

Text of the Appendix 4 to the Invitation to tender for the award of the rights to use radio frequencies for providing a public communications network in the 800 MHz, 1800 MHz and 2600 MHz bands – Auction Rules after the corrigendum of obvious inaccuracies



**Č e s k ý t e l e k o m u n i k a č n í ú ř a d**

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## Appendix 4

to the Invitation to Tender for the award of the rights to use radio frequencies  
for providing a public communication network in the 800 MHz, 1800 MHz  
and 2600 MHz bands

## Auction Rules

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## **1 Introduction**

These Auction Rules represent an Appendix to the Announcement and serve the purposes of further specification of the rules of the Auction set out in Section 7 of the Announcement including the presentation of model example of an Auction Phase.

## **2 Auction**

### **2.1 General Information**

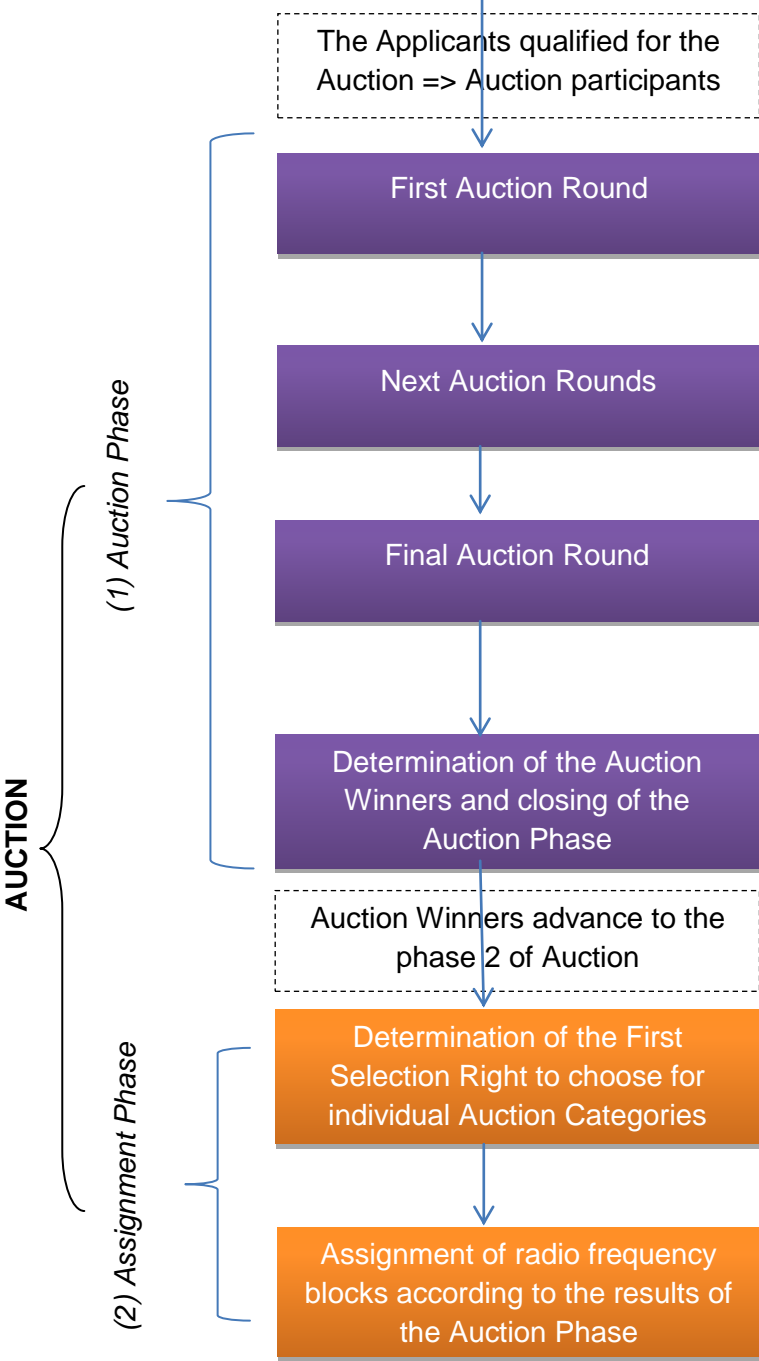
The auction is divided into 2 phases:

1. Auction Phase: The objective of this phase is to distribute individual Auction lots to the Participants in the Auction (Bidders) who offered the highest price for the given block (hereinafter referred to only as "Auction Winners");
2. Assignment Phase: The objective of this phase is to distribute specific blocks of the offered radio spectrum to the Auction Winners in the scope and structure corresponding to the results of the Auction Phase.

### **2.2 Auction Format**

The Auction Format that will be used within the tender is a simultaneous multiple-round auction (hereinafter referred to only as "SMRA") which is, at the same time, also organized as ascending and open one with the opportunity of Withdrawal of the Standing Bid. All Auction lots are available at the same time with their price during the Auction being increased, with the exception as per Section 4.3.6 of the Auction Rules. Information on the prices and times of the Standing Bid prices is available to Bidders after the conclusion of each of the Auction Rounds, nevertheless, the identities of the Bidders who hold the Standing Bids are concealed from the other Bidders.

2.3 Auction Scheme



### 3 Subject of the Auction

Category	Frequency band	Frequency [MHz]	Blocks on offer	Spectrum cap	Spectrum floor	Starting price (mil. CZK per block)	Activity points (pts per block)
A1	800 MHz paired spectrum	791-796 / 832-837	1 block 2x5 MHz	2x22,5 MHz including existing allocations in 900 MHz band	Not determined	800	4
A2		796-821 / 837-862	5 blocks 2x5 MHz			900	4
B1	1800 MHz paired spectrum	1842,3-1857,9/ 1747,3-1762,9	1 block 2x15.6 MHz	2x23 MHz including existing allocations in 1800 MHz band	Not determined	375	4
B2		1805,1-1805,3/ 1710,1-1710,3	1 block 2x0.2 MHz			5	1
B3		1805-1880 / 1710-1785 (unallocated part)	9 blocks 2x1 MHz			24	1
C	2600 MHz paired spectrum	2620-2670 / 2500-2570	14 blocks 2x5 MHz	2x20 MHz	2x10 MHz	80	1
D	2600 MHz unpaired spectrum	2570-2620	9 blocks 5 MHz	Not determined	15 MHz	40	0,5

## **4 The First Phase of the Auction - Auction Phase**

### **4.1 Electronic Auction System (EAS)**

The regular course of the first phase of the Auction, the so-called Auction Phase, will be ensured by the means of the Electronic Auction System provided for these purposes by the Office. EAS is operated on secure servers of the company authorized to ensure the EAS and will be accessible through a web browser with a high level of access security.

Besides the participation in individual Auction Rounds, the EAS interface will provide the Bidders with up-to-date information on the status and development of the Auction (i.e. the timetable of the Auction, results of Auction Rounds, etc.) and the manner, in which the bids will be realized. The accuracy of the realization of the bids will be checked in accordance with the rules of the Auction.

Only those Bidders may log in into the EAS who have received access data, digital certificate and password from the Office. These access details will be provided by the Office only to those Applicants who will be duly qualified in accordance with Section 6 of the Announcement and who have received a confirmation of the participation in the Auction. A digital certificate must be installed on the computer from which a Bidder logs in into the EAS. Bidders are responsible for their login details and the allocated password which the Bidders will be able to change after having logged in. The Bidders should have a sufficiently fast Internet connection (at least the 128kbit/s download speed) and a backup computer in case of a technical defect. In case of any breach of the protection, the Participant is obliged to inform the Office. For security reasons, the EAS will be available only from the Czech Republic territory while the number of localities (IP addresses) will not be limited in any way.

At one point, the Bidder can log in into the EAS only from one computer. In the event of inactivity, the Bidder will be, after a specified time interval not exceeding 5 minutes, automatically logged off the EAS. In case of unexpected technical problems or an outage of the Internet connectivity, there will also be an automatic log off and the Bidder will thus be able to log in using another computer on which the necessary certificates will have been installed. In such cases, on request of a Bidder, the Office may interrupt an Auction Round or to declare the Auction Round invalid and to repeat it. Cases of unforeseen situations are further specified in Section 7.4. Announcement. No data are stored during the Auction Round on the computer of the Bidder; any changes are recorded directly in the EAS. In the event that another computer is used, the Bidder will have all the saved changes available.

The Office recommends that the computers used by the Bidder to access the EAS, are not used during the Auction for any other purposes and that no other software is concurrently used on them that is not necessary for getting access to the EAS.

Within the EAS, all Bidders will act completely anonymously. The technical resources of the operator's system will be secured against intrusion and disclosure of the identity of a Bidder, namely both by corresponding HW and SW resources on the side of the system, a secure connection between the web browser of a Bidder and the system server by the means of the HTTPS encrypted network protocol and also by the means of a mandatory minimum level of security of login details controlled by the system.

The EAS and its various processes will be set up so that they eliminate, to the maximum extent possible, the risk of inadvertent errors on the part of a Bidder, such as double-clicking.



The protection will match the level of protection of financial transactions and will be secured e.g. in a form of entering the security code when confirming significant transactions

Within the EAS, a user interface will be available to the Bidders that will provide all the forms necessary for entering the Bids and also the up-to-date information on the course of the Auction and other notifications of the Office to the Bidders. The interface also includes a clock synchronized with the auction server which will display the time information, such as time remaining before the auction round ends, the exact time of submission of a bid, etc. The EAS interface will also provide the Bidders with up-to-date information on the status and development of the Auction, i.e. the timetable of the Auction, results of Auction Rounds, total activity in individual Auction Rounds, occupancy of individual Auction Lots, their minimum price and the Standing Bid. Each Bidder will have access via the EAS to information on all bids it realized within single Auction Rounds and to the history of results of individual Auction Rounds.

