a three (3) day deadline for the participant to specify which one of the remaining Packages it intends to acquire. The Contracting Entity shall then declare the participant the winner of the remaining Package thereby specified. The deadline defined for the declaration shall lose effect; after expiry of the deadline, no request for certification may be submitted. Should the participant fail to or inadequately or belatedly comply with the declaration notice, the Contracting Entity shall award one of the remaining Packages to the participant by draw. Section 4.3 sets out the rules governing the draw.

c) If there are several such participants, the Contracting Entity shall assess whether there is any remaining Package for which only one participant submitted a declaration as per Section 3.16. point 2 d).

If there is a remaining Package for which only one participant submitted a declaration as per Section 3.16. point 2 d), the Contracting Entity shall declare this participant as the winner of the Package concerned. As regards the other remaining Package, the Contracting Entity shall disregard the declaration as per Section 3.16. point 2 d) of the participant having thus been named as the winner and determine the winner based on points a) or b) of Section 4.3.1.3.1.

If there is no remaining Package for which only one participant has submitted a declaration as per Section 3.16. point 2 d) (in other words, there are several participants having submitted, for either of the two remaining Packages, declarations as per Section 3.16. point 2 d) that cannot be declared as the winner of any of Packages 'A', 'B' or 'C'), the Contracting Entity shall decide by draw which of the remaining Packages it will

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award first, the winner of which shall also be selected by draw. Section 4.3 sets out the rules governing the draw. As regards the other remaining Package, the Contracting Entity shall disregard the declaration as per Section 3.16.2 d) of the participant having thus been named as the winner and determine the winner based on points a) or b) of Section 4.3.1.3.1.

#### 4.3.2. Special rules for determining the winner for Packages “D”, “E” and “F”

After establishing rankings for Packages “D”, “E” and “F” in the 1800 MHz band, the identity of the winner and the specific basic blocks 4, 5 and 6 as specified in Annex 2 of the Decree on the establishment of the rules relating to the usage of frequency bands, obtained according to Section 2.2 shall be determined by taking the following rules into account:

- If, for any of Packages “D”, “E” and “F”, the applicant having been awarded the highest score already holds rights of use of frequencies in the 1800 MHz band, the Contracting Entity — in line with the principle of block continuity — shall identify the basic block immediately adjacent to the block already in use as the one belonging to the Package, and declare its winner accordingly.
- If, for at least two of Packages “D”, “E” and “F” the applicant having been awarded the highest score already holds rights of use of frequencies in the 1800 MHz band, the Contracting Entity — in line with the principle of block continuity — shall identify the basic block immediately adjacent to the block already in use and its adjacent-frequency basic block(s) as the obtained Package(s), and declare the winner of these Packages accordingly.

If there is a tied score between Applications for any of the Packages defined in this Section based on the ranking established, the Contracting Entity shall establish the identity of the winner for the specific Package by draw. Section 4.3 sets out the rules governing the draw.

## 4.4. Administrative Contract

With the exception of the cases listed in Sections 3.10.2 and 3.10.3, in accordance with the conditions set forth in Section 21 (9)–(10) of the Decree on the rules of auction or tender and Article 55 of the Electronic Communications Act, the Contracting Entity concludes a separate administrative contract with each winner in the framework of an individual administrative proceeding.

Within five (5) days of notifying the winner(s) of the substantive resolution closing the tender procedure and determining the winner, the Contracting Entity launches an administrative procedure for the conclusion of a contract with the winner(s). The administrative deadline of the procedure is forty-five (45) days, which cannot be extended. If the winner does not take part in the administrative procedure aimed at the conclusion of the administrative contract, or hinders the conclusion thereof — including the Winning Bidder's withdrawal of its Application (or Bid, Supplementary Bid or Counterbid) —, the administrative contract cannot be concluded past the administrative deadline. In this case, the Contracting Entity shall terminate the procedure on the forty-fifth (45th) day following the commencement of the procedure. No request for certification may be submitted in the procedure.

If a judicial review was initiated in respect of the resolution passed in relation to the appeal against the substantive resolution closing the tender procedure, the administrative contract may not be concluded until the binding decision of the court. The duration of the judicial review is not included in the deadline for the administrative procedure aimed at the conclusion of the administrative contract.

If the participant pronounced as the winner for any Package in the decision specified in Section 4.3 does not take part in the procedure aimed at concluding the administrative contract, or hinders the conclusion thereof — including withdrawal of its Bid made for a given Package — and the Contracting Entity terminates the procedure aimed at concluding the administrative contract, the Contracting Entity shall then pronounce the participant having submitted the second highest-ranking Bid for the given Package in the ranking established pursuant to Section 4.2.1 as the new winner of the Package, provided that the participant is not subject to the restrictions on frequency acquisition

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set out in Section 2.2. Should the participant fall under the frequency acquisition restriction set out in Section 2.2, the Contracting Entity shall pronounce the next participant in the ranking established according to Section 4.2.1 and not falling under any of the restrictions on frequency acquisition set out in Section 2.2 as the winner. (In case of identical scores between the Bids with the next highest score after the winning Bid, the Contracting Entity determines the winner by a draw. The rules of the draw are set forth in Section 4.3). Following the entry into force of the new decision, the new winner shall pay the full tender price offered by it to the Contracting Entity's bank account at the latter's request under the conditions specified in Section 5.1. The stipulations of this Section shall be applied to the conclusion of the administrative contract with the new winner.

Pursuant to Article 55 of the Electronic Communications Act and Article 76 of the Administrative Proceedings Act, the administrative contract shall include in particular the contracting parties' personal details and the data required for the performance of the contract, the subject of the contract, the parties' method of keeping contact, the grounds for and instances of termination, conduct deemed as breach of contract and its legal consequences. Furthermore, in line with the Documentation and the winner's application, any decision, provision and condition related to the content and subject of the tender procedure, the spectrum licence fee including its extent and terms of payment, the conditions for acquiring spectrum licences and the rights and obligations associated with the licences that are outside of the scope of the resolution closing the tender procedure, as well as the frequency and order of verification of contract compliance, shall also be featured in and form a part of the contract. The administrative contract contains a commitment undertaken by the parties stating that for the technologies for which table 2.1 of Annex 2 to the Documentation does not specify any coverage signal levels, the parties shall amend the administrative contract prior to deploying the technology used, stating that an agreement has been reached on the coverage signal levels and the rules governing their measurement.

In accordance with Section 3.12 a), the winner may not be required to undertake any commitment or obligation under the administrative contract other than those specified in the Electronic Communications Act, the Decree on the rules of auction or tender, the Documentation, the Notice and its Bid.

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In the event that the winning applicant withdraws its application or its Bid, Supplementary Bid or Counterbid for the Package obtained following issuance of the decision under Section 4.3, or fails to conclude the administrative contract, the Authority may impose a procedural fine defined in Section 3.9 of the Documentation. In addition to imposing the procedural fine, the Authority may also require the winner to bear all costs stemming from the withdrawal of its Application or Bid (Supplementary Bid or Counterbid) and from impeding the conclusion of the administrative contract.

By the acquisition of a spectrum licence the winner of the tender procedure obtains exclusive rights to initiate a procedure for the issuance of the administrative licenses required for the use of the acquired frequency blocks within the time period defined in Section 5.2 from the entry into force of the substantive resolution closing the auction procedure.

Pursuant to Section 22 (2) c) of the Decree on the rules of auction or tender, the date of acquisition of the aforementioned exclusive right is the effective date of the administrative contract.

The condition for the issuance of the administrative licenses required for the use of the frequency is the conclusion of the administrative contract with the winning applicant.

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#### 4.5. Declaration of the tender procedure as unsuccessful

The tender procedure will be deemed unsuccessful if all submitted Applications and Bids are invalid in terms of form or content.

The Contracting Entity notifies each applicant of its decision to pronounce the tender procedure unsuccessful, and also publishes the decision on its website.

Rules of redress against the decision pronouncing the tender procedure unsuccessful are contained in the Act on Electronic Communications and the Act on the General Rules of Administrative Proceedings and Services.

#### 4.6. Annulment of the tender procedure

In cases set out under Section 20 (1) of the Decree on the rules of auction or tender, the Contracting Entity annuls the procedure by way of an order.

## V. OBLIGATIONS RESULTING FROM THE ACQUISITION OF RIGHTS OF USE OF FREQUENCIES

The Contracting Entity oversees full compliance with and performance of the stipulations set out in the administrative contract specified in Section 4.4 in the context of an administrative supervisory procedure.

The licensee must comply with the conditions attached to the acquisition of rights of use of frequencies, the commitments undertaken in its Bid (Supplementary Bid, Counterbid), and the regulations pertaining to electronic communications during the entire term thereof, and if it fails to comply with any condition, the legal consequences set out in the Act on Electronic Communications and the administrative contract respectively shall apply.

### *5.1. Conditions for the payment of the total tender price*

The winner of the tender procedure is obliged to pay the total tender price as per the following.

Within 10 (ten) days following the entry into force of the resolution concluding the tender procedure, the winning applicants of Packages “A”, “B”, “C”, “G”, “H” and “I” shall transfer the total tender price, that is, the amount corresponding to the price offered in its Bid, to the Contracting Entity’s bank account.

Within 10 (ten) days following the entry into force of the resolution concluding the tender procedure, the winning applicants of Packages “D”, “E” and “F” shall transfer the tender price, as the first instalment, to the Contracting Entity’s bank account. The second instalment — the difference between the total tender price and the price offered by the winner of Packages “D”, “E” and “F — shall be paid to the Contracting Entity’s bank account as set out in the Bid (Supplementary Bid, Counterbid) but not later than within ten days plus the number of days undertaken in the Bid from the entry into force of the resolution concluding the tender procedure.

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The total tender price shall be transferred to the Contracting Entity's separate concession account numbered 10032000-00300939-00000031 held at the Hungarian State Treasury, with the remark "Total tender price for Package "...".

In the event of late payment, the Contracting Entity is entitled to charge a late payment interest as per the New Civil Code of Hungary 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 bond submitted as performance cover by the participant as per Section 3.15; moreover, the Contracting Entity is also entitled to impose a procedural fine.

## *5.2. Frequency assignment, radio license, distribution of equipment*

Pursuant to the Act on Electronic Communications and NMHH Decree 7/2012 (I.26.) on certain administrative procedures of civil frequency management (hereinafter: Decree on civil frequency management), the winner of the Tender must obtain the following administrative licences for the lawful utilisation of the acquired rights of use of frequencies:

- a) frequency assignment for the deployment of a radio communications system for the Package defined in the resolution granting the rights of use of frequencies for the territory of Hungary, and
- b) a framework license for the base stations to be deployed, containing the general conditions for network operation, without the specific parameters of the stations.

In order to facilitate the resolution of the case for the mutual benefit of public interest and the client, in administrative matters related to frequency assignment and radio licenses the Contracting Entity may conclude an administrative contract with the client instead of passing a resolution.

If a consortium submitting a Joint Application emerges as the winner of the Tender, the request for the issuance of the licenses required for the frequency use shall be submitted by the consortium member designated by the consortium members as per

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Section 3.10.1 point c) or by the business organisation established by the consortium members as per Section 3.10.2.

The first base station may only be commissioned following the entry into force of the framework licence. Based on the frequency assignment, the winner of the tender procedure (or, in case of a winning consortium, the authorised person specified in the administrative contract) shall request the framework license for each Package and band the latest before commissioning the first base station of the network in the given band. When submitting to the Contracting Entity its application for a framework licence, the winner of the tender procedure shall take into account the statutory administrative time period in the licensing procedure, as well as any applicable deadlines stipulated in legislation.

No further radio licenses are to be required for the commissioning of stations, but detailed data on each station must be provided to the Contracting Entity electronically, in the format defined by the Contracting Entity, via the PcHIF/PC Data Exchange application (<http://www.nmhh.hu/tart/index/330/Electronic>).

As part of its reporting obligation, the applicant shall inform the Authority about the selected technology to be used, within one month following its acquisition of the rights of use in the case of a technology upgrade, or within one month following the launch of the technology selected. In addition to naming the technology, the actual nominal channel spacing and the channel centre frequency must also be provided.

The Contracting Entity registers the stations with their pertaining installation and broadcasting parameters in line with the framework radio license, and will deny registration in case of non-conforming parameters, notifying the affected party thereof in a resolution. The Contracting Entity verifies compliance with the license in the context of an administrative supervisory procedure.

User stations are exempted from individual licensing obligations.

Station installation and deployment are subject to planning, with the pertaining deployment and broadcasting parameters defined in the course of planning. Plans do not have to be presented or submitted to the Contracting Entity; however, upon the

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request of the Contracting Entity the detailed documents of plans of both operating and formerly operating stations must be made available within 5 (five) days in a signed hard copy.

In the event that the winning applicant (including the winning consortium) fails to fulfil its obligation related to the issuance of the administrative licenses required for the use of the acquired frequencies as defined herein, in its resolution the Contracting Entity will terminate the administrative contract with immediate effect.

The licensee's rights of use of frequencies will cease to exist automatically as of the effective date of the resolution on termination with immediate effect or as of the date it becomes enforceable.

The following regulation is applicable to the market introduction and utilisation of radio communication equipment:

- a) base station and forwarding equipment must be reported to the Contracting Entity for registration;
- b) radio communications terminal equipment does not need to be reported to the Contracting Entity if harmonised radio equipment is put into operation in the frequencies constituting the subject of the procedure (Annex 4 of the Decree on the establishment of the rules relating to the usage of frequency bands).

### *5.3. Extent of the band fee, terms of payment and subsidies for investments*

Throughout the validity period of the rights of use of frequencies, use of the pertaining frequencies is subject to a fee (hereinafter: band fee). The band fee shall be payable for the period starting with the acquisition date of the rights of use of frequencies, which, pursuant to Article 22 (2) c) of the Decree on the rules of auction or tender, also constitutes the administrative contract date as per Section 4.4 herein.

Detailed rules on establishing the amount of the band fee and its terms of payment, are contained in the administrative contract, Section 4.4.

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When establishing the band fee, due attention has to be paid to the regulatory framework and underlying principles of legislative provisions concerning the definition of fees payable for the use of radio frequencies as well as to guaranteeing a proportionate and justified band fee, which reflects the requirement of optimal resource utilisation as set forth under the Act on Electronic Communications while also ensuring that targets in spectrum management can be met.

The Contracting Entity shall furthermore pay due attention to the objective, also defined in European Union law, of preventing unwarranted discrimination between enterprises that offer electronic communications services and operate under similar conditions.

