

TERMS AND CONDITIONS OF AGREEMENT FOR TELECOMMUNICATIONS SERVICES

1. The Services

We, Cortel Telecom Limited trading as Cortel of 1st Floor 76/77 Watling Street London EC4M 9BJ agree to supply:

1.1 our services as intermediary to obtain for you line rental and other ancillary services from a Telecoms Network Provider ("TNP") "Telecoms Services"; and

1.2 the supply of voice and/or data telecommunications services indicated overleaf in the Customer Service Agreement". To you, the customer (referred to as "you" or "your"). You agree to use the Services on the terms and conditions set out in this document and the Customer Service Agreement (together the "Agreement").

2. Duration

2.1. This Agreement shall take effect from the date of acceptance by us and shall be for the period as set out in the minimum period box in the Customer Service Agreement (either period being referred to in this Agreement as the "Minimum Period").

2.2. You will be liable for the charges for the Services as set out in the Customer Service Agreement. These charges will apply whether you use the Services or someone else does. We may vary the charges by giving you not less than thirty (30) days' written notice or upon expiry of the Minimum Period (by notice in writing at least 30 days prior to the expiry of the Minimum Period). All charges are exclusive of VAT that shall be added to your invoices at the current rate.

2.3. You must pay us line rental, call and installation charges (if applicable) from the day upon which we supply the Services. The line rental charges will depend on how the TNP classifies your line.

2.4. The provision of the Services may require the pre-ordering of equipment, installation and re-programming of equipment. You may be charged for all costs incurred in this respect.

2.5. We shall calculate charges by reference to all data recorded or logged by us and not by reference to data recorded or logged by you.

2.6. You will receive a first invoice shortly after we commence providing the Services. We will then provide you with further monthly invoices showing all charges under this Agreement plus VAT (although we may send you an invoice at any time during the Minimum Period). We will include all accrued charges on your next invoice where possible, and in any event as soon as we can. All invoices will be sent to the billing address as set out on the Customer Service Agreement overleaf or to any other address of which you may advise us in writing. We may ask you for a deposit at any time, as security for payment of your invoices, if it is considered reasonable for us to do so.

2.7. You must pay all charges within 14 days from the date of invoice in full unless an extended payment period is agreed in advance and confirmed in writing. (This may be part of a bespoke Master Service Level Agreement) The payment must be without any set-off or other deduction whatsoever by variable direct debit from a current account maintained by you at a UK branch of a bank or building society or by being charged under a standing arrangement to your credit/charge/debit card with our prior written approval.

2.8. If any credit/charge/debit card, direct debit or account payment collection by us is unsuccessful for whatever reason you will be liable for an administrative charge of £15 and interest will accrue on a monthly basis on all unpaid overdue balances at a rate of two per cent above the base rate of Barclays Bank Plc. In addition, if any charges are overdue or you are in default of your Agreement with us or with any other company within the Cortel Telecom Limited (as defined below), if relevant, we may disconnect your telephone service. If this is necessary the following conditions in clause 2.7 shall apply.

2.8. (1). Normal monthly line rental charges will continue to be charged during any period of disconnection or for the duration of the Minimum Period of the Agreement;

2.8. (2). You may be charged a fee for line reconnection.

3. Your obligations regarding use of the services

3.1. You undertake to use the Services strictly in accordance with this Agreement and such other conditions as maybe notified in writing to you by us from time to time and in accordance with the relevant provisions of the Telecommunications Act 1984 (the "Act"), with any other applicable laws and regulations, any directions given by the Director General of the office of Telecommunications or other competent authority.

3.2. You will ensure that neither you nor anyone under your control may use the Services:

3.2.1. As a means of communication for a purpose other than that for which the Services are provided or in a manner in which constitutes a violation or infringement of the rights of any other party;

3.2.2. To make offensive, indecent, menacing, nuisance or hoax calls or calls of a defamatory character or fraudulently or in connection with a criminal offence.

3.3. You hereby indemnify us against all liabilities, claims, damages, losses and expenses arising from any breach of your obligations in clause

3.4. And against any claim which is made against us and/or the TNP because the Services are misused in anyway. Further action which we or the TNP may take is explained in clause 9.

3.5. In respect of Telecoms Services, you are responsible for checking that you are not currently in a contract term with any other supplier(s) before changing over your line rental or services to us. We will not be liable for any cancellation charges or other fees charged by your previous supplier.

4. Equipment.

4.1. You undertake that all of your telecommunication's apparatus shall be in good working order and conform at all times with the relevant standard or approval under section 22 of the Act and you will comply at all times with the conditions of such standard and approval. We will not be under any obligation to connect or keep connected any such equipment, which we reasonably believe does not conform to the provision of any applicable requirement. You will be responsible at all times for the safety and safe custody of all such equipment and for the safe use of it in connection with the Services. If your equipment does not meet these standards, you must

immediately disconnect it or allow us to do so at your expense. This applies even if you do not know that the Services are being used in such a way.