All the rules binding for the Auction Phase, in particular the rules for submission of bids, compliance with spectrum caps, eligibility points, determination of the Standing Bid, etc. will be automatically checked thanks to the EAS.

The EAS includes a one-way messaging system that will allow the Office to send messages to individual Bidders throughout the whole Auction Phase. The Office anticipates that this method of communication of the Office with the Bidders will be primary during the Auction. Messages will be deemed delivered to a Bidder at the moment when they are published in EAS. At the time when the Auction takes place and one hour before its beginning, the Bidders will also have available an e-mail address and a telephone number, in case it will be necessary to contact the Office including the EAS technical support.

Bidders will have, within the training and the trial auction, an opportunity to become familiar with the EAS environment and all its possibilities, as well as with the rules of the Auction themselves.

The Bidders will also have available the EAS user manual which they will get in the course of the training. This user manual will contain information which the Bidder should get familiar with before the commencement of the Auction Phase. These include especially requirements in terms of hardware and software accessories, login instructions and the description of the interface and the use of the EAS. No special software is required from the Bidders, only a computer with a web browser and the latest version of the Java application installed. The system requirements, together with the list of the supported and recommended OS and the web browser settings, will be specified in the EAS user manual.

The EAS as a whole, as well as its parts, subsystems, databases, namely including the graphic design of the Internet application and their structures, are copyrighted works in respect of which all proprietary rights are exercised by the EAS Operator. The use of copyright or other rights related to the EAS without the consent of the Operator is an unauthorized copyright infringement that is punished in accordance with the applicable legal regulations.

Bidders are not entitled, in connection with the use of the EAS, to use the software, scripts or similar mechanisms and measures that could damage the EAS functions or otherwise

interfere with the EAS activities and could unduly burden the servers and the EAS infrastructure.

## **4.2 Course of the Auction Phase**

### **4.2.1 Realization of Bids by Bidders**

Auction Rounds take place on working days between 10:00 a.m. to 6:00 p.m. All Bidders will be notified through the EAS of the start of each Auction Round at least 15 minutes in advance. Individual rounds last 60 minutes. An Auction Round will be also automatically concluded at the moment when bids of all the Bidders were made or when the Bidders have pro-actively used the right of Waiver option as per Section 4.3.5. All Bidders will be informed about this decision to conclude the round through the Electronic Auction System (EAS).

Bidders who will log in into the EAS will have available a form for submission of bids in the EAS interface. In this form, what will be displayed is individual Auction Categories along with a list of all the Auction Lots in respect of which there will be the information about the minimum and current prices; other than that, the Bidder will see here the current number of its Eligibility Points, the quantity of the utilizable rights of Waiver and the Withdrawal of the Standing Bid and the information on Auction Lots in which the Bidder holds the Standing Bid. Detailed information about the user interface of the EAS will be described in the Auction Manual.

Bids are only accepted during the Auction Round. The specified deadline for the submission of Bids is the time when the Bid is accepted as recorded by the EAS, not the time when the Bid is sent from the computer of the Bidder. Bidders should allow for a certain time delay between the sending of the data and their acceptance by the EAS system. The Office therefore recommends that the Bidders submit their Bids sufficiently in advance before the end of the Auction Round thus avoiding possible delays due to their transmission. The time when the Bid is submitted affects, in addition, the evaluation of the Auction Round and the determination of the Standing Bid in the event of equality of two bids per one Auction Lot whereby the earlier time when the Bid was submitted is decisive.

Information on the Bids is not disclosed during the Auction Round. EAS bids are evaluated only after the Auction Round is ended.

If a Bidder confirms its Bid in the prescribed manner, the Bid is stored in the EAS and becomes binding. The bid, after having been confirmed in the prescribed manner, cannot be taken back or changed by the Bidder. A Bidder will be notified by the EAS of the acceptance of its Bid and of the time of its acceptance.

The EAS will allow to the Bidders to submit only such Bids that are in compliance with the rules of the Auction set out in the Announcement and these Auction Rules. In the event that a Bid is submitted that is in conflict with these rules, the EAS will automatically generate an alert of a failure to dispatch or to accept the Bid as a result of an incorrect entry and the Bidder, unless prevented in doing so by the elapse of the time limit, will be able to change its Bid in such a way as to comply with the rules of the Auction.

#### **4.2.2 The First Auction Round**

The first Auction Round starts with the concurrent commencement of the auction of all Auction Lots in all categories at the minimum price corresponding to the various categories as per Section 3.

In the first round, the Bidder may submit a Bid in an Auction Lot at 5 price levels defined in advance by the EAS which will be established at the following levels:

- the minimum price of the Auction Lot;
- the minimum price of the Auction Lot plus 2.5%;
- the minimum price of the Auction Lot plus 5%;
- the minimum price of the Auction Lot plus 10%;
- the minimum price of the Auction Lot plus 20 %;

In the first Auction Round, the Bidders have the opportunity to exercise the right of Waiver and the Right of Withdrawal of the Standing Bid. If the Participant's activity in the first Auction Round is lower than the number of its Eligibility Points, the Participant will be reduced the number of its Eligibility Points for the next round according to the procedure laid down in Section 4.3.2.

#### **4.2.3 Next Auction Rounds**

Options to submit Bids in individual Auction Lots in the next Auction Rounds are defined differently depending on whether, in the given Auction Lot, the Holder of the Standing Bid is determined or not and if the Holder of the Standing Bid fails to be determined, then the reason why this is the case should be mentioned.

- A. If the Holder of the Standing Bid is determined, then the Bidders, who are interested in obtaining this block, including the Holder of the Standing Bid, must submit only a higher bid. The possibility to increase the Bid will be limited to 4 price levels within the EAS:
  - The highest bid plus 2.5% of the Auction Lot minimum price;
  - The highest bid plus 5% of the Auction Lot minimum price;
  - The highest bid plus 10% of the Auction Lot minimum price;
  - The highest bid plus 20 % of the Auction Lot minimum price;
- B. If the Holder of the Standing Bid fails to be determined as a result of the fact that no Bid was yet made in respect of the given Auction Lot, the Bidders will be able to submit a bid for the given block at 5 price levels set by the EAS on the level of:
  - the minimum price of the Auction Lot;
  - the minimum price of the Auction Lot plus 2.5%;
  - the minimum price of the Auction Lot plus 5%;
  - the minimum price of the Auction Lot plus 10%;
  - the minimum price of the Auction Lot plus 20 %;

C. If the Holder of the highest bid fails to be determined as a result of the application of the right of Withdrawal of the Standing Bid, the Bidders will be able to submit a bid for the given block at 5 price levels set by the EAS on the level of:

- the price of the withdrawn Standing Bid or the price set as per Section 4.3.6 of the Auction Rules;
- the price of the withdrawn Standing Bid or the price set as per Section 4.3.6 of the Auction Rules increased by 2.5% of the Auction Lot minimum price;
- the price of the withdrawn Standing Bid or the price set as per Section 4.3.6 of the Auction Rules increased by 5% of the Auction Lot minimum price;
- the price of the withdrawn Standing Bid or the price set as per Section 4.3.6 of the Auction Rules increased by 10% of the Auction Lot minimum price;
- the price of the withdrawn Standing Bid or the price set as per Section 4.3.6 of the Auction Rules increased by 20 % of the Auction Lot minimum price.

In addition to the above mentioned opportunities of how to submit a Bid, the Bidders are given an opportunity to simultaneously use the right of Withdrawal of the Standing Bid for one or more blocks where they are the Holders of the Standing Bid. The Eligibility Points corresponding to the number of Eligibility Points for all withdrawn Standing Bids can be used by the Bidder in the given Auction Round to submit a Bid for other Auction Lots in accordance with the rules of Activity defined in Section 4.3.2.

Bidders have, in the Auction Rounds that follow, the opportunity to use the right of Waiver. In case they use the right of Waiver, the number of Eligibility Points of Bidders for the next round does not decrease.

If the number of Eligibility Points of a Bidder drops, in any auction round, to zero, then the Bidder loses the opportunity to participate in the next Auction Round and the Bidder is automatically disqualified from the next course of the Auction.

#### **4.2.4 The Final Auction Round**

Such a round is determined to be the final Auction Round in the course of which the following conditions are simultaneously met:

- a) no Bid was submitted in respect of any of the Auction Lots;
- b) the right of Withdrawal of the Standing Bid was not used;
- c) the right of Waiver was not used.

The Final Round also occurs when, in two consecutive Auction Rounds, conditions (a) and (b) as per the first paragraph of this Section 4.2.4. are met, i.e. at the moment when all Bidders whose Eligibility was greater than 0 concurrently failed to submit any new Bid for the Auction Lots and, at the same time, also failed to exercise the right of Withdrawal of the highest bid. After the conclusion of each Auction Round in which conditions a) and b) are concurrently met, the Office will notify all Bidders of the possibility that, if such conditions are met again in the next Auction Round, the Auction will be ended.

In addition to situations defined above in this point 4.2.4, the Office may determine the final round also in the case whereby the last Bidder remains in the Auction whose Eligibility will be in excess of zero. In such a case, the Office will inform all Bidders after the conclusion of the round preceding the final round.

After the Auction Phase is concluded through EAS, all Bidders will be delivered a Notice of the Results of the Auction by the Office with the information specified in Section 7.6.9 of the Invitation.