Taking the principles of proportionality and equal treatment into account, the band fee payable shall be, in each frequency bands concerned, the product of a unit price of HUF 7,500 per kHz per month and the amount of frequencies acquired within a given Package, multiplied by the band multiplier applicable to the frequency band at hand, with the proviso that the band fee stipulated in the administrative contract, for any of the frequency bands concerned, may not be less than the product of the unit price of HUF 7,500 per kHz per month and the amount of frequencies acquired in the given Package, multiplied by the minimum multiplier values featured in the table "Minimum band multipliers" below.

Minimum band multipliers:

Frequency band	Multiplier
800 MHz	1
900 MHz	0.5
1800 MHz	0.25
2600 MHz	0.15

In the context of the administrative proceedings aimed at the conclusion of administrative contracts, the Contracting Entity shall consider the minimum band multipliers as the basis of negotiations. In administrative contracts, any band multiplier higher than the respective minimum or any other unit price may only be stipulated

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based on the concerning offer by the winners of individual Packages. In the administrative proceedings aimed at the conclusion of administrative contracts with the winners of Packages forming the subject of the tender procedure, the Contracting Entity shall establish identical band fees for all winning participants having acquired rights of use of frequencies within the same frequency band in accordance with the principle of equal treatment.

In accordance with the detailed terms of payment set forth in the administrative contract as per Section 4.4 herein, the band fee shall be paid each month, upon the invoice issued by the Contracting Entity, via bank transfer to the Authority's bank account held at the Hungarian Treasury under account no. 10032000-00300939-00000017.

#### *5.4. Conditions for the secondary trading of spectrum licences*

Rules pertaining to the secondary trading of spectrum licences are set out in the Decree on the establishment of the rules relating to the usage of frequency bands and the Decree on secondary trading.

#### *5.5. Statutory amendment to the administrative contract pertaining to the spectrum licence, for efficient frequency band use*

Solely in particularly warranted cases, for the sake of efficient band use, the Contracting Entity is entitled to amend the administrative contract pertaining to the spectrum licence unilaterally; thus, in particular — by providing timely notification and without significant prejudice to the winning participant's interests, with due consideration for Article 84 (8) of the Electronic Communications Act and in compliance with the prevailing legislative requirements and any obligations, both international and those stemming from Hungary's membership in the European Union —, it is entitled to review the band limits of the frequency bands constituting the subject of the spectrum licence and the size and configuration of the basic blocks and user blocks; moreover, to withdraw or amend the conditions of band use, for any of the following reasons:

- a situation has emerged in the Hungarian electronic communications market that impedes broader access affecting a wide range of consumers, users and subscribers and fostering the development of information society, the appearance and development of technologies or services allowing greater choice and/or more accessible and higher standard opportunities at a competitive price, that cannot be resolved amid reasonable conditions without applying the aforementioned measures;
- with regard to provisions related to spectrum regulation stemming from international obligations applicable pursuant to Hungarian law; or
- with regard to primary or secondary sources of European Union law governing the implemented spectrum regulation.

### *5.6. Ensuring coexistence of networks without interference*

If made necessary by the possible interferences occurring in the operation of networks established with the use of frequency bands forming the subject of the Tender (especially by "adjacent channel" interference, issues of overloading in amplified broadband television antennae installed within the proximity of mobile base stations), related to the use of frequency bands (in particular the 800 MHz band) the Contracting Entity may, in order to prevent or eliminate interferences and depending on the frequency and nature of said interferences, apply measures and obligations set out in the Act on Electronic Communications and the NMHH Decree on civil frequency management (in particular: the definition of requirements for the elimination of interference, prescribing the obligation of negotiation, cooperation and notification, establishment of special rules for the management of complaints), and may also initiate the amendment by mutual consent of the administrative contracts as per Section 4.4 that have been concluded in relation to the rights of use of the frequency band affected by interference.

By way of advance notice, the Contracting Entity shall inform all those parties about its intention to amend their respective administrative contracts whose rights of use of frequencies acquired as a result of the current tender procedure may be affected by interference. The Contracting Entity and the affected winners shall negotiate in good faith in order to reach an optimal solution in amending the contract and eliminating

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harmful interference. If, within 60 (sixty) days following a licensee's receipt of the Contracting Entity's notice, the negotiations end without accord, the Contracting Entity shall be entitled to unilaterally amend the affected administrative contracts, taking the principles of necessity and proportionality into account. Said unilateral contract amendment may only contain provisions intended to ensure the coexistence of networks without interference.

### *5.7. Cooperation in during classified periods and in the interest of national defence*

Entities having obtained rights of use of frequencies shall comply with the provisions set out in the Act on Electronic Communications and other legislation regarding qualified periods and cooperation with state organisations in the interest of national defence. The use of certain frequency bands may be restricted during qualified periods.

### *5.8. Cooperation for the purposes of gathering confidential information*

Entities having obtained rights of use of frequencies shall comply with the relevant provisions set out in the Act on Electronic Communications, Act CXXV of 1995 on National Security Services and Government Decree 180/2004 (V. 26.) on the rules of cooperation between the organisations performing electronic communications tasks and the organisations authorised to collect confidential information and obtain confidential data.

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### ***5.9. Data disclosure***

Entities having obtained rights of use of frequencies shall disclose to the Contracting Entity any data necessary for performing the tasks within the competence of the Contracting Entity and defined in relevant legislation in the manner and with the conditions set forth in legislation, even if such data qualifies as trade secret. Upon the entity's request, the Contracting Entity shall handle the data disclosed by the entity having obtained rights of use of frequencies confidentially and in line with data protection rules. Data disclosure to the Contracting Entity is free of charge. Entities having obtained rights of use of frequencies shall comply with the data handling rules set forth in legislation.

### ***5.10. Returning the rights of use of frequencies***

Upon the request of the holder of rights, the Contracting Entity shall withdraw the rights of use of frequencies.

If the participant issues a request for the withdrawal of the rights of use of frequencies obtained in the context of the tender procedure, the amount paid by the participant for the rights (in particular, the total tender price) will not be reimbursed.

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ANNEX NO. 1A

# Rules of Spectrum Management for the 790-821 / 832-862 MHz band

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NATIONAL MEDIA AND  
INFOCOMMUNICATIONS  
AUTHORITY • HUNGARY

Budapest, 22 May 2014

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## 1. FREQUENCY RANGES AVAILABLE FOR TENDER

### 1.1 Basic blocks available for Tender

Table 1.2 contains the six duplex basic blocks of 5 MHz within the 790–821/832–862 MHz band assigned for tender.

**Table 1.2**

Basic Block No.	Basic block width	Lower operating band	Upper operating band
1.	2x5 MHz	791–796 MHz	832–837 MHz
2.	2x5 MHz	796–801 MHz	837–842 MHz
3.	2x5 MHz	801–806 MHz	842–847 MHz
4.	2x5 MHz	806–811 MHz	847–852 MHz
5.	2x5 MHz	811–816 MHz	852–857 MHz
6.	2x5 MHz	816–821 MHz	857–862 MHz

### 1.2 Definition of user blocks

One user block comprises:

- a basic block, if this basic block or its adjacent basic blocks belong to a different licensee or the adjacent basic blocks do not belong to any licensee, or
- two or more adjacent basic blocks, if they belong to the same licensee

### 1.3 Prospective availability of frequency bands

The availability of frequency bands for electronic communications systems depends on the shutdown date of terrestrial television broadcasting stations operating in the 790–862 MHz band in the neighbouring countries.

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### 1.3.1 Impact of Hungarian television broadcasting stations on block availability

In line with the national digital switchover strategy, analogue terrestrial television broadcasting was terminated on 31 October 2013. This was followed by a migration of digital television stations operating in the 790-862 MHz band to the newly released analogue channels, a process that was completed by 31 December 2013 and thus freeing up said band for broadband electronic communications networks.

### 1.3.2 Impact of foreign television broadcasting stations on block availability

When designing the networks of systems suitable for electronic communications systems in the 800 MHz band and during station deployment, possible interferences from terrestrial television broadcasting stations operating in affected border zones in neighbouring countries should also be taken into account. In the planning phase, it is recommended to carry out measurements on site, as interference of television stations may not necessarily be detectable due to local geographic features in wave propagation and coverage.

Based on compatibility tests carried out by the Authority, interferences by high-power analogue broadcasting stations operating on channels 61 and 66 in Serbia, and by a Ukrainian digital broadcasting station operating on channel 61 should be considered. Roll-out obligations for the basic blocks concerned have been defined accordingly (refer to Table 1.2 in Annex 2). Results of the Authority's compatibility tests can be made available to licensees upon request.

For the location and main characteristics of television stations considered for compatibility, see Tables 1.3.2 a and b below. The NMHH will disclose the detailed technical parameters of the affected television stations to the licensee.

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**Table 1.3.2.a**

SERBIA – analogue television broadcasting stations						
Site	Channel	ERP (dBW)	Coordinates		Polarisation	Heffmax
SUBOTICA	61	57	019E38 00	46N06 00	H	150
CRVENI COT	66	58	019E42 30	45N09 06	H	536

**Table 1.3.2.b**

UKRAINE – digital television station						
Site	Channel	ERP (dBW)	Coordinates		Polarisation	Heffmax
KHUST	61	42	23E14 33	48N13 24	V	749

### 1.3.3 Expected shutdown date for television broadcasting stations operating in the 790-862 MHz band

National strategies concerning the utilisation of the 800 MHz band are still under preparation in a number of countries; the launch of broadband mobile services is nevertheless expected for the long term. For information about the expected termination of terrestrial television broadcasting in the 800 MHz band, see Table 1.3.3 below.

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**Table 1.3.3**

Country	Television system	Expected shutdown date of television broadcasting in the 790-862 MHz band	Notes
Hungary	analogue	–	
	digital	31 December 2013	
Serbia	analogue	17 June 2015 at the latest (as per the obligation undertaken in the GE06 Agreement)	The Authority shall notify licensees acquiring spectrum in the 800 MHz band about the closure of television stations operating in neighbouring countries.
Ukraine	digital	Anticipated for 17 June 2015 (under bilateral agreement, clarification needed)	

#### 1.4. *The technology used*

- a) Under Commission Decision 2010/267/EU and ECC Decision ECC/DEC/(09)03, the licensee acquiring spectrum in the 790-862 MHz range may deploy terrestrial systems capable of providing electronic communications services.
- b) As part of its reporting obligations, the licensee shall inform the Authority about the technology to be used within one month following its acquisition of the licence or, in the case of a technology upgrade, the roll-out date of the technology selected. In addition to the name of the technology, the actual nominal channel spacing and the channel centre frequency must be provided.

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## 2. FUNDAMENTAL REQUIREMENTS FOR FREQUENCY USE

### 2.1 Band characteristics

#### 2.1.1 Operating frequency bands

Duplex operating frequency band	791–821/832–862 MHz
Lower operating band	791–821 MHz
Upper operating band	832–862 MHz

#### 2.1.2 Guard band

790–791 MHz

Guard bands are to remain unused.

#### 2.1.3 Frequency bands of signal paths

**Table 2.1.3**

Signal path	Transmitter frequency band
end-user station – land station	upper band (uplink)
end-user station – repeater station	
repeater station – land station	
land station – end-user station	lower band (downlink)
land station – repeater station	
repeater station – end-user station	

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## 2.2 Technical requirements

### 2.2.1 Duplexity

- a) Duplex spacing: 41 MHz
- b) TDD systems shall not be used

### 2.2.2 Nominal channel spacing

a)	for UMTS systems	5 MHz
b)	for LTE systems	1,4 MHz, 3 MHz, 5 MHz, 10 MHz, 15 MHz or 20 MHz

### 2.2.3 Selection of channel centre frequency

Channel centre frequencies may be selected wherever permitted under relevant standards; however, near the edges of user blocks channels must be placed so as to ensure that the channel pertaining to the centre frequency falls entirely within the licensee's frequency block — applying the nominal channel spacing for the selected technology, the prescribed channel edge separation (if any) and requirements of frequency use within the user block—, unless otherwise agreed by licensees of adjacent user blocks.

### 2.2.4 Technical requirements on station operation

The emission limit at any frequency is given by the highest (least stringent) value of the baseline requirements, the transition requirements and in-block requirements applied to the user blocks.. In general and unless otherwise specified, the emission levels correspond to the power radiated by the relevant device irrespective of the number of transmit antennas, except in the case of transition requirements for base stations, which are specified per antenna.

#### *2.2.4.1. In-block requirements*

a) Technical requirements on land stations and the downlink path between repeater and end-user stations are as follows: the in-block EIRP cannot exceed 64 dBm/5 MHz in or within a one-kilometre radius of residential areas.

b) The maximum mean in-block power of end-user stations cannot exceed 23 dBm in uplink frequencies (to land stations and/or repeater stations).

This power limit is specified as EIRP values for land stations and as TRP values for mobile and transportable end-user stations. For isotropic antennas, the values for EIRP and TRP are equivalent. For operation under extreme environmental conditions and also taking the production spread into account, a maximum tolerance of +2 dB may be applied.

For specific deployments, such as fixed end-user stations in rural areas, deviation from end-user thresholds may be permitted provided that protection of other services, networks and applications are not compromised and cross-border obligations are fulfilled.

c) Values different from those defined in points a) and b) above may also be possible, provided suitable mitigation technologies, complying with Directive 1999/5/EC on radio equipment and telecommunications end-user equipment and the mutual recognition of their conformity and the Decree on radio equipment, electronic communications end-user equipment and the mutual recognition of their conformity, are used, the minimum protection level of which meets the values as per said points 2.2.4.1.a) and 2.2.4.1.b) herein.

