



1 RETAIL MINUS METHODOLOGY

The following process will be used for calculating the Charges for the National Roaming Services.

1.1 Relevant periods

The Quarters start from first day of January, April, July and October and are named Q1, Q2, Q3 and Q4 respectively.

1.2 Pricing methodology

The Wholesale Rate (WSR) is calculated using the below formula:

$$\text{WSR} = \text{ARR} (1 - \text{Retail Minus percentage})$$

The Retail Minus percentage is the discount rate which is agreed between both parties from time to time or as determined or approved by the TRA and in accordance with RAIO.

1.2.1 The charges and discounts are set as below:

Service	Type	Methodology
Voice calls	Originated	Average Retail Rate (ARR)* minus discount
Voice calls	Terminated	Mobile Termination Rate (MTR)
Text Messages	Originated	Average Retail Rate (ARR)* minus discount
Text Messages	Terminated	Termination Rate (MTR)
Data Sessions		Average Retail Rate (ARR) minus discount

1.2.2 For all successful originated National Roaming Voice Calls and Text Messages that get terminated into either Omantel, Oman Mobile, Awasr, or Ooredoo Network, Ooredoo shall issue a credit note to Vodafone equal to the termination charges being levied by the such operators to Vodafone for National Roaming Voice Calls and Text Messages.



1.2.3 Notwithstanding the above, in the event the WSR minus MTR is not sufficient for Ooredoo to recover the origination cost (equivalent to MTR being origination rate for that Quarter) of Voice Call or Text Messages, Ooredoo shall apply call origination and call termination mechanism instead of WSR based on retail minus of ARR. Accordingly, credit note prescribed in the above provision 1.2.2, in such cases shall not be issued.

The following methodology shall be used for implementing the Retail minus of ARR in accordance with the A&I Regulations.

1.3 Calculations

1.3.1 Ooredoo will calculate the **Average Retail Rate (ARR)** for each Product on a quarterly backward-looking basis using the formula:

$$ARR = (Total\ Retail\ Revenue\ from\ the\ Product) / (Total\ units\ of\ the\ Product\ consumed).$$

The Products are:

- (i) circuit-switched calls (i.e. voice, fax, video and circuit-switched data) that originate from Ooredoo end users on Ooredoo Network (units being minutes);
- (ii) text messages that originate from Ooredoo end users on Ooredoo Network (units being number of text messages); and
- (iii) packet-switched data sessions initiated by Ooredoo end users on Ooredoo Network (units being GB).

1.3.2 The units for each Product include the units consumed in service bundles. The total units consumed also in service bundles are the charging units measured and applied by Ooredoo from the bundle allowance. The units consumed will also include units consumed as part of any promotional, discounted, bonus or free-of-charge data and other usage, whether "above the line" or "below the line" (e.g., in any starter packs, free bundles, short-validity bundles and app- or URL-restricted bundles)



1.4 Total Retail Revenue

- 1.4.1 The Total Retail Revenue for each Product will be the total retail revenue earned by Ooredoo during the relevant Quarter from providing that Product to Ooredoo end users.
- 1.4.2 The Total Retail Revenue shall include revenues earned from all of its consumer pre-paid and post-paid end users.
- 1.4.3 In the case of circuit-switched calls or text messages from Ooredoo end users, the Total Retail Revenue:
- a) shall include calls or text messages to domestic destinations; but
 - b) except as contemplated in Clause 1.4 below, shall exclude calls or text messages to international destinations (and the relevant units consumed shall not take into account these calls or text messages).
- 1.4.4 The Total Retail Revenue shall exclude any handset revenues, revenues from any telecommunications services which are not Products (including value added services and international roaming), any revenue and usage arising out of offers that are part of Ooredoo's temporary Corporate Social Responsibility (CSR) programs or initiatives, Internal Usage and revenues from any non-telecommunications services (e.g. mobile wallet, FinTech, media content, carrier billing, etc).
- (i) CSR programs or initiatives will be temporary if they are intended to apply for a short period and in response to specific events (e.g., natural disasters) or occasions (e.g., National Day).
 - (ii) The Total Retail Revenue shall exclude any VAT.
- 1.4.5 The Total Retail Revenues earned from Product bundles shall be calculated in accordance with Clause 1.5 below. Product bundles include "add on" bundles, acquired with that Product bundle. The Total Retail Revenues earned from Product bundles comprising only calls or text messages to international destinations and standalone roaming Products shall be disregarded entirely.
- 1.4.6 The Total Retail Revenue for each Product shall be calculated on quarterly basis for ARR determination.