### **4.3 Rules of the Auction and Rights of the Bidders**

#### **4.3.1 Code of Conduct**

During the Auction, the Bidders must refrain from a behaviour that would endanger or obstruct the course or the outcome of the Auction, especially, they must avoid coordinating their act with another Bidder during the auction, in particular as regards the amount of Bids in the Auction or the distribution thereof. Full terms and conditions of the behaviour of Applicants during the whole tender are laid down in Section 9 of the Announcement.

#### **4.3.2 Activity Rules**

The activity of the Bidders is limited within the Auction Phase by:

- a. the number of Eligibility Points, which a Bidder has available for the given Auction Round;
- b. the Spectrum Caps rules for individual bands according to Section 3
- c. the minimum bid rules within Auction Categories C and D according to Section 3.

Based on the number of Eligibility Points, a Bidder has the possibility to put together different combinations of individual Auction Lots pursuant to the following rules:

- all Auction Lots are classified into Auction Categories to which the appropriate number of Eligibility Points is determined. The sum of the Eligibility Points of all chosen Auction Lots within the same combination cannot be higher than the number of the Eligibility Points that the Bidder has available in the given Auction Round;
- in the first round, the Eligibility of a Bidder depends on the amount of the Security which it deposited within the qualification phase as a Security as per Section 6.3 of the Announcement. The minimum number of Eligibility Points was determined by the Office as 8 and the maximum number of Eligibility Points as 25. Eligibility is not increased within each of the individual rounds;
- the number of Eligibility Points in the Auction Rounds that follow depends on the activity of the Bidder in the last concluded Auction Round.

The activity of the Bidder in a single Auction Round is calculated using the following calculation:

- + total number of Eligibility Points for all Auction Lots in which the Bidder submitted its bid in the given Auction Round
- + total number of Eligibility Points for all Auction Lots in which the Bidder was the Holder of the Standing Bid at the beginning of the given Auction Round
- total number of Eligibility Points for all Auction Lots in which the Bidder was the Holder of the Standing Bid at the beginning of the given Auction Round and in respect of which Auction Lots the Bidder submitted a new (higher) bid in the given round
- total number of Eligibility Points for all Auction Lots in which the Bidder was the Holder of the Standing Bid at the beginning of the Auction Round and

which it gave up in the given round (using the right of Withdrawal of the Standing Bid)

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#### **= TOTAL NUMBER OF ACTIVITY POINTS IN THE AUCTION ROUND**

In the event that the activity of the Bidder in the given round is lower than the number of Eligibility Points for the given round, then the number of Eligibility Points for the next Auction Round is reduced to the level of the number of activity points in the given round. A reduction in the number of the Eligibility Points will not occur if the right of Waiver was applied in the given round.

This rule will be mentioned in the course of the first three Auction rounds. The following level of obligatory activity will be set in these rounds:

- 1. round: 50% Eligibility points
- 2. round: 60% Eligibility points
- 3. round: 80% Eligibility points

If rounding is necessary downward rounding to whole units will be applied.

If the number of points in the Auction round achieves the required Eligibility points level for the given Auction round, the number of the Eligibility Points is kept for the next Auction round. E.g. if a Bidder who has at its disposal in the 1st Auction round 10 Eligibility Points, realises in the first round the activity only at the level of 50% of its Eligibility Points, i.e. only 5 activity points would be realised, then the number of the Eligibility Points will be maintained for the 2nd Auction round.

Should a Bidder fail to respect in these rounds even the reduced obligatory activity level, then the number of its Eligibility Points will be reduced proportionately to the amount of the obligatory activity points. If rounding is necessary upward rounding is always applied – but the resulting value may not go beyond the original Eligibility Points value. E.g. if our model Bidder with 10 Eligibility Points realises in the first round only 4 activity points, its number of Eligibility Points for the next round would be reduced to 8 (The number of the Eligibility Points for the 2nd round = (4 points of real activity in the 1st round/ 5 obligatory activity points in the 1st round) \* 10 Eligibility Points for the 1st round).

The reduction of the Eligibility Points number will not be applied if the right of waiver is exercised in the given round according to the chapter 4.3.5.

A spectrum cap determines the maximum amount of Auction Lots that the Bidder may demand within individual Auction Rounds. The compliance with this rule will be automatically checked by the means of the EAS.

#### **4.3.3 Holder of the Standing Bid**

At the end of each Auction Round, the Holder of the Standing Bid for each Auction Lot will be determined according to the rules determined as per Section 7.6.2 of the Announcement.

A Bidder, who is, in the final Auction Round, defined as per Section 4.2.4 by the Holder of the Standing Bid of the Auction Lot, will become the winner of the auction for the given Auction Lot.

#### **4.3.4 Minimum scope of a bid**

The minimum scope of a bid within the Auction categories C and D is determined by the minimum number of the Auction blocks within the Auction category that have to be comprised in a mandatory Bid in each Auction round. The respect of the minimum scope of a bid will be automatically controlled by the EAS.

This rule will be realised in the framework of the Auction in such a manner that Bidders will not be able to submit such Bid in the Auction round that would not respect this rule. The checking of this rule will be provided automatically within the EAS.

When a Bidder is unable to meet the condition of the minimum scope of a bid in an Auction round at the same time it will have no right of waiver through which the Bidder could pass to the next Auction round irrespective of its failure to respect this rule, the EAS automatically carries out the withdrawal of the Standing Bid in the Auction blocks which do not fulfil the rule of the minimum scope of a bid. The number of the Standing Bid withdrawal rights will be reduced by one unit.

#### **4.3.5 Right of Waiver**

Each of the Bidders has the right to give up its participation in an Auction Round, namely four times as a maximum. Participants do not have the right to exercise this option in the first Auction Round.

The right of Waiver can be used in the following three ways:

- pro-actively, based on a choice made within the EAS, without the Bidder carrying out any activities within the Auction Round;
- pro-actively based on a choice made within the EAS, provided that the Bidder submitted a bid in the given Auction Round, however, this bid would mean a loss of Eligibility in the next Auction Round;
- passively, provided that the Bidder does not carry out any activity within the time limit for the Auction Round as a result of which it would automatically lose its Eligibility.

In the case that the right of Waiver is exercised in an Auction Round, no loss of Eligibility takes place.

The right of Waiver may be used only by the Bidder whose number of Eligibility Points is greater than 0. When a zero number of Eligibility Points is achieved, the remaining rights of Waiver are automatically removed from the Bidder.

#### **4.3.6 Right of Withdrawal of the Standing Bid**

Starting from the second Auction Round, the Bidders have an opportunity to withdraw the Standing Bid in one or more Auction Lots in which they are, based on the previous Auction Round, Holders of the highest bid. Each Bidder is entitled to use the Right of Withdrawal of the highest bid in a maximum of five Auction Rounds regardless of the number of Auction Lots with the Standing Bid to which this right was applied within the given Auction ROUND.

In the event that the Holder of the Standing Bid in the Auction Lot exercises its right and withdraws its Standing Bid and, at the same time, there is not a change in the Holder of the Standing Bid, such an Auction Lot will be marked as unassigned. The Office will allow that this block is offered in the next round at a price equivalent to the withdrawn Standing Bid. In

the event that no bid is made for the given Auction Lot in the round that follows the Retraction of the Standing Bid, the Office may reduce the price of the block in a later round. This reduced level may correspond to the following values:

- (a) the price of an Auction block in the Auction round preceding the moment when the Bidder who exercised in this block the right to withdraw the Standing Bid became the Holder of the Standing Bid;
- (b) the highest actual block price in the same Auction category;
- (c) the lowest actual block price in the same Auction category;
- (d) the minimum price of an Auction block when it is not possible to fix the price according to the points (a) to (c).

If there is a reduction of the bid price according to this procedure, all Bidders (including the entities who have achieved zero value of the Eligibility Points) will have the number of Eligibility Points increased by the value corresponding to the activity points value of the Auction block(s) where the bid price has been reduced. But the number of the Eligibility Points may not go, for any Bidder, beyond the number of the Eligibility Points which the Bidder had at the Auction start. The number of the waiver rights and Standing Bid withdrawal rights is not affected by this rule, with the exception of the Bidder with zero Eligibility Points value who will have returned the original number of the waiver rights and Standing Bid withdrawal rights, which the given Bidder had at the moment when it achieved zero value of the Eligibility Points,

A Bidder that exercises the right of Withdrawal of the most beneficial bid may use, in the same round, respective Eligibility Points to submit a Bid for other blocks.

#### **4.3.7 Information in the Course of the Auction**

Throughout the whole Auction, all Bidders will have available the following information on their Bids:

- overview of all Bids that the Bidder submitted throughout the Auction;
- overview of all Auction Lots in respect of which the Bidder currently holds the Standing Bid, and prices for these Auction Lots;
- overview of Auction Lots in respect of which the Bidder submitted, in the last concluded Auction Round, a binding bid, which is not the Standing Bid, together with the amount it offered;
- overview of all Auction Lots together with the following information:
  - i. occupied/unoccupied block - information on whether, in the given block, one of the Bidders holds the Standing Bid, without providing the name of the Bidder with the Standing Bid;
  - ii. the amount of the Standing Bid price for the block, or the minimum price for the block unless the Holder of the Standing Bid is assigned to the given block;
  - iii. The number of Eligibility Points of the Bidder;
  - iv. the current number of rights of Waiver;
  - v. the current number of rights to Withdrawal the Standing Bid;
  - vi. the estimated time of the beginning and end of the upcoming Auction Round;



- vii. the total amount of the Eligibility Points of all Bidders realized in the last concluded Auction Round.

Before the start of each Auction Round all Bidders will receive, through the EAS, a message that will contain the following information:

- the beginning and end of the next Auction Round;
- the number of Eligibility Points of a Bidder for the next Auction Round;
- overview of all Auction Lots in respect of which the Bidder holds the Standing Bid, and prices for these Auction Lots;
- the number of remaining rights of Waiver;
- the number of remaining rights to Withdrawal the Standing Bid;

Within the round in process, the Bidders will be informed about the time remaining till the end of the current Auction round.