#### *2.2.4.2. Out-of-block requirements*

a) For land stations and the downlink path between repeater station and end-user stations, the following out-of-block EIRP limits apply:

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**Table 2.2.4.2.a**

Frequency range of out-of-block emissions	Maximum average out-of-block EIRP	Measurement bandwidth
Frequencies for FDD uplink	-49,5 dBm	5 MHz

b) For land stations and the downlink path between repeater stations and end-user stations, the following out-of-block EIRP limits apply in the case of frequencies below 790 MHz:

**Table 2.2.4.2.b**

Case	Condition on land station and repeater station in-block EIRP (P = transmitter power) dBm/10 MHz	Maximum average out-of-block EIRP	Measurement bandwidth	
A	For TV channels where broadcasting is protected	$P \geq 59$	0 dBm	8 MHz
		$36 \leq P < 59$	$(P - 59)$ dBm	8 MHz
		$P < 36$	-23 dBm	8 MHz
B	For TV channels where broadcasting is subject to an intermediate level of protection	$P \geq 59$	10 dBm	8 MHz
		$36 \leq P < 59$	$(P - 49)$ dBm	8 MHz
		$P < 36$	-13 dBm	8 MHz
C	For TV channels without broadcasting protection	No conditions	22 dBm	8 MHz

Cases A, B, and C listed in Table 2.2.4.b can be applied per broadcasting channel and/or per region so that the same broadcasting channel may have different levels of protection in different geographic areas and different broadcasting channels may have different levels of protection in the same geographic area. The baseline requirement in case A applies in circumstances where digital terrestrial broadcasting channels are in

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use at the time of deployment of terrestrial systems capable of providing electronic communications services The baseline requirements in cases A, B or C may also be applied in circumstances where the relevant broadcasting channels are not in use at the time of deployment of terrestrial systems capable of providing electronic communications services It shall be taken into account that cases A and B reserve the option of bringing relevant broadcasting channels into use for digital terrestrial broadcasting at a future date, while case C is appropriate where there are no plans to bring the relevant broadcasting channels into use

### 2.2.4.3. Transitional requirements

- a) For land stations and the downlink path between repeater stations and end-user stations, the out-of-block EIRP limits per antenna over FDD downlink frequencies shall be as follows, for up to 4 antennas:

**Table 2.2.4.3.a**

Frequency range of out-of-block emissions	Maximum mean out-of-block EIRP	Measurement bandwidth
- 10 to - 5 MHz from lower user block edge	18 dBm	5 MHz
- 5 to 0 MHz from lower user block edge	22 dBm	5 MHz
0 to + 5 MHz from upper user block edge	22 dBm	5 MHz
+5 to + 10 MHz from upper user block edge	18 dBm	5 MHz
Remaining FDD downlink frequencies	11 dBm	1 MHz

- b) For land stations and the downlink path between repeater stations and end-user stations, the out-of-block EIRP limits per antenna over frequencies used as a guard band shall be as follows, for up to 4 antennas:

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**Table 2.2.4.3.b**

Frequency range of out-of-block emissions	Maximum mean out-of-block EIRP	Measurement bandwidth
Guard band between broadcasting band edge at 790 MHz and lower band edge (790-791 MHz)	17,4 dBm	1 MHz
Guard band (duplex) between lower band edge and upper band edge (821-832 MHz)	15 dBm	1 MHz

### *2.3 Use of radio frequencies in national border zones*

As for the use of radio frequencies in national border zones, only stations meeting prevailing relevant conditions set forth in international coordination documents may be permitted.

Future agreements and their subsequent amendments may supplement or override earlier agreements.

The Authority shall post extracts of these agreements on its website. If necessary and upon the applicants' written request, the Authority shall make available all relevant agreements, written in English, as PDF files.

Subject to an operator arrangement approved by the authorities of neighbouring countries, frequency use other than those specified in international coordination agreements may also be permitted. Under an operator arrangement, frequencies falling into common frequency bands may be used by domestic and neighbouring countries' operators differently from what is stipulated in agreements concluded by their respective authorities.

## 2.4 *Requirements of compatibility with cable communications services operating in the 800 MHz band*

In matters of compatibility between systems introduced and capable of providing electronic communications services in the 800 MHz band and cable communications networks already operating in the 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. In order to ensure seamless interoperability of cable TV networks and broadband mobile systems, full compliance with technical requirements (e.g. use of standard and EMC compliant, quality equipment, cables and modems, installation of connection points, use of appropriate receiver equipment) and a precise network design are required. For purposes of minimising interference, affected service providers shall take whatever steps 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 notice.

## 2.5 *Requirements to avoid interference to applications in adjacent frequency bands*

In order to avoid any possible interference issues between networks capable of providing electronic communications services in the 790-862 MHz band and terrestrial broadcasting networks operating in the bands below 790 MHz, the land stations and repeater stations must be designed and deployed so that the protection of broadcasting networks is ensured. For land stations and the downlink path between repeater stations and end-user stations, the out-of-block EIRP limit for digital television frequencies below 790 MHz shall be set, if necessitated by the protection of broadcasting stations, as the baseline requirement as listed in Table 2.2.4.2.b under case A. In order to assist with the design process, the Authority will disclose the detailed technical parameters of potentially affected television stations to the licensee. If, despite full compliance with applicable technical requirements, harmful interference occurs or there is reason to suspect its presence, all operators affected shall take action as needed and cooperate in eliminating interference within the possible shortest timeframe. Table 2.5 below

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contains the main characteristics of Hungarian stations operating in channel 60, which are most affected by interference.

**Table 2.5**

Stations operating in Hungary on channel 60								
Site	Ch..	ERP (dBW)	Coordinates		Polarisation	Antenna height (m)	Heff max (m)	Site elevation (m)
SZEGED	60	43	20E09 05.111	46N13 57.446	H	80	80	80
SZENTES	60	50	20E16 56.387	46N37 25.870	H	230	230	83
BATTONYA	60	15.6	21E01 49.700	46N18 27.200	H	50	51	99
FÜZÉRRADVÁNY	60	22	21E31 18.000	48N29 58.000	H	31	343	434
HOLLÓHÁZA	60	12.7	21E25 14.500	48N32 20.000	H	29	273	455
KAZINCBARCIKA	60	21.8	20E37 55.900	48N14 55.500	H	21	108	210
NYÍREGYHÁZA	60	33.8	21E42 58.000	47N56 51.600	H	55	64	110
SÁLY	60	11.7	20E38 01.500	47N57 42.000	H	31	168	271
SÁTORALJAÚJH.	60	21.7	21E37 55.300	48N24 05.800	H	30	439	505
TELKIBÁNYA	60	22.6	21E21 20.600	48N31 09.600	H	29	380	530

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TOKAJ	60	42.7	21E22 54.000	48N07 13.100	H	63	482	512
BARCS	60	29.5	17E25 46.400	45N57 28.300	H	49	49	105
KESZTHELY	60	26.1	17E15 22.500	46N47 50.700	H	29	144	220
NAGYKANIZSA	60	42.9	17E01 08.100	46N33 45.700	H	143	310	308

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ANNEX NO. 1B

# Rules of Spectrum Management for the 880-885.1 / 925-930.1 MHz band

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NATIONAL MEDIA AND  
INFOCOMMUNICATIONS  
AUTHORITY • HUNGARY

Budapest, 22 May 2014

The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

# 1. FREQUENCY RANGES AVAILABLE FOR TENDER

## 1.1. *Basic blocks of the tender*

Table 1.1 contains the five duplex basic blocks of 1 MHz assigned for tender in the 880-885.1/925-930.1 MHz band.

**Table 1.1**

Basic block number <sup>5</sup>	Basic block width	Lower operating band	Upper operating band
1.	2x1 MHz	880.1–881.1 MHz	925.1–926.1 MHz
2.	2x1 MHz	881.1–882.1 MHz	926.1–927.1 MHz
3.	2x1 MHz	882.1–883.1 MHz	927.1–928.1 MHz
4.	2x1 MHz	883.1–884.1 MHz	928.1–929.1 MHz
5.	2x1 MHz	884.1–885.1 MHz	929.1–930.1 MHz

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<sup>5</sup> The numbering scheme of basic blocks complies with the provisions of Section 9.6.1 under Chapter III (Annex 6) in NMHH Decree 8/2013 (IX. 19) of the National Media and Infocommunications Authority on establishing the rules of use for frequency bands available for civil purposes.

## 1.2. *Definition of user blocks*

One user block comprises:

- a basic block, if this basic block and its adjacent-frequency basic blocks sub-bands belong to a different licensee or do not belong to any licensee, or
- two or more adjacent-frequency basic blocks previously acquired sub-bands, if they belong to the same licensee.

Two types of user blocks are distinguished:

- nominal user blocks
- actual user blocks

The section of a nominal user block which may be used is the actual user block, the size of which essentially depends on the technology to be used, as well as on the level of protection of the adjacent-frequency user block or sub-band.

## 1.3. *Availability of frequency ranges*

Basic blocks are available for use once the pertaining frequency licence has been acquired. However, actual availability is subject to the re-banding<sup>6</sup> in the 900 MHz band but cannot be later than the end of the 18th month following the first business day after the licence acquisition date. Actual availability of basic blocks also depends on the technology used.

The actual availability of user blocks greatly depends on which of the licensees is under the obligation to set up a so-called separation band, within its own user block, for channel edge separation between its user block and the adjacent-frequency sub-band or frequency block. For the actual, technology-dependent availability of basic blocks and the technology-dependent separation band obligations, see Table 1.3

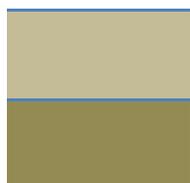
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<sup>6</sup> Administrative contract No. FG-58-808-2/2013 on the frequency licence involved in the spectrum auction for radio communications services provided in the 900 MHz band and on the related re-banding

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**Table 1.3**

Basic Block	Actual and unavailable sections of a basic block unless otherwise agreed by licensees of adjacent frequencies			
		0.2 MHz	0.6 MHz	0.2 MHz
1	GSM			
	LTE, UMTS WiMAX			
2	GSM			
	LTE, UMTS WiMAX			
3	GSM			
	LTE, UMTS WiMAX			
4	GSM			
	LTE, UMTS WiMAX			
5	GSM			
	LTE, UMTS WiMAX			
Basic block width		 1 MHz		



separation band (may not be used unless otherwise agreed)

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- a) At the connecting edge of adjacent-frequency basic blocks, sub-bands belonging to the same licensee, applying a separation band is not required.
- b) For two adjacent-frequency user blocks belonging to different licensees, a separation band must be applied unless otherwise agreed. For the separation band, the values given in Table 1.3 shall apply.
- c) Subject to an agreement between affected licensees, there is no need for a separation band between two adjacent-frequency user blocks belonging to different licensees. The licensees concerned shall notify the Authority within one month following the said agreement.
- d) In order to mitigate and prevent harmful interference, in addition to the provisions of Subsections 1.3a-c, the affected licensees are under the obligation to consult and, in case harmful interference is detected, each party shall mutually modify the deployment and radiation parameters of stations regardless of whichever installed the stations first.

#### **1.4. *The technology used***

- a) Licensees may use either of the following technologies: GSM, LTE, UMTS and WiMAX.
- b) As part of its reporting obligations, the licensee shall inform the Authority about the technology to be used within one month following its acquisition of the licence or, in the case of a technology upgrade, the go-live date of the technology selected. In addition to the name of the technology, the actual nominal channel spacing and the channel centre frequency must be provided.

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## 2. FUNDAMENTAL REQUIREMENTS FOR FREQUENCY USE

### 2.1 *Band characteristics*

#### 2.1.1 Operating frequency bands

a)	Duplex operating frequency band	880,1–885,1/925,1–930,1 MHz
b)	Lower operating band	880,1–885,1 MHz
c)	Upper operating band	925,1–930,1 MHz

#### 2.1.2 Guard bands

- a) 880–880,1/925–925,1 MHz.
- b) Guard bands shall not be used.

#### 2.1.3 Frequency bands of signal paths

The transmitter frequencies of mobile stations are located in the lower band, whereas those of stations responsible for ensuring point-to-area coverage (hereinafter called PTA stations) are in the upper band.

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## 2.2 Technical requirements

### 2.2.1 Duplexity

a)	Duplex spacing	$D = 45 \text{ MHz}$
b)	TDD systems shall not be used	
c)	The correlation between channel centre frequencies of mobile and PTA stations is the following	$F_b(a) = F_m(a) + D \text{ [MHz]},$ $F_b(v) = F_m(v) - D \text{ [MHz]},$ <p>where</p> $F_b(a) \text{ – transmitter frequency of the fixed station/channel centre frequency [MHz], } F_b(a) \text{ transmitter frequency / channel centre frequency of the PTA station [MHz],}$ $F_b(v) \text{ receiver frequency / channel centre frequency of the PTA station [MHz],}$ $F_m(a) \text{ transmitter frequency / channel centre frequency of the mobile station [MHz],}$ $F_m(v) \text{ receiver frequency / channel centre frequency of the mobile station [MHz]}$

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## 2.2.2 Nominal channel spacing

a)	for narrow-band GSM systems	200 kHz	
b)	for broadband systems	ba) for UMTS and WiMAX systems	5 MHz
		bb) for LTE systems	1,4 MHz, 3 MHz, 5 MHz, 10 MHz, 15 MHz or 20 MHz

## 2.2.3 Selection of channel centre frequency

Channel centre frequencies may be selected wherever permitted under relevant standards; however, a channel near the edges of a user block must be placed so as to ensure that the channel pertaining to the centre frequency falls entirely within the licensee's actual user block even if the nominal channel spacing of the technology selected is utilised, unless otherwise agreed (see Subsection 1.3. d) by licensees of adjacent-frequency user blocks.

## 2.3 Use of radio frequencies in national border zones

As for the use of radio frequencies in national border zones, only stations meeting prevailing relevant conditions set forth in international coordination documents may be permitted.

Future agreements and their subsequent amendments may supplement or override earlier agreements.

The Authority shall post extracts of these agreements on its website. If necessary and at the applicants' written request, the Authority shall make available all relevant agreements, written in English, as PDF files.

Subject to an arrangement between operators approved by the authorities of neighbouring countries, frequency use other than those specified in international coordination agreements may also be permitted. Under an operator arrangement, the

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affected operators' frequencies falling into common frequency bands may be used by domestic and foreign countries' operators differently from what is stipulated in agreements concluded by their respective authorities.

## *2.4 Requirements to avoid interference to applications in adjacent frequency bands*

In accordance with the relevant ECC 162 Report, prior to the deployment of their respective stations, operators of the network functioning in the 880-915/925-960 MHz and of GSM-R are subject to a consultation obligation. In the event that the operator of either network only becomes known at a later date, a follow-up consultation shall take place, where the deployment and radiation parameters of stations shall be amended in accordance with the pertaining agreement thereby concluded. For purposes of minimising and avoiding interference, both parties shall take whatever steps are necessary.

The operator of the public mobile telephone network must take all necessary measures in order to avoid or minimise interference to GSM-R networks along and in the proximity of railway lines. To this end, measures to be taken shall include, in particular, the limit on radiation power, the application of filters and separation distances, as well as the careful selection of frequency reuse patterns, antenna characteristics and antenna direction.

With a view to implementing the above, the winning participants and the GSM-R network operator may conclude an agreement defining the rules of mutual cooperation to avoid interference, also defining the necessary procedures, methodologies and actions as appropriate.

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ANNEX NO. 1C

# **Rules of Spectrum Management for the 1725–1740/1820–1835 MHz band**

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NATIONAL MEDIA AND  
INFOCOMMUNICATIONS  
AUTHORITY • HUNGARY

Budapest, 22 May 2014

The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

## 1. FREQUENCY RANGES AVAILABLE FOR TENDER

### 1.1. *Basic blocks of the tender*

Table 1.1 below contains the three duplex basic blocks of 5 MHz within the 1725–1740/1820–1835 MHz band assigned for tender.