1.5 Treatment of Product bundles

At the end of each Quarter, the Total Retail Revenue from each Product bundle used in that Quarter shall be allocated between the revenue for each of the Product in accordance with the following methodology.



1.5.1 The Baseline ARR for a Product shall be equal to Ooredoo's Fully Allocated Costs per unit incurred in providing that Product and shall be used to allocate the bundle revenue between its different components of products.

- (i) In the case of the circuit-switched voice Product and the text message Product for international destinations, and circuit-switched voice Product, text message Product and packet-switched data Product for international outbound roaming, the Baseline ARR shall be Ooredoo's total net costs per unit incurred in providing that Product.
- (ii) In determining Ooredoo's Fully Allocated Costs, Ooredoo's common costs are to be attributed across all of its activities, which include the provision of the Products, in a consistent manner with the requirements of the TRA for its regulatory reporting purposes. Any allowance for a return on capital included in the calculation of Fully Allocated Costs shall be in line with the latest audited Separated Regulatory Accounts (SRA) submitted to the TRA. The Fully Allocated Costs used to determine the Baseline ARR will either be prepared on an Historic Cost Accounting (HCA) or Current Cost Accounting (CCA) basis by Ooredoo in its reporting obligations to the TRA, but shall be consistently applied throughout the term of the Agreement.
- (iii) The Baseline ARR shall exclude any VAT and shall be updated on a Quarterly basis or in line with Ooredoo's relevant submissions to the TRA.

1.5.2 the Calculated Bundle Revenue in each Quarter shall comprise:

- (i) **Data Bundle Revenue**, which shall be equal actual packet-switched data usage in the bundle (GB) times the Baseline ARR for the packet-switched data Product (OMR per GB);
- (ii) **Domestic Voice Bundle Revenue**, which shall be equal actual circuit-switched voice usage in the bundle to domestic destinations (minutes) times the Baseline ARR for the circuit-switched voice Product to domestic destinations (OMR per minute);
- (iii) **Domestic SMS Bundle Revenue**, which shall be equal actual text message usage in the bundle to domestic destinations (messages) times the Baseline ARR for the text message Product to domestic destinations (OMR per message); and

1.5.3 The Actual Bundle Revenue in each Quarter shall comprise the actual retail revenue from such Product bundles in that quarter. The Actual Bundle Revenue shall exclude:

- (i) any VAT; and
- (ii) the revenues for the items referred to in Clause 1.4.4 above that are included in the Product bundle calculated in accordance with Clause 1.5(a).



- 1.5.4 The Product bundles for the purposes of this calculation shall be Product bundles that either (in Ooredoo's discretion, but applied consistently throughout the term of the Agreement):
 - 1.5.5 expire or are fully utilised in the relevant Quarter; or
 - 1.5.6 are activated by the end users in the relevant Quarter.
- 1.5.7 Where the Product bundle has not expired in the relevant Quarter, the revenue from that Product bundle shall either be (in Ooredoo's discretion, but applied consistently throughout the term of the Agreement):
 - 1.5.8 fully accounted for in the relevant Quarter; or
 - 1.5.9 accounted for in proportion to the number of days remaining in the relevant Quarter, with the remaining proportion of revenue being accounted for in the next Quarter
- 1.5.10 Where the service bundle has not expired in the relevant Quarter, the usage from that service bundle in that Quarter shall be accounted for in that Quarter and any usage in the next Quarter shall be accounted for in that next Quarter.
- 1.5.11 The resulting per Product revenue shall then be applied to the usage in the service bundles during the relevant Quarter and that total revenue will be included in the Total Retail Revenue for that period in respect of those service bundles and the usage in those service bundles will be applied in determining the ARR for that Product.
- 1.5.12 If the Calculated Bundle Revenue is greater than the Actual Bundle Revenue, then the Calculated Bundle Revenue shall be pro-rated down so that the aggregate equals the Actual Bundle Revenue. If the Calculated Bundle Revenue is less than the Actual Bundle Revenue, then the Calculated Bundle Revenue for each Product shall be pro-rated up so that the aggregate equals the Actual Bundle Revenue.
- 1.5.13 The allocation of the Actual Bundle Revenue between the Product components of the bundle shall follow the corresponding Product's percentage share of the Calculated Bundle Revenue.
- 1.5.14 In all cases the resulting per Product revenue for international circuit-switched voice and international text messages shall be disregarded in the Total Retail Revenue for the relevant Quarter for the circuit-switched voice and the text message Products and that usage shall be disregarded in determining the ARR for those Products.