After each Auction Round is concluded, the following information will be published on the course and results of the Auction Round:

- overview of all Auction Lots with the information on the Standing Bid provided that the given block is occupied (without mentioning the Holder of the Standing Bid) or on the minimum price in the event that, no bid has been made yet in respect of the given block; or on the price of the Auction Lot for the next Auction Round in the event that the Standing Bid was withdrawn within the just concluded round according to the chapter 4.3.6 (including the possibility to adjust the price level that has been defined in the chapter 4.3.6;
- total Eligibility Points for all Bidders.

#### **4.4 Practical Example of Auction Phase**

For the below practical example, we will assume that 5 Bidders will take part in the Auction (Alpha, Beta, Gamma, Delta, Omega) of which, participants Alpha, Beta and Gamma cannot apply for block B1 due to the spectrum cap which corresponds to the owned allocations in the 1800 MHz band in the range of 2x18 MHz (Alpha and Beta) and 2x14 MHz (Gamma).

We assume that each Bidder has pre-defined preferred auction strategies which include the intended combinations of Auction Lots and the strategy value, i.e. the maximum amount of price which the Bidder is willing to pay for the given combination of blocks or rather the amount of price of Auction Lots which are economically justified for the Bidder.

The amount of Eligibility Points and the corresponding amount of the deposited Security as per Section 6.3 of the Announcement correspond to the number of Eligibility Points of such a strategy of the Bidder that is the most intensive in this respect. The minimum and maximum numbers of Eligibility Points set out in Section 6.3 of the Announcement are adhered to.

Auction strategies of all Bidders are described in the following table:

Bidders				Auction Category							Limit Price of Strategy (in mil. CZK)
Name of Bidder	Initial Eligibility	Needed Eligibility	Strategy	A1 Number of lots	A2 Number of lots	B1 Number of lots	B2 Number of lots	B3 Number of lots	C Number of lots	D Number of lots	
<b>Alpha (α)</b>	23	23	Strategy 1	1	2			5	4	4	3,200
		19	Strategy 2		2			5	4	4	2,640
		16	Strategy 3		2		1	1	4	4	2,540
<b>Beta (β)</b>	14	14	Strategy 1		2			2	4		2,819
<b>Gamma (γ)</b>	18	18	Strategy 1	1	1			6	4		2,382
		14	Strategy 2	1				6	4		1,517
<b>Delta (δ)</b>	12.5	12.5	Strategy 1		1	1			2	5	1,962
<b>Omega (ω)</b>	8	6	Strategy 1			1			2		589

In the following Sections, what is demonstrated is the course of the fictitious auction until the final round of the auction. Within the individual rounds, individual auction principles are demonstrated.

### 4.4.1 The First Auction Round

In the first round, all the Bidders will exercise their priority strategy, i.e. strategy 1. Let us assume that all of them except Beta will bid the minimum price for the block. Beta will bid the maximum amount of its strategy from the beginning. Auction Lots, in respect of which the Bidders will submit their bids, will be randomly selected by the Bidders. Bids will be gradually submitted by all entities. The basic parameters of the first auction round are shown in the following table:

Auction Round 1	Strategie	Total Amount of Bid	Eligibility Points in Round	Activity in Round	Waiver (remains)	Withdrawal (remains)	Time of submission	Auction category A					Auction category B									Auction category C														Auction category D								
								A2					B1		B2		B3																											
								A1	A2-1	A2-2	A2-3	A2-4	A2-5	B1	B2	B3-1	B3-2	B3-3	B3-4	B3-5	B3-6	B3-7	B3-8	B3-9	C-1	C-2	C-3	C-4	C-5	C-6	C-7	C-8	C-9	C-10	C-11	C-12	C-13	C-14	D-1	D-2	D-3	D-4	D-5	D-6
Reserve price								800	900					375	5	24					80														40									
Standing Bid - Beginning of the Auction Round								0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Standing Bid Holder - Beginning of the Auction Round								—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Bid price 1								800	900	900	900	900	900	900	375	5	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24		
Bid price 2								820	922.5	922.5	922.5	922.5	922.5	384.375	5.125	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6			
Bid price 3								840	945	945	945	945	945	393.750	5.25	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2			
Bid price 4								880	990	990	990	990	990	412.5	5.5	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4			
Bid price 5								960	1080	1080	1080	1080	1080	450	6	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8			
Alpha	1	3200	23	23	NO (4)	NO (5)	9:40	800	900	900						24	24	24	24	24																								
Beta	1	2601.6	14	14	NO (4)	NO (5)	9:35				1080	1080																																
Gamma	1	464	18	10	NO (4)	NO (5)	9:30									24	24	24	24	24	24																							
Delta	1	1635	12.5	12.5	NO (4)	NO (5)	9:25					900	375																															
Omega	1	535	8	6	NO (4)	NO (5)	9:20						375																															
Standing Bid - end of the Round								800	900	900	1080	1080	900	375	0	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24				
Standing Bid Holder - end of the Round								α	α	α	β	β	δ	ω	—	γ	γ	γ	γ	γ	γ	γ	γ	γ	γ	γ	γ	γ	γ	γ	γ	γ	γ	γ	γ	γ	γ	γ	γ					

Tables that will show the basic parameters of individual auction rounds include the following items:

- Table header
- The minimum price of the Auction Lot in the auction defined as per Section 3 of the Auction Rules
- The Standing Bid and its Holder at the beginning of the given auction round
- Specific values of potential Bid Prices as per 4.2.2, or 4.2.3 of the Auction Rules (the Bidder has the opportunity to select only one of the above amounts)
- Bids of all Participants in the fictitious auction in the given auction round (Alpha, Beta, Gamma, Delta and Omega).
- The Standing Bid and its Holder based on the results of the auction round that has taken place

The table cells highlighted by the means of dark background indicate bids that have become the Standing Bids and also point out the use of the Right of Waiver or the Right of Withdrawal of the Standing Bid.

In compliance with its auction strategy 1, **Alpha** submitted a bid for 2 Auction Lots in Auction Category A2 and one Auction block A1, 5 Auction Lots in Auction Category B3, 4 Auction Lots in Auction Category C and 4 Auction Lots in Auction Category D. For all Auction Lots, it offered their minimum price, i.e. Bid Price 1. Alpha had available for this round 23 Eligibility Points and used them all, i.e. Alpha's total activity in the first

round corresponded to 23 Eligibility points. Alpha will thus have 23 Eligibility Points also in the next Auction Round. Alfa submitted its bid at 9:40. Based on the results of the first round, Alpha gained all 3 Auction Lots of Auction Category A1 and A2. Other than that, Alfa failed to gain any Auction Lot of Auction Category B3 due to a later submission of the bid while making the same amount of the bid as Gamma (Auction Lots B3-1 and B3-2) and Delta (Auction Lots B3-3 through B3-5). Within Auction Category C, Alpha gained 2 out of 4 requested Auction Lots - Auction Lots C-3 and C-4. Auction Lots C-1 and C-2 were not gained by Alfa due to its later submission of its bid compared to Omega while making the identical bid price. Alfa also failed to obtain any Auction Lot of Auction Category D, again due to a later submission of the bid compared to Delta while making the identical bid price. The total amount of the bid of Alpha for all requested Auction Lots in the first Auction Round amounted to CZK 3.200 million.

In the first round, **Beta** submitted a bid for 2 Auction Lots in Auction Category A2, 2 Auction Lots in Auction Category B3 and 4 Auction Lots in Auction Category C. For all Auction Lots, it offered the price by 20% higher than the Minimum Price, i.e. it chose Bid Price5. Beta had available 14 Eligibility Points for the first round and used all of these points which means Beta ensured for itself the same amount of Eligibility Points in the next auction round. Beta submitted its bid at 9:35. Due to the higher bid price, Beta becomes Holder of the Standing Bids for all the requested Auction Lots in Auction Categories A2, B3 and C. Beta's total Bid in the first Auction Round amounted to CZK 2,601.6 million.

In the first round, **Gamma used the possibility of the obligatory activity level in the first auction round at the level of 50% and decided not to** submit a bid for 2 Auction Lots in Auction Category A. Gamma submitted in the first round 6 Auction Lots in Auction Category B3 and 4 Auction Lots in Auction Category C, everything in the amount of the minimum Bid Price (Bid Price 1). Its bid covered 10 Eligibility points. Gamma submitted its bid at 9:30. In the first round, Gamma gained all the requested Auction Lots in Auction Categories B3 and C. Gamma's total bid in the first round amounted to CZK 464 million. The obligatory level of activity for Gamma in the first round was 9 points. Due to the fact that Gamma used 10 Eligibility points, it may use in the next Auction round all 18 Eligibility points, the same as in the first round.

**Delta** submitted a bid for 1 Auction Lot in Auction Category A2, 1 Auction Lot in Auction Category B1, 2 Auction Lots in Auction Category C and 5 Auction Lots in Auction Category D. For all Auction Lots, Delta offered its minimum price (Bid Price 1). It submitted its bid at 09:25. Thanks to the timely submission, Delta is the Holder of the Standing Bid for Auction Lot A1-5 and also for Auction Lots D-1 through D-5, on the contrary, Delta failed to gain Auction Lots B-1, C-13 and C-14 - Auction Lot B-1 due to the late submission of the bid compared to Omega and in Auction Lots C-13 and C-14 due to a lower bid prices than those of Beta. For the next round, Delta has kept all its 12.5 Eligibility Points. Delta's total Bid in the first Auction Round amounted to CZK 1,635 million.