**Table 1.1**

Basic Block No.	Basic block width	Lower operating band	Upper operating band
4.	2x5 MHz	1725–1730 MHz	1820–1825 MHz
5.	2x5 MHz	1730–1735 MHz	1825–1830 MHz
6.	2x5 MHz	1735–1740 MHz	1830–1835 MHz

### 1.2. *Definition of user blocks*

One user block comprises:

- a basic block, if this basic block and its adjacent basic blocks or basic block frequency sub-ranges belong to a different licensee or do not belong to any licensee, or
- a basic block sub-range, if this basic block frequency sub-range and its adjacent basic blocks or basic block frequency sub-ranges belong to a different licensee, or
- two or more adjacent basic blocks or basic block frequency sub-ranges, if they belong to the same licensee.

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### 1.3. *Prospective availability of frequency ranges*

Table 1.3 below contains the prospective availability date of basic blocks.

**Table 1.3**

Basic Block No.	Basic block (sub-) frequency range	Basic block/sub-range width	Prospective availability date
4.	1725–1725,1/1820 – 1820,1 MHz	2x0,1 MHz	Expiry of Vodafone Hungary's licence for the 1725-1725.1 / 1820-1820.1 MHz band, or 9 April 2022 at the latest — the licensee acquiring block no. 4 shall be duly notified by the Authority.
	1725,1–1730/1820,1–1825 MHz	2x4,9 MHz	As soon as licence is acquired
5.	1730–1735/1825–1830 MHz	2x5 MHz	As soon as licence is acquired
6.	1735–1740/1830–1835 MHz	2x5 MHz	As soon as licence is acquired

The actual availability of user blocks basically depends on which of the licensees is under the obligation to set up a separation band between channel edges of adjacent user blocks. The separation band may vary depending on the technology used and its nominal channel spacing, the selected channel centre frequency and whether adjustments to an already deployed technology are required (see Section 2.2.4).

### 1.4. *The technology used*

- a) Licensees may use either of the following technologies: GSM, LTE, UMTS and WiMAX.
- b) As part of its reporting obligations, the licensee shall inform the Authority about the technology to be used within one month following its acquisition of the licence

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or, in the case of a technology upgrade, the go-live date of the technology selected. In addition to the name of the technology, the actual nominal channel spacing and the channel centre frequency must be provided.

## 2. FUNDAMENTAL REQUIREMENTS FOR FREQUENCY USE

### 2.1. *Band characteristics*

#### 2.1.1. Operating frequency bands

**Table 2.1.1**

Duplex operating frequency band	1725–1740/1820–1835 MHz
Lower operating band	1725–1740 MHz
Upper operating band	1820–1835 MHz

#### 2.1.2. Frequency bands of signal paths

**Table 2.1.2**

Signal path	Transmitter frequency band
end-user station – land station	Lower operating band
end-user station – repeater station	
repeater station – land station	
land station – end-user station	Upper operating band
land station – repeater station	
repeater station – end-user station	

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## 2.2. Technical requirements

### 2.2.1. Duplexity

**Table 2.2.1**

a)	Duplex spacing	95 MHz
b)	TDD systems shall not be used	

### 2.2.2. Nominal channel spacing

**Table 2.2.2**

a)	for GSM systems	200 kHz
b)	for UMTS and WiMAX systems	5 MHz
c)	for LTE systems	1,4 MHz, 3 MHz, 5 MHz, 10 MHz, 15 MHz or 20 MHz

### 2.2.3. Selection of channel centre frequency

Channel centre frequencies may be selected wherever permitted under relevant standards; however, near the edges of user blocks channels must be placed so as to ensure that the channel pertaining to the centre frequency falls entirely within the licensee's frequency block — applying the nominal channel spacing for the selected technology, the prescribed channel edge separation (if any) and requirements of frequency use within the user block—, unless otherwise agreed by licensees of adjacent user blocks.

### 2.2.4. User block separation

- a) In case two licensees use GSM technology, their licensees are subject to a consultation obligation concerning the use of edge channels of their respective user blocks.
- b) GSM systems licenced prior to 1 January 2013 shall be protected from later-deployment LTE, UMTS and WiMAX networks by mandating service providers using LTE, UMTS and WiMAX technologies to assure the necessary separation

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bands between channel edges within their own user blocks. Reducing the nominal channel spacing that is characteristic of a given technology is therefore permitted within one's own user block.

- c) For frequency ranges required to separate user blocks of service providers using different technologies, refer to Table 2.2.4 below.

**Table 2.2.4**

Network "A"					
GSM	UMTS	LTE	WiMAX		
0	200 kHz *	200 kHz *	200 kHz *	GSM	Network "B"
	0	0	0	UMTS	
		0	0	LTE	
			0	WiMAX	

\* Reduction of channel edge separation is subject to mutual agreement by the licensees affected.

- d) In case of licences obtained in tender procedures launched after 1 January 2013, LTE, UMTS and/or WiMAX systems shall be protected from later-deployment GSM networks by mandating the service providers of GSM technologies to assure the separation bands within their own user blocks. Required separation bands are contained in Table 2.2.4 above.
- e) A service provider shall be entitled to deploy various technologies within its own user block. Separation bands between different technologies shall be assured within the service provider's own user block.
- f) In order to mitigate and prevent harmful interference, in addition to the provisions of Subsections 2.2.4.a-e, the affected licensees are under the obligation to consult and, in case harmful interference is detected, each party shall mutually modify the deployment and emission characteristics of stations regardless of whichever installed the stations first.

### **2.3. Use of radio frequencies in national border zones**

As for the use of radio frequencies in national border zones, only stations meeting prevailing relevant conditions set forth in international coordination documents may be permitted.

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Subject to an operator arrangement approved by the authorities of neighbouring countries, frequency use other than those specified in international coordination agreements may also be permitted. Under an operator arrangement, frequencies falling into shared frequency bands may be used by domestic and foreign countries' operators differently from what is stipulated in agreements concluded by their respective authorities.

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ANNEX NO. 1D

# Rules of Spectrum Management for the 2500–2690 MHz band

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NATIONAL MEDIA AND  
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AUTHORITY • HUNGARY

Budapest, 22 May 2014

The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

## 1. FREQUENCY RANGES TENDERED

### 1.1. *Basic blocks available for tender*

The basic blocks in the 2500-2690 MHz band have been arranged as follows:

- 14 paired basic blocks of 5 MHz each
- 8 unpaired basic blocks of 5 MHz each

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### 1.1.1. Basic blocks in the paired band

Table 1.1.1 below contains the paired basic blocks in the frequency band.

**Table 1.1.1**

Basic Block No.	Block width	Lower band	Upper band
1.	2x5 MHz	2500–2505 MHz	2620–2625 MHz
2.	2x5 MHz	2505–2510 MHz	2625–2630 MHz
3.	2x5 MHz	2510–2515 MHz	2630–2635 MHz
4.	2x5 MHz	2515–2520 MHz	2635–2640 MHz
5.	2x5 MHz	2520–2525 MHz	2640–2645 MHz
6.	2x5 MHz	2525–2530 MHz	2645–2650 MHz
7.	2x5 MHz	2530–2535 MHz	2650–2655 MHz
8.	2x5 MHz	2535–2540 MHz	2655–2660 MHz
9.	2x5 MHz	2540–2545 MHz	2660–2665 MHz
10.	2x5 MHz	2545–2550 MHz	2665–2670 MHz
11.	2x5 MHz	2550–2555 MHz	2670–2675 MHz
12.	2x5 MHz	2555–2560 MHz	2675–2680 MHz
13.	2x5 MHz	2560–2565 MHz	2680–2685 MHz
14.	2x5 MHz	2565–2570 MHz	2685–2690 MHz

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### 1.1.2. Basic blocks in the unpaired band

Table 1.1.2 below contains the unpaired basic blocks in the frequency band.

**Table 1.1.2**

Basic Block No.	Block width	Frequency band
1.	5 MHz	2575–2580 MHz
2.	5 MHz	2580–2585 MHz
3.	5 MHz	2585–2590 MHz
4.	5 MHz	2590–2595 MHz
5.	5 MHz	2595–2600 MHz
6.	5 MHz	2600–2605 MHz
7.	5 MHz	2605–2610 MHz
8.	5 MHz	2610–2615 MHz

Basic block no. 5 functions as a guard band, its conditional use is subject to the provisions of Section 2.2.4.2.a below.

## 1.2. *Definition of user blocks*

One user block comprises:

- a basic block, if this basic block and its adjacent basic blocks belong to different licensees or the adjacent basic blocks do not belong to any licensee, or
- two or more adjacent basic blocks belong to the same licensee

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### **1.3. Availability of frequency ranges**

Basic blocks may be put into use as soon as the pertaining frequency licence is acquired.

### **1.4. The technology used**

- a) Licensees may use their newly acquired spectrum for the provision of publicly accessible electronic communications services.
- b) As part of its reporting obligations, the licensee shall inform the Authority about the technology to be used within one month following its acquisition of the licence or, in the case of a technology upgrade, within one month following the launch of said upgrade. In addition to the name of the technology, the actual nominal channel spacing and the channel centre frequency must be provided.

## **2. FUNDAMENTAL REQUIREMENTS FOR FREQUENCY USE**

### **2.1. Band characteristics**

#### **2.1.1. Guard and separation bands**

Guard bands: 2570–2575 MHz and 2615–2620 MHz.

Separation band: 2595–2600 MHz (basic block no. 5 of the unpaired band).

Guard bands shall not be used.

The separation band can be used with restrictions.

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## 2.1.2. Operating frequency bands

FDD lower operating band	2500–2570 MHz
FDD upper operating band	2620–2690 MHz
TDD operating frequency band	2575–2615 MHz

## 2.1.3. Frequency bands of signal paths in FDD systems

Table 2.1.3 below contains the signal paths applicable to FDD systems.

**Table 2.1.3**

Signal path	Transmitter frequency band
(end)user station – land/central station	lower band
(end)user station – repeater station	
repeater station – land/central station	
land/central station – (end)user station	upper band
land/central station – repeater station	
repeater station – (end)user station	

## 2.2. Technical requirements

### 2.2.1. Duplexity

a)	Duplex spacing in the paired band	120 MHz
b)	TDD systems may only be used in the unpaired band.	

### 2.2.2. Nominal channel spacing

a)	for UMTS and WiMAX systems: 5 MHz	5 MHz
b)	for LTE systems	1,4 MHz, 3 MHz, 5 MHz, 10 MHz, 15 MHz or 20 MHz

### 2.2.3. Selection of channel centre frequency

Channel centre frequencies may be selected wherever permitted under relevant standards; however, near the edges of user blocks channels must be placed so as to ensure that the channel pertaining to the centre frequency falls entirely within the licensee’s frequency block — applying the nominal channel spacing for the selected technology, the prescribed channel edge separation (if any) and requirements of frequency use within the user block—, unless otherwise agreed by licensees of adjacent user blocks.

### 2.2.4. Technical requirements on station operation

#### 2.2.4.1. General requirements

- a. User stations operating in fixed-location point-to-multipoint systems may be end-user stations and user stations that do not represent electronic transmission endpoints. User stations that do not constitute electronic transmission endpoints may serve wired and wireless electronic communications networks alike. Terminal stations may be fixed or transportable.
- b. TDD stations may not cause harmful interference to or claim protection from FDD stations. If interference between TDD systems occur, the operator of the station with the more recently issued licence shall be obliged to eliminate the interference. The TDD receiver station with the more recent licence that is being subjected to interference cannot claim protection.
- c. Unless otherwise agreed, the licensees of adjacent frequency blocks cannot raise objections against interferences caused to one another to a maximum of 2 dB reduction in fading reserves. Deviations are subject to mutual agreement.

#### 2.2.4.2. In-block requirements

a) Maximum in-block (applied to the user blocks) radiation power for land/central stations and repeater station downlinks:

- maximum EIRP density = 31 dBW/5 MHz (unrestricted basic block use),
- maximum EIRP density = -5 dBW/5 MHz (restricted basic block use),

The unrestricted condition applies to basic blocks within the user block in the paired and unpaired band sections, with the exception of the separation band. The power-type requirement pertaining to the basic block with the restricted condition only applies to the separation band situated in the unpaired band. If, in the unpaired band, the separation band bounds adjacent user blocks belonging to different licensees, by default the separation band may not be used (to be left as a guard band), provided that unsynchronised TDD systems are operated in adjacent user blocks. Subject to an agreement between licensees, the separation band may be used with the in-block radiation powers specified for restricted basic block use.

If, in the unpaired band, the separation band bounds adjacent user blocks belonging to different licensees, by default the separation band may be used with in-block radiation powers specified for restricted basic block use, provided that synchronised TDD systems are operated in adjacent basic blocks. Subject to an agreement between licensees, the separation may be used with in-block radiation powers specified for unrestricted basic block use. If, in the unpaired band, the separation band only functions as a boundary for a single user block, it may be used with in-block radiation powers specified for unrestricted basic block use so long as adjacent basic blocks do not belong to any licensee.

b) Maximum in-block radiation power (also including the ATPC range) for (end)user stations and repeater station uplinks:

- end-user stations and transportable user stations: maximum mean EIRP density = 1dBW/5 MHz,
- repeater stations and fixed user stations: maximum mean EIRP density = 5 dBW/5 MHz.

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### 2.2.4.3. Out-of-block requirements

a) Baseline requirement:

- 2500–2615 MHz: maximum mean EIRP density = –75 dBW/MHz,
- 2615-2,690 MHz maximum mean EIRP density = -26 dBW/5 MHz,

b) Block-specific requirement (block edge masks)

**Table 2.2.4.3.**

Frequency distance from given user block edge	Maximum mean EIRP density
$0 <  \Delta F  \leq 0,2 \text{ MHz}$	-27 dBW/30 kHz
$0,2 \text{ MHz} <  \Delta F  \leq 1 \text{ MHz}$	$-(24 + 15 \Delta F ) \text{ dBW/30 kHz}$
$1 \text{ MHz} <  \Delta F  \leq 5 \text{ MHz}$	-26 dBW/MHz
$5 \text{ MHz} <  \Delta F $	see baseline requirement in Subsection 2.2.4.3 above

In Table 2.2.4.3. above, the  $|\Delta F|$  represents the absolute distance, in MHz, of a frequency outside a given user block from the nearest edge of the block.

For land/central stations and repeater downlinks, their out-of-block emission requirement is given, for each frequency, by the highest (least stringent) value of the baseline requirements and the block-specific requirements. Out-of-block emission requirements can be specified for the segment of the 2500-2690 MHz band that is outside the range(s) occupied by the station’s user block.