Example

Assume a Product bundle with 3 GB of packet-switched data, 90 minutes of domestic circuit-switched voice, 10 minutes of international circuit-switched voice, 75 domestic text messages and

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25 international text message). and free roaming in GCC countries is sold for OMR 8.000. If the value of the free roaming in GCC countries based on Baseline ARR is OMR 1.000, then the Actual Bundle Revenue is OMR 7.000.

Also assume:

- i. the Party's Baseline ARR for the packet-switched data Product = OMR 2.000 per GB;
- ii. the Party's Baseline ARR for the circuit-switched voice Product to domestic destinations = OMR 0.035 per minute;
- iii. the Party's Baseline ARR for the circuit-switched voice Product to international destinations = OMR 0.050 per minute;
- iv. the Party's Baseline ARR for the text message Product to domestic destinations = OMR 0.010 per message; and
- v. the Party's Baseline AAR for the text message Product to international destinations = OMR 0.015 per message.

Then assume the actual packet-switched data usage in the Product bundle in the relevant period is 2.8 GB, the actual circuit-switched voice usage to domestic destinations is 85 minutes, the actual circuit-switched voice usage to international destinations is 10 minutes, the actual text message usage to domestic destinations is 60 messages and the actual text message usage to international destinations is 15 messages in each case on average for all users of that Product bundle in the relevant period.

In that case, the Calculated Bundle Revenue = Data Bundle Revenue + Domestic Voice Bundle Revenue + International Voice Bundle Revenue + Domestic SMS Bundle Revenue + International SMS Bundle Revenue, where:

- i. Data Bundle Revenue = (actual packet-switched data usage in the bundle in GB x the Baseline ARR for the packet-switched data Product in OMR per GB) = (2.8 GB * OMR 2.000 per GB) = OMR 5.600;
- ii. Domestic Voice Bundle Revenue = (actual circuit-switched voice minutes used in the bundle to domestic destinations x the Baseline ARR for the circuit-switched voice Product to domestic destinations in OMR per minute) = (85 minutes * OMR 0.035 per minute) = OMR 2.975;
- iii. International Voice Bundle Revenue = (actual circuit-switched voice minutes used in the bundle to international destinations x the Baseline ARR for the circuit-switched voice Product to international destinations in OMR per minute) = (10 minutes * OMR 0.050 per minute) = OMR 0.500;

iv. Domestic SMS Bundle Revenue = (actual text messages used in the bundle to domestic destinations x the Baseline ARR for the text message Product to domestic destinations in OMR per message) = (60 messages * OMR 0.010 per message) = OMR 0.600; and

v. International SMS Bundle Revenue = (actual text messages used in the bundle to international destinations x the Baseline ARR for the text message Product to international destinations in OMR per message) = (15 messages * OMR 0.015 per message) = OMR 0.225.

Therefore, the Calculated Bundle Revenue = OMR 5.600 + OMR 2.975 + OMR 0.500 + OMR 0.600 + OMR 0.225 = OMR 9.900, which is greater than the Actual Bundle Revenue of OMR 7.000.

In this case, the Actual Bundle Revenue shall be split between the Products according to a Product's share of the Calculated Bundle Revenue:

i. Actual Data Revenue share = Actual Bundle Revenue * (Data Bundle Revenue / Calculated Bundle Revenue) = OMR 7.000 * (OMR 5.600 / OMR 9.900) = OMR 3.959;

ii. Actual Domestic Voice Revenue share = Actual Bundle Revenue * (Domestic Voice Bundle Revenue / Calculated Bundle Revenue) = OMR 7.000 * (OMR 2.975 / OMR 9.900) = OMR 2.103;

iii. Actual International Voice Revenue share = Actual Bundle Revenue * (International Voice Bundle Revenue / Calculated Bundle Revenue) = OMR 7.000 * (OMR 0.500 / OMR 9.900) = OMR 0.353;

iv. Actual Domestic SMS Revenue share = Actual Bundle Revenue * (Domestic SMS Bundle Revenue / Calculated Bundle Revenue) = OMR 7.000 * (OMR 0.600 / OMR 9.900) = OMR 0.424; and

v. Actual International SMS Revenue share = Actual Bundle Revenue * (International SMS Bundle Revenue / Calculated Bundle Revenue) = OMR 7.000 * (OMR 0.225 / OMR 9.900) = OMR 0.159.