**Omega** submitted, in the first Auction Round, its bid in respect of Auction Lot B1 together with 2 Auction Lots in Auction Category C. All bids were submitted on the level of Bid price 1. It submitted its bid already at 9:20 thanks to which it gained Standing Bids for all the requested Auction Lots while offering the same bid price for the Auction Lots. Compared to the original number of Eligibility points – 8 – Omega used only

6 points but Omega fulfilled the obligatory level of activity for the first round amounting to 50% of the total Eligibility points and for the second round it maintained the total number of 8 points. Nevertheless, Omega does not intend to use any more intensive strategy even in next Auction rounds. Omega's total bid corresponds to the amount of CZK 535 million.

#### 4.4.2 Auction Round 2

Due to the results of the first Auction Round and the strategies of individual Bidders, there was a change in Alpha's strategy in the second auction round. The reason is that the results of the first auction round prevent Alpha from gaining all Auction Lots within the price limit which Alpha reserved for them. Alpha will thus submit its bid in the second auction round in compliance with its strategy 2. In the second Auction round, the obligatory level of activity was 60% which was achieved by all Bidders and thus they maintained their original Eligibility points even for the next round to the full extent.

The basic information on the second auction round is summarized in the following table:

Auction Round 2	Strategie	Total Amount of Bid	Eligibility Points in Round	Activity in Round	Waiver (remains)	Withdrawal (remains)	Time of submission	Auction category A						Auction category B								Auction category C										Auction category D																				
								A-1	A-2	A-3	A-4	A-5	A-6	B1	B2	B3								C-1	C-2	C-3	C-4	C-5	C-6	C-7	C-8	C-9	C-10	C-11	C-12	C-13	C-14	D-1	D-2	D-3	D-4	D-5	D-6	D-7	D-8	D-9						
Reserve price								800						360								80										40																				
Standing Bid - Beginning of the Auction Round								800	900	900	1080	1080	900	375	0	24	24	24	24	24	24	24	0	28.8	28.8	80	80	80	80	80	80	80	80	80	80	80	0	0	96	96	96	96	40	40	40	40	40	40	0	0	0	0
Standing Bid Holder - Beginning of the Auction Round								α	α	α	β	β	δ	ω	-	γ	γ	γ	γ	γ	γ	-	β	β	ω	ω	α	α	γ	γ	γ	γ	-	-	β	β	β	β	δ	δ	δ	δ	δ	δ	-	-	-	-				
Bid price 1								820	922.5	922.5	1102.5	1102.5	922.5	394.375	5	24.6	24.6	24.6	24.6	24.6	24.6	24	29.4	29.4	82	82	82	82	82	82	82	82	80	80	96	96	96	96	41	41	41	41	41	41	40	40	40	40				
Bid price 2								840	945	945	1125	1125	945	393.75	5.125	25.2	25.2	25.2	25.2	25.2	24.6	30	30	84	84	84	84	84	84	84	84	82	82	100	100	100	100	42	42	42	42	42	41	41	41	41	41					
Bid price 3								880	990	990	1170	1170	990	412.5	5.25	26.4	26.4	26.4	26.4	26.4	28.8	31.2	31.2	88	88	88	88	88	88	88	88	96	96	104	104	104	104	44	44	44	44	44	44	48	48	48	48					
Bid price 4								960	1080	1080	1260	1260	1080	450	5.5	28.8	28.8	28.8	28.8	28.8	28.8	33.6	33.6	96	96	96	96	96	96	96	96	96	96	112	112	112	112	48	48	48	48	48	48	44	44	44	44					
Bid price 5								-	-	-	-	-	-	-	6	-	-	-	-	-	28.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48	48	48	48						
Alpha	2	2409.6	23	19	NO (4)	YES (4)	11:30	S											26.4	26.4	26.4	26.4									80	80																				
Beta	1	2601.6	14	14	NO (4)	NO (5)	11:01																														40	40	40	40												
Gamma	1	2334	18	18	NO (4)	NO (5)	11:01	880																																												
Delta	1	1688.5	12.5	12.5	NO (4)	NO (5)	11:45																				88	88																								
Omega	1	572.5	8	8	NO (4)	NO (5)	11:05																																													
Standing Bid - end of the Round								880	900	900	1080	1080	990	412.5	0	26.4	26.4	26.4	26.4	24	24	24	28.8	28.8	80	80	80	80	80	80	80	80	88	88	80	80	96	96	96	96	40	40	40	40	40	40	40	40	40	40		
Standing Bid Holder - end of the Round								γ	α	α	β	β	γ	ω	-	α	α	α	α	γ	γ	α	β	β	ω	ω	α	α	γ	γ	δ	δ	α	α	β	β	β	β	δ	δ	δ	δ	δ	δ	α	α	α	α				

Due to the change in the strategy in the second auction round, **Alpha** decided to use the Right of Withdrawal of the Standing Bid for Auction Lot A-1 which cannot be used within its strategy 2. Other than that, Alpha submitted a bid for 5 Auction Lots in Auction Category B3, 2 Auction Lots in Auction Category C and 4 Auction Lots in Auction Category D. Based on the results of the first round, Alpha was, in addition to Auction Lot A-1 for which it withdrew its bid, the Holder of the Standing Bid in Auction Lots A2-1, A2-2, C-3 and C-4. In these Auction Lots, Alpha did not change its original Standing Bid. Alpha had 23 Eligibility Points available for this round but, due to the change in its auction strategy, it only used 19 points which correspond to its new strategy. Thanks to the possibility of the level of activity for the second round at 60%, Alfa kept all 23 Eligibility points. Based on the results of the second round, Alpha is the Holder of the Standing Bid in Auction Lots A2-1, A2-2, B3-1 through B3-4, B3-6, C-3 and C-4. In this round, Alpha failed to gain blocks C-9 and C-10 for reasons of its later submission of the bid compared to Omega. The total amount of Alpha's bid for all offered Auction Lots in the second Auction Round amounted to CZK 2,409.6 million.

In the first round, **Beta** became the Holder of the Standing Bid for all requested Auction Lots within its strategy which is why in the second round it only confirmed its bid for all held Auction Lots. Thanks to the fact that Beta is the Holder of the Standing Bid within the full scope of its strategy, Beta reached, in the second Auction Round, the full utilization of the Eligibility Points on the level of 14 points without making any new bid in the second auction round. The total amount of its bid is identical with the value of the bid from the first round, i.e. CZK 2,601.6 million.

**Gamma** preserved its auction strategy 1 even for its second auction round and it added to its offer Auction Lots in the category A1 and A2. Gamma submitted its bid at 11:40; in the auction round, it used the full amount – 18 - Eligibility Points which it will thus have available, in the unchanged amount, also in the next auction round. In the second round, Gamma eventually gained Auction Lots A-1 and A2-5, however, it lost 4 Auction Lots out of the total number of 6 lots in Auction Category B3 as well as 2 Auction Lots in Auction Category C. The total amount of Gamma's bid for all requested Auction Lots amounted, in the second round, to CZK 2,334 million.

In the first Auction Round, **Delta** failed to gain, despite its strategy, Auction Lot B1 and 2 blocks in category C. It thus attempts to gain these Auction Lots in the second auction round. At the end of the second round, Delta became the Holder of the Standing Bid only in Auction Lots C-7 and C-8, for the Lot B1 it became the Holder of the Auction Lot of Omega thanks to the timely submission of the Bid. Delta submitted the bid at 11:45; the total amount of Delta's bid amounted, in the second Auction Round to CZK 1,688.5 million.

**Omega** was, at the beginning of the second auction round, the holder of the Auction Lot B1, C-1 and C-2. Omega expected that the other players would try to gain this block which is why Omega decided to increase its bid for this Auction Lot B1 by 10%. After the end of the second round, Omega held the Standing Bids in all Auction Lots requested within its strategy. The total amount of Omega's bid for all offered Auction Lots in the second Auction Round amounted to CZK 572.5 million.

### 4.4.3 Auction Round 3

No change in strategy took place in none of the Bidder in the third auction round. All of the Participants tried to gain Auction Lots in order to fulfil their strategies. Beta and Omega has Standing Bids in the full scope of their auction strategies which is why they did not submit any new bid in the third auction round - they only confirmed the Standing Bids gained in the second auction round. In the third Auction round, the obligatory level of activity was 80% which was achieved by all Bidders and thus they maintained their original Eligibility points even for the next round to the full extent.

