

For the past two years, the Mexican government has been formulating a new regulatory framework for the country's telecommunications and the broadcast sectors. This new regulatory framework is based on a set of constitutional reforms that were enacted in June 2013, which took effect in July 2014, and which led to the enactment of a new Federal Telecommunications and Broadcasting Law and Mexican Public Broadcasting System Law to replace the existing regulatory framework.

The Federal Telecommunications Institute (IFT) was created as an independent agency tasked with promoting and regulating access to Mexico's telecommunications and broadcast infrastructure (including site infrastructure).

The IFT also has the power to oversee fair competition in the telecommunications and broadcast sectors by imposing asymmetric regulations on sector participants that it deems market dominant and it may also declare that a company is a so-called "preponderant economic agent" in either of these two sectors.

In March 2014, the IFT issued a ruling (the Ruling) through which it declared that America Movil and Telcel, together with others market participants, represented an "economic interest group" that is a so-called "preponderant economic agent" in the telecommunications sector. The IFT ordered America Movil and Telcel to take specific actions to force both companies to grant access to and to share their passive infrastructure with other carriers. Telcel's passive infrastructure includes new tower space, as well as space on towers where telecommunications equipment is already installed.

The Federal Telecommunications and Broadcasting Law that was published in July 2014 states that the IFT shall be tasked with promoting the execution of agreements between asset owners and customers in order for the former to provide access to this passive infrastructure to the latter. Whenever the negotiations surrounding these agreements prove unsuccessful, the IFT may intercede to determine the pricing and the terms of the commercial agreements. The IFT also has the power to regulate the terms of passive infrastructure agreements between assets owners and their customers, and it may assess the agreements in terms of fair competition and take actions to ensure that the terms and conditions for the use and sharing of the passive infrastructure are non-discriminatory.

Reference Offer

As per the Ruling and in terms of the new regulatory framework, Telcel was ordered to create a reference offer and submit it to the IFT for approval. Telcel submitted this reference to the IFT and the IFT approved its offer for shared access to its passive infrastructure, which was valid until 31 December 2015. As a result, Opsimex, as the transferee of Telcel and owner of the passive infrastructure, is subject to the terms of the Ruling.

As per the terms of the reference offer, carriers must sign both a general agreement and an individual agreement for each site they acquire access to. Although the terms and conditions of these agreements will vary, they must all be for a minimum term of ten years, except when the associated property lease agreement is for a longer term. The term of the Company's first reference offer expired on 31 December 2015, and a new reference offer was approved by the IFT on November 2015. The term of the new reference offer is from 1 January 2016 to 31 December 2017.

Customers who sign the general agreement may choose to use available spaces at the site or they may choose one of the options set forth in the reference offer.

Towers and Antennas

The Company is subject to regulatory requirements regarding the registration, zoning, construction, lighting, demarcation, maintenance and inspection of towers, as well as land-use restrictions for the land on which the Company's towers are located. Failure to comply with these regulations may lead to fines for the Company. The Company believes that it complies substantially with all applicable regulations.