### 2.2.4.4. Additional requirements

Limits other than in-block and out-of-block requirements may also be applied, if the user block’s licensee puts appropriate mitigation techniques in place, providing a level of protection that meets or exceeds the thresholds specified in relevant requirements.

Subject to a bi- or multilateral agreement between licensees of adjacent-frequency blocks — and full consent of all affected parties —, technical parameters less stringent

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than those specified herein may also be used (taking into account the possible use of mitigation techniques).

### ***2.3. Use of radio frequencies in national border zones***

As for the use of radio frequencies in national border zones, only stations meeting prevailing relevant conditions set forth in international coordination documents may be permitted.

Future agreements and their subsequent amendments may supplement or override earlier agreements.

The Authority shall post extracts of these agreements on its website. If necessary and upon the applicants' written request, the Authority shall make available all relevant agreements, written in English, as PDF files.

Subject to an operator agreement approved by the Authorities of neighbouring countries, frequency use other than those specified in international coordination agreements may also be permitted. Under an operator agreement, frequencies falling into shared frequency bands may be used by operators from neighbouring countries differently from what is stipulated in agreements concluded by their respective Authorities.

### ***2.4. Compatibility requirements on adjacent frequency bands***

#### ***2.4.1. Taking note of interference due to out-of-band emissions***

When deploying land/central stations and repeater stations, interference by military radars licensed earlier and operating in the 2700-3410 MHz 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. At this phase, it is recommended to carry out measurements on site, as interference of radar stations may not necessarily be detectable due to local geographic features in wave propagation and coverage.

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Table 2.4.1.a) contains a list of radar stations relevant as regards interference.

**Table 2.4.1. a)**

Site location	Geographic coordinates of the site (WGS-84)		Frequency band
	North	East	
Kecskemét	46°55'39"	19°46'04"	2,7 – 2,9 GHz
Pápa	47°22'23"	17°29'58"	2,7 – 2,9 GHz
Kup	47°15'08"	17°28'04"	2,7 – 3,1 GHz
Juta	46°23'37"	17°44'09"	2,7 – 3,1 GHz
Debrecen	47°29'25"	21°37'36"	2,7 – 3,1 GHz
Békéscsaba	46°41'06"	21°00'44"	2,7 – 3,1 GHz
Medina	46°28'18"	18°37'08"	2,7 – 3,1 GHz
Ferihegy	47°25'05"	19°18'12"	2,7 – 2,9 GHz

Emission parameters (possible spurious power level, frequency band and antenna height of emission sources) are listed in Tables 2.4.1.b) through 2.4.1.f).

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**Table 2.4.1.b)**

Emission source	Frequency Band	Maximum EIRP (pulse peak power)
<b>Kecskemét</b> antenna height: 20 m	2500– 2610 MHz	N/A
	2610 – 2660 MHz	20 – 56 dBm/MHz
	2660 – 2690 MHz	56 dBm/MHz

**Table 2.4.1.c)**

Emission source	Frequency Band	Maximum EIRP (pulse peak power)
<b>Pápa</b> antenna height: 20 m	2500– 2640 MHz	N/A
	2640 – 2660 MHz	20 – 34 dBm/MHz
	2660 – 2690 MHz	34 dBm/MHz

**Table 2.4.1.d)**

Emission source type no. 1	Frequency Band	Maximum EIRP (pulse peak power)
<b>Kup, Juta, Debrecen, Medina, Békéscsaba</b> antenna height: 10 m	2500– 2650 MHz	30 – 40 dBm/MHz
	2650 – 2670 MHz	40 – 60 dBm/MHz
	2670 – 2690 MHz	60 – 70 dBm/MHz

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**Table 2.4.1.e)**

Emission source type no. 2	Frequency Band	Maximum EIRP (pulse peak power)
<b>Kup, Juta, Debrecen, Medina, Békéscsaba</b> antenna height: 10 m	2500– 2690 MHz	70 – 90 dBm/MHz

**Table 2.4.1.f)**

Emission source	Frequency Band	Maximum EIRP (pulse peak power)
Ferihegy antenna height: 20 m	2500– 2540 MHz	N/A
	2540 – 2640 MHz	20 –30dBm/MHz
	2640 – 2690 MHz	30 – 34dBm/MHz

#### 2.4.2. Requirements to avoid causing interference to applications operating in adjacent frequency bands

When deploying land/central stations and repeater stations, in order to avoid causing interference to military radars licensed earlier and operating in the 2700-3410 MHz band, restrictions on field strength produced by systems providing electronic communications services may be necessary at the sites featured in Table 2.4.2 below.

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**Table 2.4.2**

Location	Geographic coordinates of the site (WGS-84)		Equipment	Maximum permitted signal strength
	North	East		
<b>Kup</b>	47°15'08"	17°28'04"	Military radars	70 dB $\mu$ V/m in the 2620-2690 MHz band
<b>Juta</b>	46°23'37"	17°44'09"	Military radars	
<b>Debrecen</b>	47°29'25"	21°37'36"	Military radars	
<b>Békéscsaba</b>	46°41'06"	21°00'44"	Military radars	
<b>Medina</b>	46°28'18"	18°37'08"	Military radars	
<b>Ferihegy TAR-1</b>	47°26'51"	19°15'47"	Civil radar	74 dB $\mu$ V/m in the 2620-2690 MHz frequency band
<b>Ferihegy TAR-2</b>	47°25'05"	19°18'12"	Civil radar	72 dB $\mu$ V/m in the 2620-2690 MHz frequency band

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ANNEX NO. 1E

# Rules of Spectrum Management for the 26 GHz band

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NATIONAL MEDIA AND  
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AUTHORITY • HUNGARY

Budapest, 22 May 2014

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## 1. FREQUENCY RANGES TENDERED

### 1.1. *Basic blocks of the Tender*

The basic blocks in the 24.549-26.453 MHz band have been arranged as follows:

- two paired basic blocks of 28 MHz each

Table 1.1 below contains the unpaired basic blocks in the tender.

**Table 1.1**

Basic block No.	Block width	Lower band	Upper band
1.	2x28 MHz	24549–24577 MHz	25557–25585 MHz
2.	2x28 MHz	24577–24605 MHz	25585–25613 MHz

### 1.2. *User blocks*

Basic blocks may be put into use as soon as the pertaining frequency licence is acquired.

### 1.3. *Use of frequency bands*

The basic blocks can be placed into use following the acquisition of the spectrum rights.

### 1.4. *Availability of the frequency blocks*

In the user block consisting of the two basic blocks, radio telecommunication systems may be implemented in either of the following structures:

- digital point-to-point radio links,
- digital point-to-multipoint radio telecommunications systems.

Both of the above structures can be used for the following purposes:

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a) Access systems:

Direct service for end-user stations (e.g. data transmission and internet service).

b) Radio relay networks:

Multi-repeater radio transmission.

c) Internal operational network infrastructure for mobile telecommunications:

In this case, the 26 GHz system is used for servicing the base stations of mobile telecommunications.

## 2. BASELINE REQUIREMENTS FOR FREQUENCY USE

### 2.1. *Band characteristics*

#### 2.1.1. Operating frequency bands

Lower band	24549–24605 MHz
Upper band	25557–25613 MHz

#### 2.1.2. Guard bands

24605–24633/25613–25641 MHz

Guard bands shall not be used.

#### 2.1.3. Frequency bands of signal paths in point-to-multipoint FDD systems

Table 2.1.3 contains the signal paths in point-to-multipoint FDD systems.

**Table 2.1.3**

Signal path	Transmitter frequency band
central/repeater station – user station	lower band
user station – central/repeater station	upper band

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## 2.2. Technical requirements

### 2.2.1. Duplexity

a)	Duplex spacing	1008 MHz
b)	TDD systems may also be used	

### 2.2.2. Nominal channel spacing and recommended data transfer rates for point-to-point systems

Table 2.2.2 contains channel spacing and data transfer rates for point-to-point systems.

**Table 2.2.2.**

Equipment nominal bandwidth [MHz]	Minimal data transfer rate [Mbit/s]
3,5	2
7	8
14	16
28	34
56	140

### 2.2.3. Selection of channel centre frequency

Channel centre frequencies may be selected wherever permitted under relevant standards; however, near the edges of user blocks channels must be placed so as to ensure that the channel pertaining to the centre frequency falls entirely within the licensee's frequency block — applying the nominal channel spacing for the selected technology, the prescribed channel edge separation (if any) and requirements of frequency use within the user block—, unless otherwise agreed by licensees of adjacent user blocks.

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## 2.2.4. Technical requirements on station operation

### 2.2.4.1. General requirements

- a) Upon request, licensees shall receive a framework licence for establishing connections.
- b) In the absence of mutual agreement, licensees of adjacent frequency blocks cannot raise objections against interferences caused to a maximum of 2 dB reduction in fading reserves. This may be modified by mutual agreement.

### 2.2.4.2. In-block requirements

- a) Maximum power that may be delivered to the antenna:
  - for stations of point-to-point radio links: 0 dBW,
  - for stations of point-to-multipoint systems: 10 dBW.
- b) Maximum EIRP values of radiated power for point-to-point links:
- c) correlation between maximum EIRP and hop length (L):
  - If  $L \geq 7$  km, then max. EIRP = 50 dBW
  - If  $L < 7$  km, then max. EIRP =  $50 - 20 \lg(7/L)$  dBW
- d) Maximum EIRP density of radiated power for point-to-multipoint systems:

for the central station and for repeater station downlinks	23 dBW/MHz
for indoor user stations	12 dBW/MHz,
for outdoor user stations and for repeater station uplinks	20 dBW/MHz.

For maximum EIRP densities, tolerances and (if applicable) the ATPC range [ATPC: automatic transmitter power control] must also be taken into account.

EIRP densities higher than the above limits can only be authorised, if the same protection level resulting from the limits above is guaranteed using an appropriate mitigation method.

### 2.2.4.3. *Eliminating interference between user blocks*

#### 1. Obligation to eliminate interference depending on station priority

If interference between two stations of adjacent user blocks occurs, the first step is to determine their order of priority. The station with the lower priority is obliged to take action (or, in the case of a receiver station, to tolerate the interference).

##### 1.1. Station categories and priorities

Table 2.2.4.3 contains station categories necessary for establishing their priority.

**Table 2.2.4.3**

Equipment bandwidth (B)	Stations in point-to-point systems, central and repeater stations of point-to-multipoint systems	User stations of point-to-multipoint systems	
		With registration	Without registration
28 MHz or below	category A	category A	category C
above 28 MHz	category B	category B	category C

For the purposes of evaluating adjacent block interference, the stations can be classified as having priority A, B or C according to the table above.

Stations in category A have the highest priority. The priority between two category A stations is determined by the date of issuing their radio licence or the date of registration; an earlier date means higher priority.

Stations in category B have a lower priority than those in category A, but rank higher than those in category C. The priority between two category B stations is determined by the date of issuing their radio licence or the date of registration; an earlier date means higher priority.

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Stations in category C have a lower priority than those in categories A or B. Between category C stations, there is no prioritisation based on dates. These stations cannot claim protection against adjacent block interference and are not allowed to cause interference to category A or B stations.

ab. Defining equipment bandwidth

As can be seen in column 1 of Table 2.2.4.3, priority depends on equipment bandwidth. Bandwidth B can be derived from

Bnom	nominal bandwidth
BTx	transmitter bandwidth, and
BRx	receiver bandwidth.

Bandwidth B is the largest of the three special bandwidth types specified above, i.e.  $B = \max (B_{nom}, B_{Tx}, B_{Rx} )$

Nominal bandwidth B<sub>nom</sub> is always known, while B<sub>Tx</sub> (transmitter bandwidth) and B<sub>Rx</sub> (receiver bandwidth) are, in many cases, unavailable. If any of these latter are unknown, the following formula yields a good estimate for bandwidth B:

$$B = 1,6 B_{nom}$$

2. TDD interference between adjacent user blocks

In the case of point-to-multipoint systems, the central stations

- operating in adjacent user blocks and
- deployed near each other, and
- operate in TDD mode without synchronisation

can have a significant interference effect on each other. Therefore, the deployment of stations close to each other needs to be restricted.

For the authorisation of TDD central stations and repeater stations of point-to-multipoint systems, the approval of the adjacent block's licensee is required, if

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within a radius of 500 m of the location of these central stations or repeater stations there are existing central stations or repeater stations operating in the adjacent user block. The newly deployed TDD station cannot claim frequency protection against the interference effects of an existing central station or repeater station operating in the adjacent frequency block and deployed within a radius of 500 m of the location of the new station.

For the authorisation of central stations and repeater stations of point-to-multipoint systems, the approval of the adjacent user block's licensee is required, if within a 500 m radius of this central station there are existing TDD central stations or repeater stations operating in the adjacent user block. The newly deployed station cannot claim frequency protection against the interference effects of an existing earlier-deployment TDD central station or repeater station operating in an adjacent frequency block.

### ***2.3. Use of radio frequencies in national border zones***

As for the use of radio frequencies in national border zones, only stations meeting prevailing relevant conditions set forth in international coordination documents may be permitted.

Future agreements and their subsequent amendments may supplement or override earlier agreements.

The Authority posts extracts of these agreements on its website. If necessary and upon the applicants' written request, the Authority shall make available all relevant agreements, written in English, as PDF files.

Subject to an operator agreement approved by the authorities of neighbouring countries, frequency use other than those specified in international coordination agreements may also be permitted. Under an operator agreement, frequencies falling into shared frequency bands may be used by operators from neighbouring countries differently from what is stipulated in agreements concluded by their respective authorities.

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## **2.4. *Compatibility requirements for automotive radars***

Automotive radars can operate at 24 GHz, in accordance with Commission Decision 2005/50/EC of 17 January 2005 on the harmonisation of the 24 GHz range radio spectrum band for the time-limited use by automotive short-range radar equipment in the Community, amended by Commission Implementing Decision 2011/485/EU of 29 July 2011 on the harmonisation of the 24 GHz range radio spectrum band for the time-limited use by automotive short-range radar equipment in the Community on the harmonisation of the 24 GHz range radio spectrum band for the time-limited use by automotive short-range radar equipment in the Community. These radars have a broadband emission range, covering the entire 26 GHz communications band, but potential interferences in the upper range of the 26 GHz band is significantly reduces even in the case of direct irradiation.

Interferences caused by vehicle radars must be taken into account by users of the 26 GHz blocks according to CEPT/ECC Report 23.