The course and results of the third auction round are summarized in the following table:

Auction Round 3	Strategie	Total Amount of Bid	Eligibility Points in Round	Activity in Round	Waiver (remains)	Withdrawal (remains)	Time of submission	Auction category A					Auction category B								Auction category C										Auction category D																
								A2					B1	B2	B3								C										D														
								A1	A2-1	A2-2	A2-3	A2-4	A2-5	B1	B2	B3-1	B3-2	B3-3	B3-4	B3-5	B3-6	B3-7	B3-8	B3-9	C-1	C-2	C-3	C-4	C-5	C-6	C-7	C-8	C-9	C-10	C-11	C-12	C-13	C-14	D-1	D-2	D-3	D-4	D-5	D-6	D-7	D-8	D-9
Reserve price								800	900					360	19	24								80										40													
Standing Bid - Beginning of the Auction Round								880	900	900	1080	1080	990	412.5	0	26.4	26.4	26.4	26.4	24	24	24	24	28.8	28.8	80	80	80	80	80	80	88	88	80	80	96	96	96	96	40	40	40	40	40	40	40	40
Standing Bid Holder - Beginning of the Auction Round								γ	α	α	β	β	γ	ω	-	α	α	α	α	γ	γ	α	β	β	ω	ω	α	α	γ	γ	δ	δ	α	α	β	β	β	β	δ	δ	δ	δ	α	α	α	α	
Bid price 1								900	922.5	922.5	1102.5	1102.5	1012.5	421.875	5	27	27	27	27	24.6	24.6	24.6	29.4	29.4	82	82	82	82	82	82	90	90	82	82	98	98	98	98	41	41	41	41	41	41	41	41	
Bid price 2								920	945	945	1125	1125	1035	431.25	5.125	27.6	27.6	27.6	27.6	25.2	25.2	25.2	30	30	84	84	84	84	84	84	92	92	84	84	100	100	100	100	42	42	42	42	42	42	42	42	
Bid price 3								960	990	990	1170	1170	1080	450	5.25	28.8	28.8	28.8	28.8	26.4	26.4	26.4	31.2	31.2	88	88	88	88	88	88	96	96	88	88	104	104	104	104	44	44	44	44	44	44	44	44	
Bid price 4								1040	1080	1080	1260	1260	1170	487.5	5.5	31.2	31.2	31.2	31.2	28.8	28.8	33.6	33.6	96	96	96	96	96	96	104	104	96	96	112	112	112	112	48	48	48	48	48	48	48	48		
Bid price 5								-	-	-	-	-	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Alpha	2	2589.6	23	19	NO (4)	NO (4)	13:30	990	990																																						
Beta	1	2601.6	14	14	NO (4)	NO (5)	13:15																																								
Gamma	1	2366.8	18	18	NO (4)	NO (5)	13:40							28.8	28.8	28.8																															
Delta	1	1816	12.5	12.5	NO (4)	NO (5)	13:45		990																																						
Omega	1	572.5	8	8	NO (4)	NO (5)	13:50																																								
Standing Bid - end of the Round								880	990	990	1080	1080	990	450	0	26.4	28.8	28.8	28.8	24	24	26.4	28.8	28.8	80	80	88	88	80	80	88	88	80	80	96	96	96	96	40	40	40	40	40	40	40	40	
Standing Bid Holder - end of the Round								γ	α	α	β	β	γ	δ	-	α	γ	γ	γ	γ	γ	γ	β	β	ω	ω	γ	γ	γ	γ	δ	δ	α	α	β	β	β	β	δ	δ	δ	δ	α	α	α	α	

#### 4.4.4 Auction Round 4

In the Fourth Auction Round, Omega withdrew from the Auction Phase – finally Omega was excluded from the Auction Phase due to the lost of its Eligibility. The reason is that the amount of the Standing Bids and the scope of the gained Auction Lots at the end of the third auction round were in excess of the limits given by Omega's auction strategy. Omega thus used its right of Withdrawal of the Standing Bid in respect of Auction Lots C-9 and C-10; the number of activity points in the fourth auction round thus achieved a zero value and, due to the fact that from the fourth round the obligatory activity level is required at the level of 100% of the Eligibility points, Omega was automatically disqualified from further auction rounds. Auction Lots C-1 and C-2 remained unoccupied and, in the next auction round, they will be available to other Bidders for the price of Omega's Standing Bid which was valid at the beginning of this auction round.

Other Bidders applied their existing auction strategies in the fourth auction round. Because of the fact that Alpha used only 19 Eligibility Points in this round again, its Eligibility will be decreased to 19 points for the auction round 5. After the third auction round, Beta and Omega held Standing Bids in the scope corresponding to their strategies which is why they did not submit any additional bid in the fourth auction round (the number of Eligibility Points for the next auction round was preserved for them thanks to the Standing Bids they held).

The course and results of the fourth auction round are summarized in the following table:

Auction Round 4	Strategie	Total Amount of Bid	Eligibility Points in Round	Activity in Round	Waiver (remains)	Withdrawal (remains)	Time of submission	Auction category A					Auction category B									Auction category C														Auction category D												
								A2					B1	B2	B3																																	
								A1	A2-1	A2-2	A2-3	A2-4	A2-5	B1	B2	B3-1	B3-2	B3-3	B3-4	B3-5	B3-6	B3-7	B3-8	B3-9	C-1	C-2	C-3	C-4	C-5	C-6	C-7	C-8	C-9	C-10	C-11	C-12	C-13	C-14	D-1	D-2	D-3	D-4	D-5	D-6	D-7	D-8	D-9	
Reserve price		800						800	990	990	1080	1080	990	450	0	26.4	28.8	28.8	28.8	24	24	26.4	28.8	28.8	80	80	88	88	80	80	88	88	80	80	96	96	96	96	40	40	40	40	40	40	40	40		
Standing Bid - Beginning of the Auction Round								γ	α	α	β	β	γ	δ	-	α	γ	γ	γ	γ	γ	γ	β	β	ω	ω	γ	γ	γ	γ	δ	δ	α	α	β	β	β	β	δ	δ	δ	δ	α	α	α	α		
Bid price 1		900	1013	1013	1102.5	1102.5	1012.5	459.375	5	27	29.4	29.4	29.4	24.6	24.6	27	29.4	29.4	82	82	90	90	82	82	90	90	82	82	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
Bid price 2		920	1035	1035	1125	1125	1035	468.75	5.125	27.6	30	30	30	25.2	25.2	27.6	30	30	84	84	92	92	84	84	92	92	84	84	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
Bid price 3		960	1080	1080	1170	1170	1080	487.5	5.25	28.8	31.2	31.2	31.2	26.4	26.4	28.8	31.2	31.2	88	88	96	96	88	88	96	96	88	88	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	
Bid price 4		1040	1170	1170	1260	1260	1170	525	5.5	31.2	33.6	33.6	33.6	28.8	28.8	31.2	33.6	33.6	96	96	104	104	96	96	104	104	96	96	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112	
Bid price 5		-	-	-	-	-	-	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Alpha	2	2603.2	23	19	NO (4)	NO (4)	15:30																																									
Beta	1	2601.6	14	14	NO (4)	NO (5)	15:15																																									
Gamma	1	2366.8	18	18	NO (4)	NO (5)	15:40																																									
Delta	1	1906	12.5	12.5	NO (4)	NO (5)	15:45																																									
Omega	-	160	8	0	NO (0)	YES (0)	15:50																																									
Standing Bid - end of the Round		880	990	1080	1080	1080	990	450	0	26.4	28.8	28.8	31.2	26.4	26.4	28.8	28.8	28.8	80	80	88	88	82	82	88	88	80	80	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96		
Standing Bid Holder - end of the Round		γ	α	δ	β	β	γ	δ	-	α	γ	γ	α	α	α	β	β	-	-	γ	γ	α	α	δ	δ	α	α	β	β	β	β	β	β	β	β	β	β	δ	δ	δ	δ	α	α	α	α			



#### 4.4.5 Auction Round 5

Omega failed to take part in the fifth auction round and, in this auction round, the Auction Lots which Omega gave up within the fourth auction round was allocated. In this auction round, there was no change in strategy on the part of any of the Bidders; Beta and Delta held the Standing Bids in all requested Auction Lots corresponding to their bids and they did not submit any additional bid within the auction round. In the fifth auction round, Alpha used its Right of Waiver. The reason is that Alpha wound up in a situation whereby it hit the limits of its auction strategy 2. To fulfil this strategy and due to the quantity of the held Auction Lots after the fourth auction round, Alpha needs to gain one more Auction Lot A, however, after including the price that Alpha would have to expend in order to gain it, its limit for its strategy would be exceeded. Within the fifth auction round, Alpha decided to wait to see what the behaviour of other Bidders will be in order to be able to decide, based on the results of this auction round, to potentially change its strategy for the next auction rounds. Thanks to the use of the Right of Waiver, Alpha preserved its Eligibility in the full extent also for the next auction rounds. After the fifth auction round, a situation also occurred whereby Gamma did gain all the requested Auction Lots within its strategy, however, their total price reached the maximum price which Gamma was willing to pay for this combination of Auction Lots.

The course and results of the fifth auction round are summarized in the following table:

Auction Round 5	Strategie	Total Amount of Bid	Eligibility Points in Round	Activity in Round	Waiver (remains)	Withdrawal (remains)	Time of submission	Auction category A						Auction category B									Auction category C														Auction category D											
								A2						B1	B2	B3									C														D									
								A1	A2-1	A2-2	A2-3	A2-4	A2-5	B1	B2	B3-1	B3-2	B3-3	B3-4	B3-5	B3-6	B3-7	B3-8	B3-9	C-1	C-2	C-3	C-4	C-5	C-6	C-7	C-8	C-9	C-10	C-11	C-12	C-13	C-14	D-1	D-2	D-3	D-4	D-5	D-6	D-7	D-8	D-9	
Reserve price								800	900						360	19	24									80														40								
Standing Bid - Beginning of the Auction Round								880	990	1080	1080	1080	990	450	0	26.4	28.8	28.8	31.2	26.4	26.4	28.8	28.8	28.8	80	80	88	88	82	82	88	88	80	80	96	96	96	96	96	40	40	40	40	40	40	40	40	40
Standing Bid Holder - Beginning of the Auction Round								γ	α	δ	β	β	γ	δ	-	α	γ	γ	α	α	α	α	β	β	-	-	γ	γ	α	α	δ	δ	α	α	β	β	β	β	β	δ	δ	δ	δ	δ	α	α	α	α
Bid price 1								900	1013	1103	1102.5	1102.5	1012.5	459.375	5	27	29.4	29.4	31.8	27	27	29.4	29.4	29.4	80	80	90	90	84	84	90	90	82	82	98	98	98	98	98	41	41	41	41	41	41	41	41	41
Bid price 2								920	1035	1125	1125	1125	1035	468.75	5.125	27.6	30	30	32.4	27.6	27.6	30	30	30	82	82	92	92	86	86	92	92	84	84	100	100	100	100	100	42	42	42	42	42	42	42	42	42
Bid price 3								960	1080	1170	1170	1170	1080	487.5	5.25	28.8	31.2	31.2	33.6	28.8	28.8	31.2	31.2	31.2	96	96	96	96	90	90	96	96	88	88	104	104	104	104	104	44	44	44	44	44	44	44	44	44
Bid price 4								1040	1170	1260	1260	1260	1170	525	5.5	31.2	33.6	33.6	36	31.2	31.2	33.6	33.6	33.6	88	88	104	104	98	98	104	104	96	96	112	112	112	112	112	48	48	48	48	48	48	48	48	48
Bid price 5								-	-	-	-	-	-	-	6	-	-	-	-	-	-	-	-	-	96	96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Alpha	2	1613.2	19	15	YES (3)	NO (4)	15:30																																									
Beta	1	2601.6	14	14	NO (4)	NO (5)	15:15																																									
Gamma	1	2381.2	18	18	NO (4)	NO (5)	15:40									28.8			28.8	28.8	31.2				80	80																						
Delta	1	1906	12.5	12.5	NO (4)	NO (5)	15:45																																									
Omega	-	-	-	-	-	-	-																																									
Standing Bid - end of the Round								880	990	1080	1080	1080	990	450	0	28.8	28.8	28.8	31.2	28.8	28.8	31.2	28.8	28.8	80	80	88	88	82	82	88	88	80	80	96	96	96	96	96	40	40	40	40	40	40	40	40	40
Standing Bid Holder - end of the Round								γ	α	δ	β	β	γ	δ	-	γ	γ	γ	α	γ	γ	γ	β	β	γ	γ	γ	γ	α	α	δ	δ	α	α	β	β	β	β	β	δ	δ	δ	δ	δ	α	α	α	α

#### 4.4.6 Auction Round 6

In the sixth auction round, there was an active bid only on the part of Alpha which, based on the results of the previous round, reconsidered its auction strategy and newly made a bid in accordance with its strategy 3. To change the strategy, it did not need to withdraw any of its current Standing Bids, it only submitted a bid for a so-far unoccupied Auction Lot B2 and also for Auction Lot A2-5. In its offer in this round, it also failed to use the Right of Waiver which is why the number of its Eligibility Points for the next round was reduced to 16 points. At the end of the auction round, Alfa thus reached the full scope of Auction Lots within its new strategy. Beta and Delta also have their strategies fulfilled. Gamma, based on the results of this round, lost Auction Lot A2-5 and, in the next round, it will have to resolve this situation.

The course and results of the sixth auction round are summarized in the following table:

Auction Round 6	Strategie	Total Amount of Bid	Eligibility Points in Round	Activity in Round	Waiver (remains)	Withdrawal (remains)	Time of submission	Auction category A					Auction category B									Auction category C														Auction category D														
								A2					B1	B2	B3									C														D												
								A1	A2-1	A2-2	A2-3	A2-4	A2-5	B1	B2	B3-1	B3-2	B3-3	B3-4	B3-5	B3-6	B3-7	B3-8	B3-9	C-1	C-2	C-3	C-4	C-5	C-6	C-7	C-8	C-9	C-10	C-11	C-12	C-13	C-14	D-1	D-2	D-3	D-4	D-5	D-6	D-7	D-8	D-9			
Reserve price								800	900					360	19	24									80														40											
Standing Bid - Beginning of the Auction Round								880	990	1080	1080	1080	990	450	0	28.8	28.8	28.8	31.2	28.8	28.8	31.2	28.8	28.8	80	80	88	88	82	82	88	88	80	80	96	96	96	96	96	96	40	40	40	40	40	40	40	40	40	40
Standing Bid Holder - Beginning of the Auction Round								γ	α	δ	β	β	γ	δ	-	γ	γ	γ	α	γ	γ	β	β	γ	γ	γ	γ	α	α	δ	δ	α	α	β	β	β	β	β	β	δ	δ	δ	δ	δ	α	α	α	α		
Bid price 1								900	1013	1103	1102.5	1102.5	1012.5	459.375	5	29.4	29.4	29.4	31.8	29.4	29.4	31.8	29.4	29.4	82	82	90	90	84	84	90	90	82	82	98	98	98	98	98	98	41	41	41	41	41	41	41	41	41	
Bid price 2								920	1035	1125	1125	1035	468.75	5.125	30	30	30	32.4	30	30	32.4	30	30	84	84	92	92	86	86	92	92	84	84	100	100	100	100	100	100	42	42	42	42	42	42	42	42	42		
Bid price 3								960	1080	1170	1170	1080	487.5	5.25	31.2	31.2	31.2	33.6	31.2	31.2	33.6	31.2	31.2	88	88	96	96	90	90	96	96	88	88	104	104	104	104	104	44	44	44	44	44	44	44	44	44			
Bid price 4								1040	1170	1260	1260	1170	525	5.5	33.6	33.6	33.6	36	33.6	33.6	36	33.6	33.6	96	96	104	104	98	98	104	104	96	96	112	112	112	112	112	48	48	48	48	48	48	48	48	48			
Bid price 5								-	-	-	-	-	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Alpha	3	2522.7	19	16	NO (3)	NO (4)	9:30					1012.5		5																																				
Beta	1	2601.6	14	14	NO (4)	NO (5)	9:15																																											
Gamma	1	2381.2	18	18	NO (4)	NO (5)	9:40																																											
Delta	1	1906	12.5	12.5	NO (4)	NO (5)	9:45																																											
Omega	-	-	-	-	-	-	-																																											
Standing Bid - end of the Round								880	990	1080	1080	1080	1012.5	450	5	28.8	28.8	28.8	31.2	28.8	28.8	31.2	28.8	28.8	80	80	88	88	82	82	88	88	80	80	96	96	96	96	96	96	40	40	40	40	40	40	40	40	40	
Standing Bid Holder - end of the Round								γ	α	δ	β	β	α	δ	α	γ	γ	γ	α	γ	γ	β	β	γ	γ	γ	γ	α	α	δ	δ	α	α	β	β	β	β	β	β	δ	δ	δ	δ	δ	α	α	α	α		

#### 4.4.7 Auction Round 7

In the seventh auction round, there is no active bid. Gamma, which was the only Bidder that had not its auction strategy fulfilled, decided in the seventh auction round to change its auction strategy for strategy 2. The reason is that it was unable to fulfil strategy 1 since its valuation of the combination of Auction Lots did not reach the price level needed to obtain this combination within the seventh auction round. The scope of Auction Lots which Gamma envisages within the new strategy exactly corresponds to the scope of Auction Lots currently held by Gamma. Therefore, Gamma did not have to use its Right of Withdrawal of the Standing Bid nor to attempt to gain any new Auction Lot.

Therefore, in the seventh auction round, there was a simultaneous fulfilment of points (a) and (b) as per 4.2.4 of the Auction Rules which means that in the event that these points are again simultaneously fulfilled, the next auction round will be the final auction round as per 4.2.4 of the Auction Rules.

The course and results of the seventh auction round are summarized in the following table:

Auction Round 7	Strategie	Total Amount of Bid	Eligibility Points in Round	Activity in Round	Waiver (remains)	Withdrawal (remains)	Time of submission	Auction category A					Auction category B									Auction category C														Auction category D										
								A1	A2				B1	B2	B3									C-1	C-2	C-3	C-4	C-5	C-6	C-7	C-8	C-9	C-10	C-11	C-12	C-13	C-14	D-1	D-2	D-3	D-4	D-5	D-6	D-7	D-8	D-9
								800	990	1080	1080	1080	1012.5	450	5	28.8	28.8	28.8	31.2	28.8	28.8	31.2	28.8	28.8	80	80	88	88	82	82	88	88	80	80	96	96	96	96	40	40	40	40	40	40	40	40
Reserve price								800	990	1080	1080	1080	1012.5	450	5	28.8	28.8	28.8	31.2	28.8	28.8	31.2	28.8	28.8	80	80	88	88	82	82	88	88	80	80	96	96	96	96	40	40	40	40	40	40	40	
Standing Bid - Beginning of the Auction Round								γ	α	δ	β	β	α	δ	α	γ	γ	γ	α	γ	γ	γ	β	β	γ	γ	γ	γ	α	α	δ	δ	α	α	β	β	β	β	δ	δ	δ	δ	α	α	α	α
Standing Bid Holder - Beginning of the Auction Round								γ	α	δ	β	β	α	δ	α	γ	γ	γ	α	γ	γ	γ	β	β	γ	γ	γ	γ	α	α	δ	δ	α	α	β	β	β	β	δ	δ	δ	δ	α	α	α	α
Bid price 1								900	1013	1103	1102.5	1102.5	1035	459.375	5.125	29.4	29.4	29.4	31.8	29.4	29.4	31.8	29.4	29.4	82	82	90	90	84	84	90	90	82	82	98	98	98	98	41	41	41	41	41	41	41	41
Bid price 2								920	1035	1125	1125	1125	1057.5	468.75	5.25	30	30	30	32.4	30	30	32.4	30	30	84	84	92	92	86	86	92	92	84	84	100	100	100	100	42	42	42	42	42	42	42	42
Bid price 3								960	1080	1170	1170	1170	1102.5	487.5	5.5	31.2	31.2	31.2	33.6	31.2	31.2	33.6	31.2	31.2	88	88	96	96	90	90	96	96	88	88	104	104	104	104	44	44	44	44	44	44	44	44
Bid price 4								1040	1170	1260	1260	1260	1192.5	525	6	33.6	33.6	33.6	36	33.6	33.6	36	33.6	33.6	96	96	104	104	98	98	104	104	96	96	112	112	112	112	48	48	48	48	48	48	48	48
Bid price 5								-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Alpha								3	2522.7	16	16	NO (3)	NO (4)	11:01																																
Beta								1	2601.6	14	14	NO (4)	NO (5)	11:01																																
Gamma								2	1391.2	18	14	NO (4)	NO (5)	11:01																																
Delta								1	1906	12.5	12.5	NO (4)	NO (5)	11:01																																
Omega								-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Standing Bid - end of the Round								880	990	1080	1080	1080	1012.5	450	5	28.8	28.8	28.8	31.2	28.8	28.8	31.2	28.8	28.8	80	80	88	88	82	82	88	88	80	80	96	96	96	96	40	40	40	40	40	40	40	40
Standing Bid Holder - end of the Round								γ	α	δ	β	β	α	δ	α	γ	γ	γ	α	γ	γ	γ	β	β	γ	γ	γ	γ	α	α	δ	δ	α	α	β	β	β	β	δ	δ	δ	δ	α	α	α	α