4.2. To enable us to fulfil our obligations under this Agreement you shall permit or procure the permission for us or our authorised representatives to have access to your premises and shall provide us with such access as we shall reasonably request. We will normally require access only during our normal working hours but may, upon giving reasonable notice, require access at other times in order to ensure the provision of the Services. At your request, we may agree to work outside our normal working hours provided that you reimburse us for our reasonable charges in complying with such a request.

4.3. You hereby duly authorize us, our dealers, agents or personnel to reprogram and/or remove existing access equipment as maybe necessary in order to provide the Services. It is your obligation to follow our (or our authorised representative's) specifications regarding any construction work at your premises necessary for the installation of the equipment or reprogramming of your telephone system for your use of the Services. You shall provide such assistance, as we shall reasonably request.

4.4. We reserve the right to charge you for all costs incurred as a result of carrying out maintenance or repair work which, in our reasonable opinion, is considered necessary.

4.5. Hardware budgets: All hardware budgets are for a 24 months duration. They will be automatically expiring at the 24 months anniversary. This can be extended by agreement when resigning to extend the contractual period.

4.6. All equipment and services should be purchased through Cortel Telecom Limited or will not be covered by the services & equipment warranty.

5. Provision of Information

You will promptly provide to us all information and co-operation which we may reasonably require to enable us to carry out our obligations under this Agreement and notify us as soon as you become aware of any circumstances which may constitute a breach of your obligations under this Agreement or which may hinder our ability to efficiently provide the Services.

6. Provisions specific to the Telecoms Services

6.1. The TNP's standard terms and conditions of business relate to line rental and ancillary services and the manner of provision of our Services are subject to those terms and conditions in force from time to time. Therefore, we may have to request to perform actions that could affect your Services as follows:

6.1.1. If the telephone service is interrupted, we will ask the TNP to restore it as quickly as possible.

6.1.2. Occasionally, at the request of the TNP we may have to change the code or phone number or the technical specification of the Telecoms Services for operational reasons or interrupt the telephone service for operational reasons or because of an emergency or give instructions necessary for health or safety reasons or for the quality of the telephone services.

6.2. You have no right to sell or to agree to transfer the telephone number(s) provided to you for use with our Telecoms Services except with prior written agreement of Cortel Telecom Ltd.

You must not allow the advertisement of any telephone number(s) used for the Telecoms Services in or on a public telephone box without our prior written consent and you must make sure that this does not occur. The action that we can take if this happens is explained in clause 9. We will however give you written notice before taking any such action where reasonably practicable.

6.3. We shall use all reasonable endeavors to provide you with the Telecoms Services by the date we agree with you and the TNP, but time shall not be of the essence for such provision.

6.4. We cannot guarantee that the telecommunications network TNP and ancillary services will never be faulty and you acknowledge to us that you are subject to the terms and conditions of the TNP in relation to the provision of those telephone services. However, in the event of a fault you must notify us and we will notify the relevant TNP and monitor the progress of the TNP in rectifying the fault. We will ask the TNP to work on any fault that you report to us and that work will be subject to the repair service which the TNP agrees to provide to you from time to time and that the charges levied by the TNP from time to time. If you tell us that there is a fault in the Telecoms Services and either we or the TNP finds either that there is not or that someone at your premises have caused the fault, we may make a reasonable charge to you for any work which we have done to try and find the fault or to repair it.

7. Liability

7.1. Nothing in this Agreement shall exclude or restrict our liability for death or personal injury caused by our negligence or that of our employees or for fraudulent misrepresentation.

7.2. We shall be liable for physical damage to your property caused by any negligent act or omission of ours or our employees (subject to clause 7.3 below) provided that such liability in contract, tort or otherwise, including any liability for negligence, howsoever arising out of or in connection with the performance of our obligations under this Agreement shall be limited to

£10,000 for any one incident or £25,000 for any series of incidents arising from a common cause in any 12month period.

7.3. We shall not be liable to you in contract, tort or otherwise, for any indirect or consequential loss or damage (whether for loss of profit, loss of business, data lost or harmed, savings you expected to make, depletion of goodwill or otherwise), costs, expenses or other claims for consequential compensation whatsoever (howsoever caused) which arise out of or in connection with the Services.

7.4. In the event of any failure in the Services, we shall not be liable to you for any charges incurred by you should you divert your traffic to another carrier.

7.5. Each part of this Agreement that excludes or limits our liability operates separately. If any part is disallowed or is not effective, the other parts will continue to apply.