Only the Actual Data Revenue share, Actual Domestic Voice Revenue Share and Actual Domestic SMS Revenue share will be applied to the usage in the Product bundles during the relevant Quarter and the Actual International Voice Revenue share and the Actual International SMS Revenue share shall be disregarded.

Therefore, the following shall be added to the Total Retail Revenue in respect of that Product bundle:

i. for the data Product, OMR 3.959 (and units of 2.8 GB to be included in calculating the ARR for the data Product);

- ii. for the voice Product, OMR 2.103 (and units of 85 minutes to be included in calculating the ARR for the voice Product); and
- iii. for the text messages Product, OMR 0.424 (and units of 60 messages to be included in calculating the ARR for the text messages Product).

If the Calculated Bundle Revenue (OMR 9.900) is less than the Actual Bundle Revenue (say OMR 12.000), then as per the above example, the Actual Bundle Revenue shall be split between the Products according to a Product's share of the Calculated Bundle Revenue:

- i. Actual Data Revenue share = Actual Bundle Revenue * (Data Bundle Revenue / Calculated Bundle Revenue) = OMR 12.000 * (OMR 5.600 / OMR 9.900) = OMR 6.788;
- ii. Actual Domestic Voice Revenue share = Actual Bundle Revenue * (Domestic Voice Bundle Revenue / Calculated Bundle Revenue) = OMR 12.000 * (OMR 2.975 / OMR 9.900) = OMR 3.606;
- iii. Actual International Voice Revenue share = Actual Bundle Revenue * (International Voice Bundle Revenue / Calculated Bundle Revenue) = OMR 12.000 * (OMR 0.500 / OMR 9.900) = OMR 0.606;
- iv. Actual Domestic SMS Revenue share = Actual Bundle Revenue * (Domestic SMS Bundle Revenue / Calculated Bundle Revenue) = OMR 12.000 * (OMR 0.600 / OMR 9.900) = OMR 0.727; and
- v. Actual International SMS Revenue share = Actual Bundle Revenue * (International SMS Bundle Revenue / Calculated Bundle Revenue) = OMR 12.000 * (OMR 0.225 / OMR 9.900) = OMR 0.272.

As before, only the Actual Data Revenue share, Actual Domestic Voice Revenue share and Actual Domestic SMS Revenue share will be applied to the usage in the Product bundles during the relevant Quarter and the Actual International Voice Revenue share and the Actual International SMS Revenue share shall be disregarded.

Therefore, the following shall be added to the Total Retail Revenue in respect of each user of that Product bundle:

- i. for the data Product, OMR 6.788 (and units of 2.8 GB to be included in calculating the ARR for the data Product);
- ii. for the voice Product, OMR 3.606 (and units of 85 minutes to be included in calculating the ARR for the voice Product); and



iii. for the text messages Product, OMR 0.727 (and units of 60 messages to be included in calculating the ARR for the text messages Product).

1.6 Effective date

The Charge will be effective from the Service Commencement Date, and thereafter from the 1st day of the next Quarter.


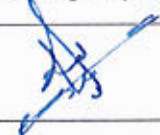
1.7 Notification

At the beginning of each Quarter, Ooredoo will calculate the ARR relating to previous Quarter within 10 working days, and shall notify Vodafone upon receiving TRA's approval on the wholesale rate calculation.

1.8 Audit rights

Vodafone on a justified request can request the TRA to initiate an audit of Ooredoo's data to ensure compliance with the detailed agreed methodology as per TRA's approval. Any related costs and expenses shall be borne by Vodafone

Signed for and on behalf of both Parties:

Vodafone Oman (Authorized Signatory + Stamp)	Ooredoo (Authorized Signatory + Stamp)
 <hr/> Name: <i>Sulaiman Al-Yahyai</i> Title: <i>Head of Wholesale</i> Date: <i>23/11/2022</i>	 <hr/> Name: Sultan Ahmed Al Wahaibi Title: CBWO Date: <i>9/11/2022</i>



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