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## ANNEX 2

# Roll-out obligation and coverage assessment

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AUTHORITY • HUNGARY

Budapest, 22 May 2014

## 1. ROLL-OUT OBLIGATIONS

Roll-out obligations apply to broadband systems capable of a minimum nominal channel spacing of 5 MHz. The obligations concerning roll-out scheduling and coverage of a network (including network quality) used for public electronic communications services must be fulfilled together depending on the technology utilised.

### 1.1. *Roll-out obligations in view of the spectrum awarded*

Roll-out obligations applicable to broadband networks shall be fulfilled according to the following:

- a) if a participant is awarded a licence for either of Packages A, B or C, it shall be liable for complying with the roll-out and coverage obligations for the 800 MHz band, as set out in Table 1.2;
- b) If a participant acquires a licence for either of Packages A, B, C and also G and/or H in the 2600 MHz band, the roll-out obligation stipulated in Table 1.2 for the 2600 MHz band shall also be fulfilled over and above the obligation defined under item a);
- c) if a participant acquires a spectrum licence for the frequencies forming part of Packages “A” or “B”, it shall ensure coverage of at least 96% of the national population and at least 90% of the country’s geographic area within 60 months, and a population coverage of at least 99% by the end of the 10<sup>th</sup> year upon obtaining the spectrum licence;
- d) if a participant acquires a spectrum licence for the frequencies forming part of Package “C”, it shall ensure coverage of at least 96% of the national population and at least 90% of the country’s geographic area within 48 months of the shutdown of the neighbouring country’s national television broadcasting network (which shall not result in a deadline shorten than 60 months from obtaining the licence), and a population coverage of at least 99% by the end of the 10<sup>th</sup> year upon obtaining the spectrum licence;
- e) if a participant acquires a licence for at least two of Packages “D”, “E” or “F” as well as frequencies forming part of Package “G” and/or “F”, it shall ensure coverage of at least 96% of the national population and at least 90% of the

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country's geographic area within 60 months, and a population coverage of at least 99% by the end of the 10<sup>th</sup> year upon obtaining the spectrum licence;

- f) the winning participant may fulfil the coverage obligation defined under items b)-e) using any of the frequencies forming part of the Package(s) and acquired in the current tender procedure.
- g) the winning participant may dedicate any of its other frequencies located in a frequency band suitable for the provision of public electronic communications services — whether acquired previously or in the present tender procedure — for ensuring, as part of its obligations of nationwide coverage set forth in points c) through e) above, a maximum population coverage of 15%.

For package “I”, no specific roll-out obligations or coverage requirements apply.

The licensee may only be granted exemption from meeting the network rollout obligations in the event and to the extent that roll-out is impeded for reasons beyond its control in a specific geographic area and it is unable to fulfil the obligation using another frequency — preferably acquired in the context of this tender or already used in another band. The licensee shall provide valid proof of such circumstances.

## **1.2. *Network roll-out scheduling***

Network roll-out shall be implemented in the schedule defined for individual frequency bands in Table 1.2.

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**Table 1.2**

Band	Phase	Requirement	Reference	Note
<b>800 MHz</b>	1.	<p>For Package C, coverage across the municipal boundaries of localities listed in Appendix 1 shall be ensured within 12 months upon licence acquisition at the latest.</p> <p>For Packages A and B, coverage within the municipal boundaries of 25 percent of the localities listed in Appendices 1 and 2 and specified by the licensee shall be ensured within 12 months at the latest following licence acquisition. In an additional 25 percent of localities listed in Appendices 1 and 2 and specified by the licensee, coverage shall be ensured within 12 months following the shutdown of television broadcasting networks of neighbouring countries.</p>	<p>Annex 1 Section 1.3</p> <p>Annex 2 Section 1.1.a)</p> <p>Annex 2 Appendix 1</p> <p>Annex 2 Appendix 2</p>	<p>The Authority shall notify the licensee on the shutdown of broadcasting stations in neighbouring countries. The deadline set for Package C may not be earlier than that specified for Packages A and B. If the restriction caused by neighbouring countries is lifted earlier and the deadline for Package C falls on a date earlier than that specified for Packages A and B in a given phase, the roll-out obligation shall be met by the deadline set for Packages A and B.</p>
	2.	<p>a) For Package C, in areas unaffected by the television transmitters of neighbouring countries, as well as within the municipal boundaries of localities with populations between 1,000 – 6,000 residents for Packages A and B, coverage shall be ensured within 36 months following licence acquisition at the latest.</p> <p>b) For Package C, coverage within all localities (including those affected by the television transmitters of neighbouring countries) with populations between 1,000-6,000 residents shall be ensured at the latest within 12 months following the shutdown of television broadcasting networks of neighbouring countries.</p>	<p>Annex 1A Section 1.3</p> <p>Annex 2 Section 1.1.a)</p>	

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2600 MHz				
		<p>In the 2600 MHz band, coverage of at least 70% in the area enclosed by the municipal boundaries of at least 50% of the localities with a population of 30,000 or above shall be ensured at the latest within 36 months following licence acquisition.</p> <p>In the area enclosed by the municipal boundaries of the remaining up to 50% of localities with a population of 30,000 or above, coverage shall be ensured — using any of the available frequencies, whether acquired previously or in the current tender procedure — at the latest within 36 months following licence acquisition.</p>	Annex 2 Section 1.1.b)	

## 2. ROLL-OUT ASSESSMENT

For purposes of assessing network roll-out, the Authority shall conduct path registration tests and stationary measurements on a randomised basis, checking parameters of network coverage and determining whether prescribed levels are being met.

The Authority shall enter all measurements and pertaining statistical calculations in a protocol.

For the purpose of verifying roll-out obligations and pertaining commitments, and to facilitate regulatory inspections, all winning participants shall provide the Contracting Entity with two (2) SIM cards each, in accordance with the administrative contract as per Section 4.4 herein. The Contracting Entity may only use these SIM cards in its tasks relating to regulatory inspections.

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## **2.1. *Assessing the fulfilment of roll-out obligations***

For purposes of coverage, roll-out obligations shall be considered as being met if the signal level measured with a measuring receiver on the decoded broadcast control channel (BCCH)(see table 2.1) — measured at a height of 1.8 m above sea level and with an antenna gain of 0 dB, also taking the channel spacing of the technology applied (GSM, UMTS, WiMAX or LTE) into account — reaches the technical requirements for coverage. In bands for which no roll-out obligation is specified per Table 1.2, the Authority shall assess coverage in line with relevant general requirements or the undertakings made by the applicant/participant.

Minimum indoor and outdoor signal strength for the tendered frequency bands are contained in Table 2.1 below.

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**Table 2.1**

Band	Outdoor			Indoor		
	GSM (RxLev)	UMTS (RSCP)	LTE (RSRP)	GSM (RxLev)	UMTS (RSCP)	LTE (RSRP)
800 MHz	-	-96 dBm	-110 dBm	-	-86 dBm	-100 dBm
900 MHz	-93 dBm	-96 dBm	-110 dBm	-81 dBm	-84 dBm	-98 dBm
1800 MHz	-93 dBm	-96 dBm	-110 dBm	-73 dBm	-76 dBm	-90 dBm
2600 MHz	-	-96 dBm	-110 dBm	-	-74 dBm	-88 dBm

Remarks:

- Signal levels were defined taking into account ETSI TR 102 581.

Abbreviations:

- RxLev (Received Signal Level): reception level of the BCCH – Broadcast Channel;
- RSCP (Received Signal Code Power): Pilot (reference) channel level measured after decoding;
- RSRP (Reference Signal Received Power): Received performance of the reference carrier.

The Authority shall assess the fulfilment of roll-out and coverage obligations along the following considerations:

- a) **Coverage of localities with up to 6,000 residents:** Within the municipal boundaries, the measured signal strength remains above the minimum indoor level prescribed for the band throughout at least 70 percent of paved roads.
- b) **Coverage of localities with 6,000 to 30,000 residents:** In a randomly selected area within the municipal boundaries and representing at least 50 percent of the locality's geographic area, the measured signal strength remains above the minimum indoor level prescribed for the band throughout at least 70 percent of paved roads.

- c) **Coverage of localities with a population of or above 30,000 residents:** In a randomly selected area of at least 10 km<sup>2</sup> within the municipal boundaries, the measured signal strength remains above the minimum indoor level prescribed for the band throughout at least 70 percent of paved roads.
- d) **Coverage in Budapest:** throughout 90 percent of each individual route listed below, as well as within the ring road, the measured signal strength reaches the minimum indoor level prescribed for the band:
- along the entire length of Róbert Károly körút, Hungária körút, Könyves Kálmán körút, Rákóczi bridge, Dombóvári út, Sárbogárdi út, Karolina út, Villányi út, Budaörsi út, Alkotás utca, Krisztina körút, Vérmező út, Margit körút, Török utca, Elvis Presley tér, Árpád Fejedelem útja and Árpád bridge (ring road).
  - Váci út, Rákóczi út, Kerepesi út, Üllői út, Soroksári út, Hegyalja út, Attila út and the lower embankments of Buda and Pest, within the area marked out by the route (ring road) specified in the paragraph above;
- e) **National geographic coverage:** on all national motorways, carriageways and single and double-digit primary roads as well as primary road no 100, the measured signal strength remains above the minimum outdoor level prescribed for the band along 90 percent of the total length of each individual route.
- f) **National population-based coverage:** The licensee shall, within 30 days of the deadline applicable to the requirements listed under Points c) through e) in Section 1.1 of Annex 2, declare to the Authority in an MS Excel spreadsheet its national population-based coverage achieved, based on the latest CSO data available for the year preceding the enquiry and also featuring the number of residents covered per locality as well as their coverage as a ratio of the total local population and the ratio of the coverage of all covered localities related to the national population. Total national population-based coverage is achieved when, for any randomly selected locality featured in the licensee's spreadsheet, the coverage rate established using the measurements specified in Section 2.1 a) through d) in Annex 2 reaches or exceeds the respective ratio reported by the licensee.

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**Appendix 1 to Annex 2**

Locality	Country
Kötegyán	Békés
Ecsefalva	Békés
Bucsa	Békés
Mezőgyán	Békés
Ároktő	Borsod-Abaúj-Zemplén
Sajóhidvég	Borsod-Abaúj-Zemplén
Hejőbába	Borsod-Abaúj-Zemplén
Vilmány	Borsod-Abaúj-Zemplén
Kenézlő	Borsod-Abaúj-Zemplén
Igrici	Borsod-Abaúj-Zemplén
Szuhogy	Borsod-Abaúj-Zemplén
Hejőpapi	Borsod-Abaúj-Zemplén
Szalaszend	Borsod-Abaúj-Zemplén
Hidasnémeti	Borsod-Abaúj-Zemplén
Sáta	Borsod-Abaúj-Zemplén
Hernádvécse	Borsod-Abaúj-Zemplén

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Boldogkővárалja	Borsod-Abaúj-Zemplén
Bódvaszilás	Borsod-Abaúj-Zemplén
Berekböszörmény	Hajdú-Bihar
Szerep	Hajdú-Bihar
Esztár	Hajdú-Bihar
Hencida	Hajdú-Bihar
Váncsod	Hajdú-Bihar
Furta	Hajdú-Bihar
Álmosd	Hajdú-Bihar
Kismarja	Hajdú-Bihar
Nagykereki	Hajdú-Bihar
Mezőszemere	Heves
Csány	Heves
Tarnalelesz	Heves
Mezőtárcány	Heves
Tarnazsadány	Heves
Átány	Heves
Tizsasüly	Jász-Nagykun-Szolnok

The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

Tiszapüspöki	Jász-Nagykun-Szolnok
Kótelek	Jász-Nagykun-Szolnok
Tiszabura	Jász-Nagykun-Szolnok
Tiszaszőlős	Jász-Nagykun-Szolnok
Örményes	Jász-Nagykun-Szolnok
Drégelypalánk	Nógrád
Nagylóc	Nógrád
Ludányhalászi	Nógrád
Ecseg	Nógrád
Bárna	Nógrád

The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

**Appendix 2 to Annex 2**

Locality	Country
Hercegszántó	Bács-Kiskun
Kunbaja	Bács-Kiskun
Kisszállás	Bács-Kiskun
Császártöltés	Bács-Kiskun
Katymár	Bács-Kiskun
Csengőd	Bács-Kiskun
Felsőszentiván	Bács-Kiskun
Bócsa	Bács-Kiskun
Tázlár	Bács-Kiskun
Kunadacs	Bács-Kiskun
Balotaszállás	Bács-Kiskun
Páhi	Bács-Kiskun
Vásárosdombó	Baranya
Battonya	Békés
Magyarbánhegyes	Békés
Nagykamarás	Békés
Nagybánhegyes	Békés

The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

Medgyesbodzás	Békés
Pusztaföldvár	Békés
Bodroghalom	Borsod-Abaúj-Zemplén
Vajdáccka	Borsod-Abaúj-Zemplén
Ricse	Borsod-Abaúj-Zemplén
Pácin	Borsod-Abaúj-Zemplén
Nagymágocs	Csongrád
Apátfalva	Csongrád
Csanytelek	Csongrád
Ruzsa	Csongrád
Ópusztaszer	Csongrád
Fábiánsebestyén	Csongrád
Baks	Csongrád
Magyarcsanád	Csongrád
Nagykarácsony	Fejér
Cece	Fejér
Alap	Fejér
Daruszentmiklós	Fejér

The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

Vajta	Fejér
Fülöp	Hajdú-Bihar
Bagamér	Hajdú-Bihar
Újléta	Hajdú-Bihar
Csépa	Jász-Nagykun-Szolnok
Tarany	Somogy
Inke	Somogy
Kutas	Somogy
Homokszentgyörgy	Somogy
Somogyudvarhely	Somogy
Mérk	Szabolcs-Szatmár-Bereg
Szatmárcseke	Szabolcs-Szatmár-Bereg
Bököny	Szabolcs-Szatmár-Bereg
Nyírbéltek	Szabolcs-Szatmár-Bereg
Encsencs	Szabolcs-Szatmár-Bereg
Tyukod	Szabolcs-Szatmár-Bereg
Szabolcsveresmart	Szabolcs-Szatmár-Bereg
Geszteréd	Szabolcs-Szatmár-Bereg

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Tiszatelek	Szabolcs-Szatmár-Bereg
Szabolcsbáka	Szabolcs-Szatmár-Bereg
Nyíribrony	Szabolcs-Szatmár-Bereg
Nyírtét	Szabolcs-Szatmár-Bereg
Ozora	Tolna
Döbrököz	Tolna
Báta	Tolna
Németkér	Tolna
Pálfa	Tolna
Szakály	Tolna
Dalmand	Tolna
Magyarkeszi	Tolna
Kocsola	Tolna
Kajdacs	Tolna
Kurd	Tolna
Regöly	Tolna
Tolnanémedi	Tolna

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## ANNEX 3

# Rules of identifier management

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Budapest, 22 May 2014

# USE OF IDENTIFIERS

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## 1. IDENTIFIER DESIGNATION

Identifiers may be put into service by the new operator in accordance with NMHH Decree 3/2011 (IX. 26.) on the national allocation plan of electronic communications network identifiers, under the terms and conditions stipulated therein and subject to assignment license.