#### 4.4.8 Auction Round 8 - the Final Auction Round

Due to the fact that all Bidders achieved full scope of Auction Lots of their auction strategies, in the eighth auction round, the condition under the second paragraph of 4.2.4 of the Auction Rules could be met and the eighth auction round was therefore the final auction round. The Bidders gained Auction Lots in the following scope of their auction strategies:

- Alpha, within the scope of its auction strategy 3, for the total price of CZK 2,522.7million;
- Beta, within the scope of its auction strategy 1, for the total price of CZK 2,601.6 million;
- Gamma, within the scope of its auction strategy 2, for the total price of CZK 1,391.2 million;
- Delta, within the scope of its auction strategy 1, for the total price of CZK 1,906 million;
- Omega gained no Auction Lot within the auction and thus did not take part in the Assignment Phase.

The course and results of the final auction round are summarized in the following table:

Auction Round 8	Strategie	Total Amount of Bid	Eligibility Points in Round	Activity in Round	Waiver (remains)	Withdrawal (remains)	Time of submission	Auction category A					Auction category B									Auction category C														Auction category D												
								A2					B1		B2		B3																															
								A1	A2-1	A2-2	A2-3	A2-4	A2-5	B1	B2	B3-1	B3-2	B3-3	B3-4	B3-5	B3-6	B3-7	B3-8	B3-9	C-1	C-2	C-3	C-4	C-5	C-6	C-7	C-8	C-9	C-10	C-11	C-12	C-13	C-14	D-1	D-2	D-3	D-4	D-5	D-6	D-7	D-8	D-9	
Reserve price								800	900					360	19	24									80														40									
Standing Bid - Beginning of the Auction Round								880	990	1080	1080	1080	1012.5	450	5	28.8	28.8	28.8	31.2	28.8	28.8	31.2	28.8	28.8	80	80	88	88	82	82	88	88	80	80	96	96	96	96	96	40	40	40	40	40	40	40	40	40
Standing Bid Holder - Beginning of the Auction Round								γ	α	δ	β	β	α	δ	α	γ	γ	γ	α	γ	γ	γ	β	β	γ	γ	γ	γ	α	α	δ	δ	α	α	β	β	β	β	δ	δ	δ	δ	δ	α	α	α	α	
Bid price 1								900	1013	1103	1102.5	1102.5	1035	459.375	5.125	29.4	29.4	29.4	31.8	29.4	29.4	31.8	29.4	29.4	82	82	90	90	84	84	90	90	82	82	98	98	98	98	98	41	41	41	41	41	41	41	41	41
Bid price 2								920	1035	1125	1125	1125	1057.5	468.75	5.25	30	30	30	32.4	30	30	32.4	30	30	84	84	92	92	86	86	92	92	84	84	100	100	100	100	100	42	42	42	42	42	42	42	42	42
Bid price 3								960	1080	1170	1170	1170	1102.5	487.5	5.5	31.2	31.2	31.2	33.6	31.2	31.2	33.6	31.2	31.2	88	88	96	96	90	90	96	96	88	88	104	104	104	104	104	44	44	44	44	44	44	44	44	44
Bid price 4								1040	1170	1260	1260	1260	1192.5	525	6	33.6	33.6	33.6	36	33.6	33.6	36	33.6	33.6	96	96	104	104	98	98	104	104	96	96	112	112	112	112	112	48	48	48	48	48	48	48	48	48
Bid price 5								-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Alpha	3	2522.7	16	16	NO (3)	NO (4)	12:01																																									
Beta	1	2601.6	14	14	NO (4)	NO (5)	12:01																																									
Gamma	2	1391.2	14	14	NO (4)	NO (5)	12:01																																									
Delta	1	1906	12.5	12.5	NO (4)	NO (5)	12:01																																									
Omega	-	-	-	-	-	-	-																																									
Standing Bid - end of the Round								880	990	1080	1080	1080	1012.5	450	5	28.8	28.8	28.8	31.2	28.8	28.8	31.2	28.8	28.8	80	80	88	88	82	82	88	88	80	80	96	96	96	96	96	40	40	40	40	40	40	40	40	
Standing Bid Holder - end of the Round								γ	α	δ	β	β	α	δ	α	γ	γ	γ	α	γ	γ	γ	β	β	γ	γ	γ	γ	α	α	δ	δ	α	α	β	β	β	β	δ	δ	δ	δ	δ	α	α	α	α	

## **5 The Second Phase of the Auction – Assignment Phase**

The objective of this phase is to assign specific blocks of radio frequencies to all Auction Winners in the range of obtained Auction Lots within individual Auction Categories.

### **5.1 First Selection Right for the selection of blocks**

The First Selection Right to choose specific blocks of radio frequencies will be determined based on the results of a separate auction in accordance with Section 7.7.1 of the Announcement. On the basis of this procedure, the order will be established according to which the winners of the Auction in the individual Auction Lots A2, B3, C and D will select the specific blocks of radio frequencies.

After closing the Auction Phase an Invitation to submit a bid for the Selection Right to choose blocks of radio frequencies in a specific order (the first, the second up to the last one) independently for each Auction block will be delivered to all winners in the auction of blocks A2, B3, C and D. The bid will be made using a bid form as per Appendix 5 of the Announcement and based on the requirements set out in Section 7.7.1. of the Announcement.

The opening of envelopes with the bids and the public announcement of the order of the priority choice will take place at the Office on the next working day after the elapse of the deadline for the delivery of bids.. At this meeting, the Auction Winners will be invited to participate in the selection of blocks of radio frequencies specifying the date and place where the meeting will be held.

To determine the order of selection for individual Categories of Auction Lots A2, B3, C and D, the following rules will apply in the following order:

1. The right of the first selection of the radio frequencies blocks in the given category of radio frequencies will be gained by the Auction winner who will bid the highest price for the first selection right for the frequency block in the given category. The right to second selection of the radio frequencies block in the given category of radio frequencies will be gained by one of the remaining Auction winners who will offer the highest price for the right to the second selection of the frequency block in the given category, etc. The remaining Auction winner who did not gain any preference right of selection of a block of radio frequencies will select as the last one.
2. In case two or more bids for the right to obtain a preferential selection within the given Auction Category are equal, it will be the higher average price of Auction Lots that these Auction Winners gained in the given Auction Category that will decide the order of these Auction Winners.
3. If it is not possible to determine the order of the Auction Winners as per point 2, the order of the selection of a frequency block within the Auction Category will be decided by a higher price for the obtained Auction Lot in the given Auction Category.
4. If it is not possible to determine the order of the Auction Winners as per point 3, the order of the selection of a frequency block within the Auction Category will be decided by the earlier time of submission of the bid in respect of the Auction Lot with the highest offered price within the given Auction Category.

The price the Auction Winner is obliged to pay for the right of priority selection will be based on the second-price rule as per Section 7.7.3 Announcement.

## **5.2 Selection of Radio Frequency Blocks**

The course of allocating specific blocks of radio frequencies within Auction Categories will take place at a meeting convened by the Office with the participation of all Auction Winners. In case of absence of an Auction Winner at the meeting where blocks of radio frequencies will be selected, the Auction Winner automatically loses the possibility to make a priority selection. The procedure in case of the absence is stipulated by Section 7.7.3. of the Announcement.

The basic rule which all the Auction Winners will follow in this selection is the rule of keeping integral spectrum blocks, as stipulated in Section 7.7.2 of the Announcement. Along with this rule, this Section also provides specific conditions for the distribution of radio frequencies for the Auction category B3.

Auction Winners will be allowed to agree, in the period after the envelopes with the bids are opened and the date of the meeting agreed, to jointly agree on the distribution of radio frequency blocks and to communicate what they have agreed on to the Office.

In the event that an agreement among the Auction Winners does not take place, the selection of specific blocks of radio frequencies by individual Auction Winners will take place gradually in the order stipulated as per Section 5.1. Blocks of radio frequencies will be allocated gradually by individual Auction Categories so that the first ones to be assigned will be blocks in the 800 MHz band (Auction Category A2, with the understanding that the frequency block in the Auction category A1 is specifically defined in the conditions of the Auction), the second ones to be assigned will be blocks in the 1800 MHz band (Auction Category B3 with Categories B1 and B2 frequency blocks are specifically defined in the conditions of the Auction), the third ones to be assigned will be the blocks in the paired part of the 2600 MHz band (Auction Category C) and, finally, blocks in the unpaired part of the 2600 MHz band (Auction Category D) will be assigned.

The auction is finished by the moment of publishing of the allocation of specific blocks of radio frequencies on the Office web page. The Applicants will be delivered the Notification of the conclusion of the Auction comprising the information specified in the last paragraph of Section 7.7.3 of the Announcement.