7.6. The provisions of this Agreement shall continue to apply even after the Agreement has ended for whatever reason.



TERMS AND CONDITIONS OF AGREEMENT FOR TELECOMMUNICATIONS SERVICES CONTINUED

8. Termination

8.1. Without prejudice to our respective rights under this Agreement, we or you shall have the right to terminate this Agreement forthwith in the event that:

8.1.1. The other party is in breach of the Agreement and if the breach can be remedied, fail to remedy it within a reasonable time (being no longer than 28 days) specified by the non-defaulting party in its written notice to do so; or 8.1.2. bankruptcy or insolvency proceedings are brought against a party or a party does not make any payment under a judgment of a court on time or a party makes an arrangement with its creditors (save for a solvent company reconstruction or amalgamation) or a trustee, receiver or administrator is appointed over any of the party's assets or a party goes into liquidation.

8.2. Without prejudice to our other rights, we shall have the right to terminate this Agreement forthwith by notice in writing to you in the event that:

8.2.1. Any license required for the conduct of our business expires or is suspended or is revoked; or

8.2.2. A license under which you have the right to run your telephone communications system and connect it to our system is revoked, amended or otherwise ceases to be valid and is not immediately replaced by another valid license.

8.3. If we terminate this Agreement under clause 8 we shall be entitled to recover from you all costs, losses and expenses reasonably incurred by us including, but not limited to, the cost of removing the Services and should we incur any fine or penalty from any regulatory body due to your act or omission you shall indemnify us against such fine or penalty and reimburse us for our reasonable administrative expense of dealing with the matter giving rise to the fine or penalty.

9. Suspension of the Services

9.1. We may at our sole discretion elect to suspend the provision of the Services or request that the TNP suspend the Telecoms Services until further notice without liability to you on notifying you in writing in the event that:

9.1.1. You are in breach of this Agreement or any other agreement which you have with us or with any other company in the Cortel Group and fail to remedy the breach within a reasonable time of being asked to do so;

9.1.2. You prevent or delay any pre-arranged maintenance from being carried out by us; or

9.1.3. We are obliged to comply with any order, instruction or request of government, an emergency service organisation or other competent authority;

9.1.4. Any insolvency event occurs as defined in clause 8.1.2 above;

9.1.5. If we believe that the Services are being used in a way forbidden by clause

9.2. We suspend the Services; we will not provide them again until you do what you have agreed or satisfy us that you will do so in the future or that the Services will not be used in a way that is forbidden by clause 3.2.

9.3. If we suspend the Services because you break this Agreement, the Agreement will still continue unless we notify you in writing that we are treating the Agreement as terminated. You must pay to us all charges until we end the Agreement by giving notice hereunder or you or we end

the Agreement by giving notice under clause 10 below.

10. Cancellation

10.1. You may cancel the Services at any time up to the point of provision. However, you must pay for any work we have done or money we have spent in preparation for the provision of the Services and which we will notify to you.

10.2. This Agreement and the supply of the Services can be ended by:

10.2.1. Not less than one month's written notice from us to you, such notice to be given at any time; or

10.2.2. Not less than three months' written notice from you to us to expire no earlier than the final day of the Minimum Period.

10.3. If either we or you give notice to terminate, you must pay line rental and/or all Services up to the end of the minimum contract period and/or in respect of other Services all reasonable costs incurred including but limited to the cost of work done and equipment and Services supplied or to be supplied.

10.4. You will be liable to pay us line rental charges for the entirety of the Minimum Period or subsequent Annual Term(s) unless this Agreement ends because:

10.4.1. We have increased our charges or materially changed the conditions of this Agreement to your detriment; or

10.4.2. We terminate this Agreement (in which case line rental charges up to the date of termination are payable by you);

10.4.3. We are in substantial un-remedied breach of our Agreement with you (and for the purposes of this sub-clause you must give notice to us in writing of the breach complained of and we will have 28 days in which to remedy the breach); 10.5.4. If you attempt to terminate this Agreement within the Minimum Period or subsequent Annual Term(s) or ask us to terminate this Agreement early, we will normally agree to do so on the basis that you pay to us the line rental for the remainder of the Minimum Period or the remainder of the Annual Term as the case may be.

10.5. If you attempt to terminate this Agreement within the Minimum Period and then in addition to the obligation to pay us line rental for the remainder of the Minimum Period (or Annual Term, if applicable) you must pay to us a sum equivalent to the call charges for the remainder of the Minimum Period (or Annual Term, if applicable). The call charges sum payable by you shall be calculated by reference to the mean average of the last 3 full months call charges (or if less than 3 months call charges can be shown, the average of the months that can be shown) and the mean average result shall be multiplied by the number of unexpired months of the Minimum Period or Annual Term.