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

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 shall make available, for shared use by other network 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.

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### 3. EFFECTIVE LEGISLATION PERTAINING TO THE USE OF IDENTIFIERS

- NMHH Decree 3/2011 (VIII. 26.) on the national allocation plan of electronic communications network identifiers
- NMHH Decree 2/2011 (VIII. 26.) on the order of management regarding the identifiers of electronic communications networks
- NMHH Decree 5/2012 (IX. 24.) on the tariffs charged for reservation and use of identifiers needed for electronic communications services
- NMHH Decree 2/2012 (I. 24.) on the detailed rules of number portability

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## ANNEX 4

# Bidding, Supplementary Bid and Counterbid Sheets

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Budapest, 22 May 2014

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## Applicant/Participant

### Annex 4 | Bidding Sheet for Package “A”

1.	Financial offer	
1.1	Tender Price (HUF):	
	in figures:	33,225,000,000
	in words:	thirty-three billion and two hundred and twenty-five million
1.2	Price offered by the applicant/participant: at least HUF 33,225,000,000	
	in figures:	
	in words:	

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2. Commitment regarding coverage and its scheduling					
Evaluation criterion		Measurement unit	Evaluation criterion maximum/minimum	Commitment criterion	Participant's commitment
2.1	In case of the 800 MHz frequency band, in addition to the localities specified in Phase 1 as per Table 1.2 of Annex 2, commitment to cover localities with fewer than 1,000 inhabitants within the required deadline	ea.	Number of localities with fewer than 1,000 residents (maximum)	the maximum commitment represents the number of localities with fewer than 1,000 residents, as defined by the HCSO**	in figures:
					in words:
2.2	In case of the 800 MHz frequency band, in addition to the localities prescribed in Phase 2 as per Table 1.2 of Annex 2, commitment to cover localities with fewer than 1,000 inhabitants within the required deadline	ea.	Number of localities with fewer than 1,000 residents minus the commitment for phase 1. (maximum)	the maximum commitment represents the number of localities with fewer than 1,000 residents, as defined by the HCSO**, less the number of localities undertaken in the previous point (2.1.)	in figures:
					in words:
2.3	In case of the 800 MHz frequency band, commitment to deploy national coverage earlier	month*	36 (maximum)	the commitment may not exceed 36 months	in figures:
					in words:

\*The commitment regarding the scheduling of coverage must be specified in whole months.

\*\* The Contracting Entity identifies the number of inhabitants based on the census data of the Central Statistical Office. Title of the CSO publication: Gazetteer of Hungary, 1 January 2013.

The CSO publication is available at :

\*\*\* The date of placement of placing the frequency band into use is the date of entry into force of the framework licence.

The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

	than the prescribed phase 2 deadlines defined in Table 1.2 of Annex 2				
2.4	In case of the 800 MHz frequency band, commitment to deploy national coverage earlier than the prescribed deadline*** for phase 2. defined in Table 1.2 of Annex 2.	month*	48 (maximum)	the commitment may not exceed 20 months	in figures:
					in words:

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(official company signature)

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## Applicant/Participant

### Annex 4 | Bidding Sheet for Package “B”

1.	Financial offer	
1.1	Tender Price (HUF):	
	in figures:	31,725,000,000
	in words:	thirty-one billion and seven hundred and twenty five million
1.2	Price offered by the applicant/participant: at least HUF 31,725,000,000	
	in figures:	
	in words:	

The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

2.		Commitment regarding coverage and its scheduling			
Evaluation criterion		Measurement unit	Evaluation criterion maximum/minimum	Commitment criterion	Participant's commitment
2.1	In case of the 800 MHz frequency band, in addition to the localities specified in Phase 1 as per Table 1.2 of Annex 2, commitment to cover localities with fewer than 1,000 inhabitants within the required deadline	ea.	Number of localities with fewer than 1,000 residents (maximum)	the maximum commitment represents the number of localities with fewer than 1,000 residents, as defined by the HCSO**	in figures:
					in words:
2.2	In case of the 800 MHz frequency band, in addition to the localities prescribed in Phase 2 as per Table 1.2 of Annex 2, commitment to cover localities with fewer than 1,000 inhabitants within the required deadline	ea.	Number of localities with fewer than 1,000 residents minus the commitment for phase 1. (maximum)	the maximum commitment represents the number of localities with fewer than 1,000 residents, as defined by the HCSO**, less the number of localities undertaken in the previous point (2.1.)	in figures:
					in words:

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2.3	Commitment to earlier deadlines than the ones defined for the 800 MHz frequency band in table 1.2 of Annex 2	month*	36 (maximum)	the commitment may not exceed 36 months	in figures:
					in words:
2.4	In case of the 800 MHz frequency band, commitment to deploy national coverage earlier than the prescribed deadline*** for phase 2. defined in Table 1.2 of Annex 2	month*	48 (maximum)	the commitment may not exceed 20 months	in figures:
					in words:

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\*The commitment regarding the scheduling of coverage must be specified in whole months.

\*\* The Contracting Entity identifies the number of inhabitants based on the census data of the Central Statistical Office. Title of the CSO publication:Gazetteer of Hungary, 1 January 2013.

The CSO publication is available at : [http://www.ksh.hu/apps/shop.kiadvany?p\\_kiadvany\\_id=15906](http://www.ksh.hu/apps/shop.kiadvany?p_kiadvany_id=15906)\*\*\* The date of placing the frequency band into use is the date of entry into force of the framework licence.

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## Applicant/Participant

### Annex 4 | Bidding Sheet for Package “C”

1.	Financial offer	
1.1	Tender Price (HUF):	
	in figures:	27,200,000,000
	in words:	twenty-seven billion and two hundred million
1.2	Price offered by the applicant/participant: at least HUF 27,200,000,000	
	in figures:	
	in words:	

The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

2. Commitment regarding coverage and its scheduling					
Evaluation criterion		Measurement unit	Evaluation criterion maximum/minimum	Commitment criterion	Participant's commitment
2.1	In case of the 800 MHz frequency band, in addition to the localities specified in Phase 1 as per Table 1.2 of Annex 2, commitment to cover localities with fewer than 1,000 inhabitants within the required deadline	ea.	Number of localities with fewer than 1,000 residents (maximum)	the maximum commitment represents the number of localities with fewer than 1,000 residents, as defined by the HCSO**	in figures:
					in words:
2.2	In case of the 800 MHz frequency band, in addition to the localities prescribed in Phase 2 as per Table 1.2 of Annex 2, commitment to cover localities with fewer than 1,000 inhabitants within the required deadline	ea.	Number of localities with fewer than 1,000 residents minus the commitment for phase 1. (maximum)	the maximum commitment represents the number of localities with fewer than 1,000 residents, as defined by the HCSO**, less the number of localities undertaken in the previous point (2.1.)	in figures:
					in words:
2.3	In case of the 800 MHz	month <sup>9</sup>	48 (maximum)	the commitment	in figures:

\*The commitment regarding the scheduling of coverage must be specified in whole months.

\*\* The Contracting Entity identifies the number of inhabitants based on the census data of the Central Statistical Office. Title of the CSO publication: Gazetteer of Hungary, 1 January 2013.

The CSO publication is available at : [http://www.ksh.hu/apps/shop.kiadvany?p\\_kiadvany\\_id=15906](http://www.ksh.hu/apps/shop.kiadvany?p_kiadvany_id=15906)

\*\*\* The date of placing the frequency band into use is the date of entry into force of the framework licence.

The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

	frequency band, commitment to deploy national coverage earlier than the prescribed deadline*** for phase 2. defined in Table 1.2 of Annex 2			may not exceed 20 months	in words:
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## Applicant/Participant

### Annex 4 | Bidding Sheet for Package “D”

1.	Financial offer	
1.1	Tender Price (HUF):	
	in figures:	2,650,000,000
	in words:	two billion and six-hundred and fifty million
1.2	Price offered by the applicant/participant (at least HUF 2,650,000,000 but not exceeding HUF 15,000,000,000):	
	in figures:	
	in words:	

The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

2. Commitment regarding the date of payment					
Terms of fee payment		Measurement unit	Evaluation criterion maximum/minimum	Commitment criterion	Participant's commitment
2.1	Date of payment of the amount offered by the applicant/participant in addition to the tender price (calculated from the date of licence acquisition)	day* <sup>10</sup>	1 (minimum) - 365 (maximum)	the minimum commitment is one day, the maximum may not exceed 365 days	in figures:
					in words:

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\*The commitment regarding the date of payment must be specified in whole days.

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## Applicant/Participant

### Annex 4 | Bidding Sheet for Package “E”

1.	Financial offer	
1.1	Tender Price (HUF):	
	in figures:	2,650,000,000
	in words:	two billion and six-hundred and fifty million
1.2	Price offered by the applicant/participant (at least HUF 2,650,000,000 but not exceeding HUF 15,000,000,000):	
	in figures:	
	in words:	

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2.		Commitment regarding the date of payment			
Terms of fee payment		Measurement unit	Evaluation criterion maximum/minimum	Commitment criterion	Participant's commitment
2.1	Date of payment of the amount offered by the applicant/participant in addition to the tender price (calculated from the date of licence acquisition)	day* <sup>11</sup>	1 (minimum) - 365 (maximum)	the minimum commitment is one day, the maximum may not exceed 365 days	in figures:
					in words:

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\*The commitment regarding the date of payment must be specified in whole days.

The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

## Applicant/Participant

### Annex 4 | Bidding Sheet for Package “F”

1.	Financial offer	
1.1	Tender Price (HUF):	
	in figures:	2,650,000,000
	in words:	two billion and six-hundred and fifty million
1.2	Price offered by the applicant/participant (at least HUF 2,650,000,000 but not exceeding HUF 15,000,000,000):	
	in figures:	
	in words:	

The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

2.		Commitment regarding the date of payment			
Terms of fee payment		Measurement unit	Evaluation criterion maximum/ minimum	Commitment criterion	Participant's commitment
2.1	Date of payment of the amount offered by the applicant/participant in addition to the tender price (calculated from the date of licence acquisition)	day* <sup>12</sup>	1 (minimum) - 365 (maximum)	the minimum commitment is one day, the maximum may not exceed 365 days	in figures:
					in words:

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\*The commitment regarding the date of payment must be specified in whole days.

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## Applicant/Participant

### Annex 4 | Bidding Sheet for Package "G"

1.	Financial offer	
1.1	Tender Price (HUF):	
	in figures:	3,000,000,000
	in words:	three billion
1.2	Price offered by the applicant/participant: at least HUF 3,000,000,000	
	in figures:	
	in words:	

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2. Commitment regarding coverage and its scheduling					
Evaluation criterion		Measurement unit	Evaluation criterion maximum/minimum	Commitment criterion	Participant's commitment
2.1	A commitment to ensure coverage, within the required deadline, in localities with fewer inhabitants than prescribed in Table 1.2 of Annex 2 for the 2600 MHz frequency band	ea.	Number of localities with fewer than 30,000 residents (maximum)	the maximum commitment represents the number of localities with fewer than 30,000 residents, as defined by the HCSO**	in figures:
					in words:
2.2	A commitment to reach earlier deadlines than those specified in Table 1.2 of Annex 2 for the 2600 MHz frequency band	month*	36 (maximum)	the commitment may not exceed 36 months	in figures:
					in words:

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Applicant/Participant

Annex 4 | Bidding Sheet for Package "H"

\*The commitment regarding the scheduling of coverage must be specified in whole months.

\*\* The Contracting Entity identifies the number of inhabitants based on the census data of the Central Statistical Office. Title of the CSO publication: Gazetteer of Hungary, 1 January 2013.

The CSO publication is available at : [http://www.ksh.hu/apps/shop.kiadvany?p\\_kiadvany\\_id=15906](http://www.ksh.hu/apps/shop.kiadvany?p_kiadvany_id=15906)

The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

1.	Financial offer	
	Tender Price (HUF):	
1.1	in figures:	850,000,000
	in words:	eight hundred and fifty million
	Price offered by the applicant/participant: at least HUF 850,000,000	
1.2	in figures:	
	in words:	

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2. Commitment regarding coverage and its scheduling					
Evaluation criterion		Measurement unit	Evaluation criterion maximum/ minimum	Commitment criterion	Participant's commitment
2.1	A commitment to ensure coverage, within the required deadline, in localities with fewer inhabitants than prescribed in Table 1.2 of Annex 2 for the 2600 MHz frequency band	ea.	Number of localities with fewer than 30,000 residents (maximum)	the maximum commitment represents the number of localities with fewer than 30,000 residents, as defined by the HCSO**	in figures:
					in words:
2.2	A commitment to reach earlier deadlines than those specified in Table 1.2 of Annex 2 for the 2600 MHz frequency band	month*	36 (maximum)	the commitment may not exceed 36 months	in figures:
					in words:

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\*The commitment regarding the scheduling of coverage must be specified in whole months.

\*\* The Contracting Entity identifies the number of inhabitants based on the census data of the Central Statistical Office. Title of the CSO publication: Gazetteer of Hungary, 1 January 2013.

The CSO publication is available at : [http://www.ksh.hu/apps/shop.kiadvany?p\\_kiadvany\\_id=15906](http://www.ksh.hu/apps/shop.kiadvany?p_kiadvany_id=15906)

The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

Applicant/Participant

Annex 4 | Bidding Sheet for Package “I”

1.	Financial offer	
1.1	Tender Price (HUF):	
	in figures:	200,000,000
	in words:	two hundred million
1.2	Price offered by the applicant/participant: at least HUF 200,000,000	
	in figures:	
	in words:	

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The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

## ANNEX 5

# Packaging requirements for the main units constituting the Application to be submitted

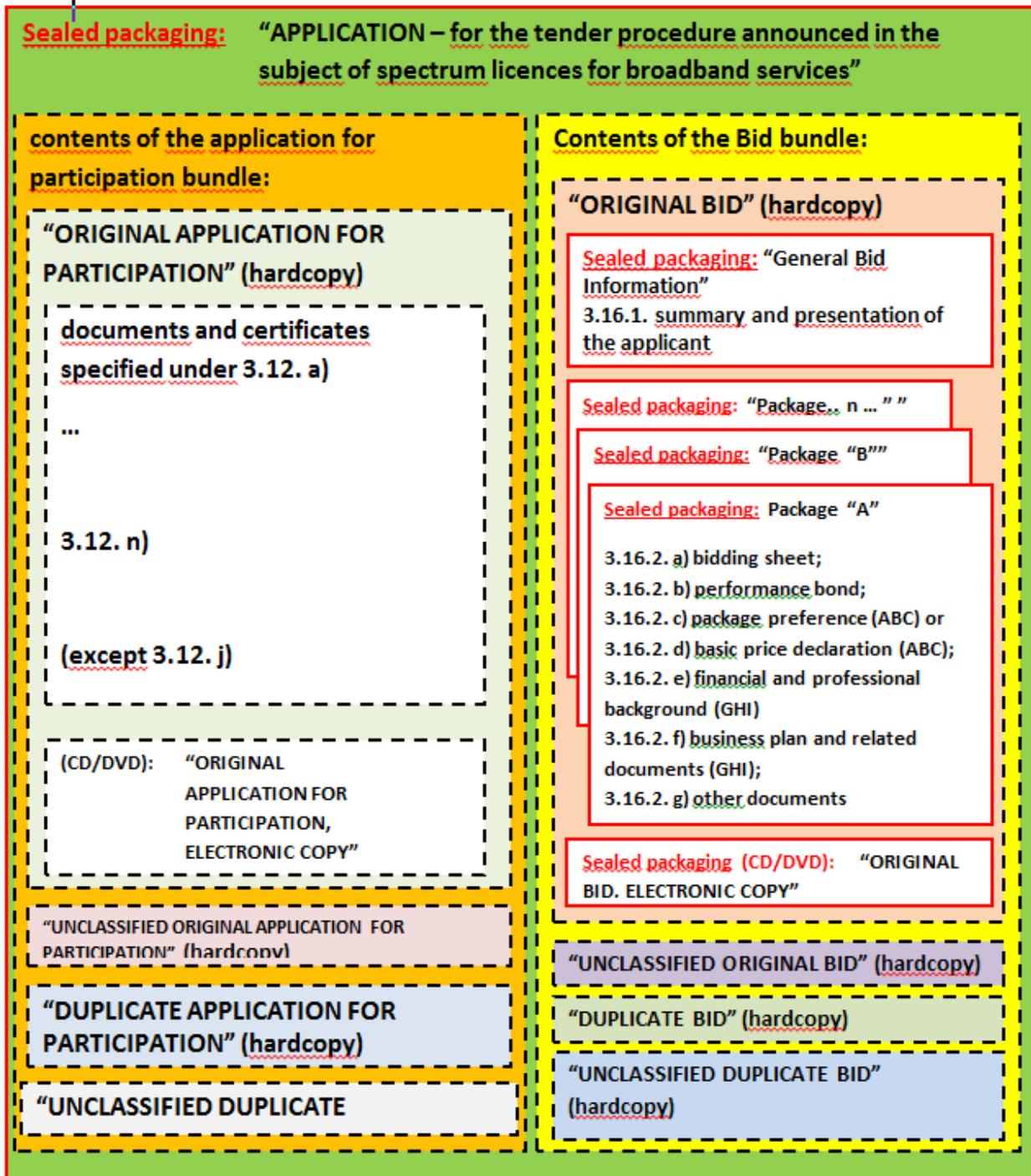
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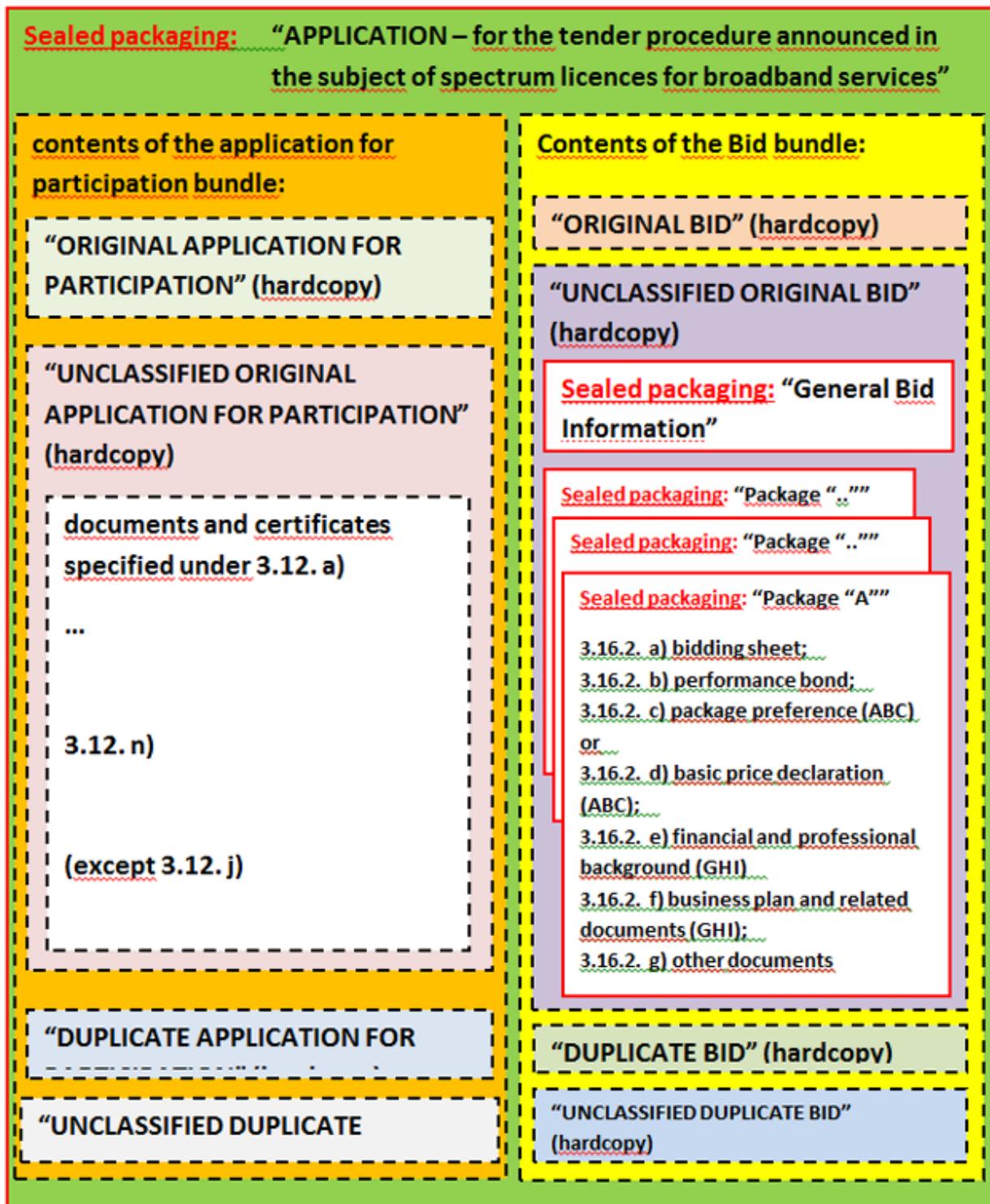
Budapest, 22 May 2014

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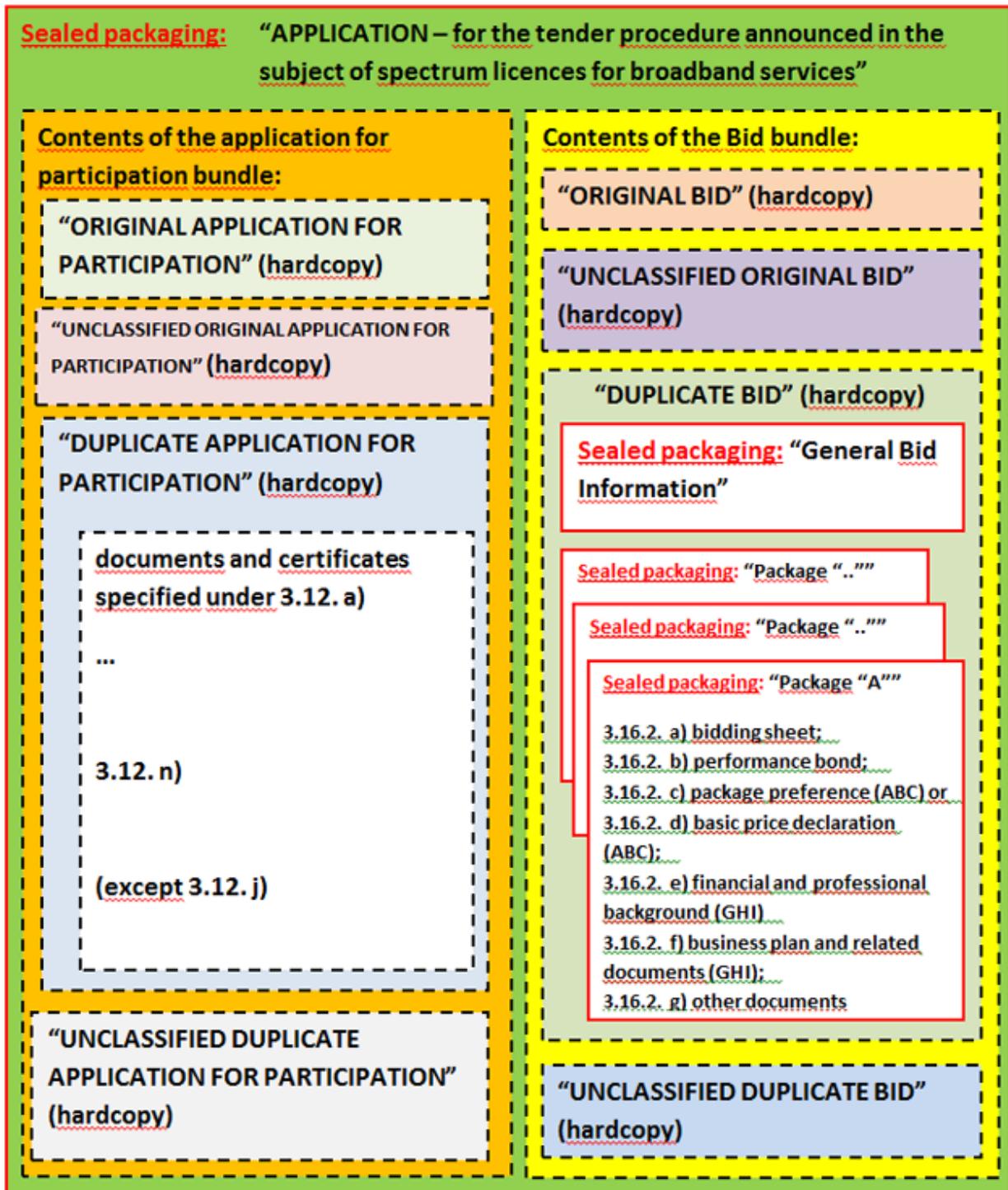
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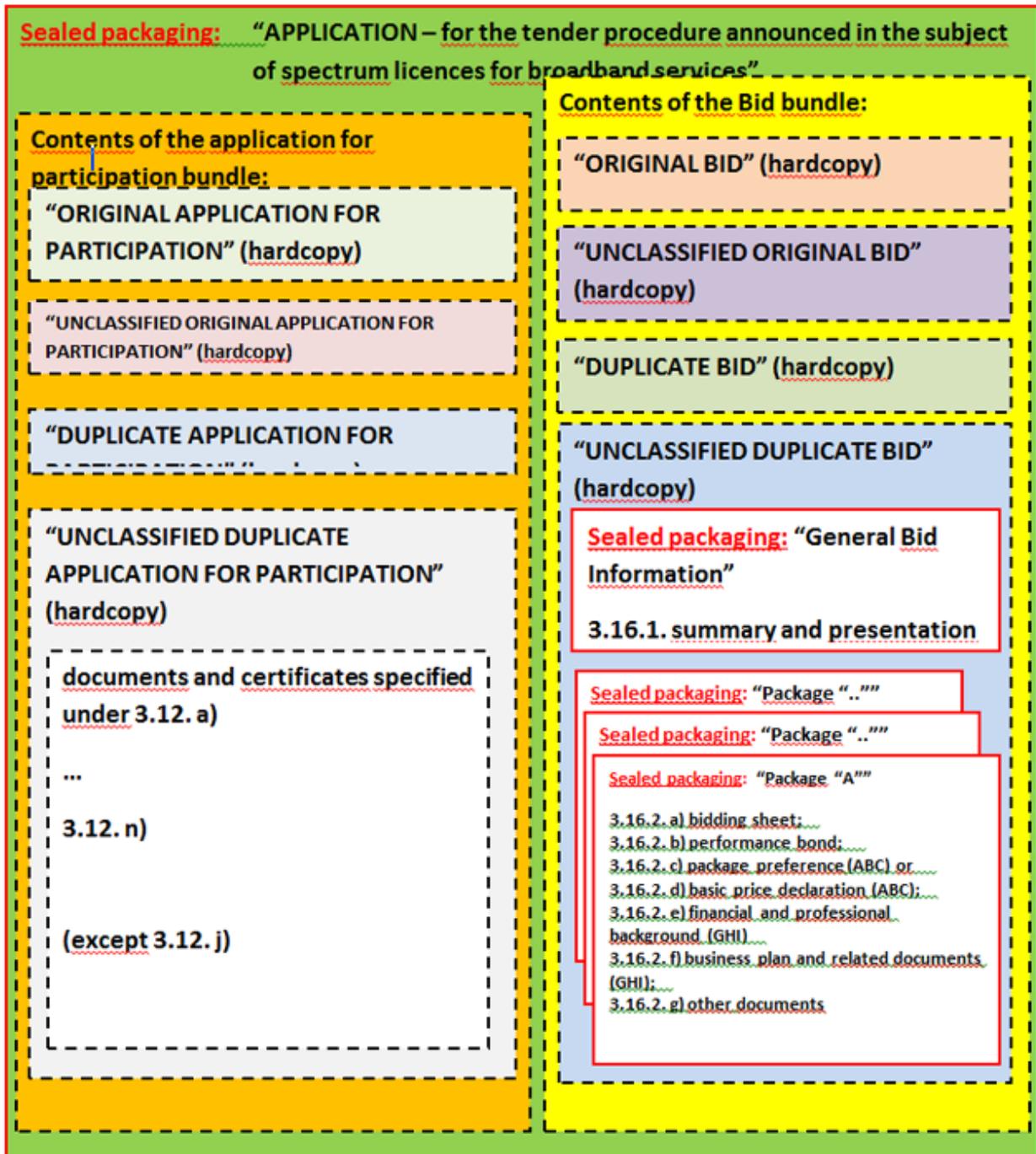
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