11. Force Majeure

If we cannot provide the Services because of something beyond our reasonable control, such as default by the TNP to satisfactorily perform its obligations to us, or including, but not limited to, any act of God, exceptionally severe weather, failure or shortage of

power supplies, flood, drought, lightning or fire, strike, lock-out, trade dispute or labour disturbance, war or military operations, national or local emergency, anything done by government or other competent authority or industrial disputes

of any kind (including those involving our employees and those of the TNP), delay or failure in manufacture, production or supply by third parties of equipment or access lines, we will not be liable for any loss or damage which may be suffered by you.

12. Assignment

12.1. This Agreement may not be assigned in whole, or in part, by you without our prior written consent.

12.2. We may assign or novate all or part of our rights or obligations under this Agreement and you hereby consent to any such assignment or novation. Notwithstanding your consent, you agree to execute any documents and do any acts and things which may reasonably be required by us to give effect to this clause 12.2.

13. Entire agreement

13.1. These terms and conditions and the Customer Service Agreement overleaf set out the whole agreement between you and us for the provision of the Services and supersede all prior communications and representations, whether written or oral, and this Agreement may only be modified if such modification is in writing and signed by us.

13.2. This Agreement is regulated by the Act and any other relevant law, code of practice, regulation or any direction of the Director General of the office of Telecommunications or other competent authority and any licence which governs the running of your telecommunications system. Both you and we agree to amend this Agreement in line with any changes required by any of the aforementioned in this clause.

14. No waiver

Failure by us to exercise or enforce any right conferred by this Agreement shall not be deemed to be a waiver of such right nor operate so as to bar the exercise or enforcement thereof or of any other right on any later occasion.

15. Notices

15.1. Any notice given under this Agreement must be in writing and delivered by hand or sent by pre-paid special or recorded post as follows:

15.1.1. To us at the address shown on the Customer Service Agreement overleaf; or

15.1.2. To you at the address you have asked us to send invoices to or your registered office.

16. Third party rights

A person who is not party to this Agreement has no rights under the Contracts (Right of Third Parties) Act 1999 to enforce any term of this Agreement but this does not affect any right or remedy of a third-party which exists or is available apart from under that act.

17. Governing law

This Agreement shall be governed by and construed and interpreted in accordance with English law and the parties hereby submit the exclusive jurisdiction on the English courts.

18. Provision of communication equipment

In the event that we agree to let or hire and maintain any equipment described in the Customer Service

Agreement and you agree to rent such equipment from us, the following terms and conditions shall apply:

18.1.1. We shall deliver the equipment to you as expediently as possible however any delivery date specified by us shall be treated as an estimate only and while we shall take all reasonable steps to deliver within the period quoted, such date shall be treated as an estimate only and shall not be a term of this Agreement. We accept no liability for failure to meet any estimated delivery date.

18.1.2. We or our appointed agent shall install the equipment at your site.

18.1.3. The equipment shall at all times remain our property and you will at all times advise any third-party that the equipment is the property of Cortel Telecom Ltd.

18.1.4. You shall be responsible for the equipment whilst it is in your custody and shall indemnify us against any loss or damage to the equipment save that you shall not be responsible for any loss or damage attributable to any willful act, fault or omission of ours. It will be your responsibility to notify us immediately of any loss or damage to the equipment.

18.2. Upon notification of a fault we shall use our reasonable endeavours during our normal working hours to attend to such fault provided that the fault has arisen from normal use of the equipment.

18.2.1. We have no responsibility for faults arising from:

18.2.2. Your negligence or default; or

18.2.3. Any act or omission associated with any other telecommunications system and not run by us; or

18.2.4. Any other cause beyond our control.

18.2.5. We shall have the right to charge you in the event that the need for maintenance results from any of the events in clause 18.2 or if any maintenance and repair works are, in our reasonable opinion unnecessary.

18.3. You agree not to carry out nor to procure the carrying out of any alterations, modifications, replacements, extensions, attachments, additions or otherwise alter the equipment in anyway except with our prior written consent and any alterations and changes as mentioned in this clause will, if appropriate, be carried out by us or our appointed agent.

18.4. Defined terms in this Agreement The following words have the meaning set out alongside them:

"Cortel Telecom Limited" – "Cortel" means Cortel Telecom Limited (company number 2724112) and its subsidiaries (as defined in section 736 of the Companies Act 1985).

"TNP" – means a Telecommunications Network Provider.

"Us" – means Cortel Telecom Limited and "our" pertains to "us".

"Customer Service Agreement" means the front of this document.

19. Tariffs

19.1. It is Cortel's intention to keep our clients on competitive tariffs in the UK telecommunications market. According that Cortel shall, at the customer's request meet on a regular date, to review their current tariff and ensure it is at a competitive rate.