

NETWORK SERVICES - TERMS AND CONDITIONS

1. SERVICE:-

In this agreement "service" means the service or services indicated overleaf. Talking Technology Ltd of Technology House, 11 Palmerston Road, Sutton, Surrey, SM1 4QL, ("TTL") agrees to provide the Service to the Customer and the Customer agrees to use the service on the terms set out in this Agreement.

2. DURATION OF THIS CONTRACT: -

2.1 The term of this Contract shall be for a two year period and thereafter will renew for a further period of 2 years on the same terms, unless either party shall give to the other three months written notice of termination prior to the end of any 2 year period. The Company may cancel this Contract at any time if the Customer commits any breach of the terms of this Contract.

3. PAYMENT:-

3.1 Pricing the service shall be as stated in TTL's tariff as current from time to time. All prices are exclusive of Value Added Tax and all prices are subject to change upon TTL giving not less than thirty days prior written notice to the Customer.

3.2 Invoices for Call Routing services are invoiced monthly in arrears. Invoices for Exchange Line Rentals are invoiced monthly in advance. Minimum call rates of 3p for land lines and 7p for mobile apply.

3.3 All Invoices are due strictly no later than 14 days from the date of invoice. If payment is made via Direct Debit Mandate, payment for all outstanding invoices will be taken no less than 10 days after the date of invoice.

3.4 All sums due to TTL under this Agreement shall be paid in full by the Customer without any set-off whatsoever.

3.5 The time of payment of all sums due to TTL under this Agreement shall be the essence of this Agreement. If payment in full is not received by TTL upon the due date, TTL shall be entitled to levy a late payment charge at a rate of 2.5% per month on any unpaid overdue balance.

3.6 All charges payable under this Agreement shall be calculated by reference to data recorded or logged by TTL and not by reference to data recorded or logged by the Customer.

3.7 Non-payment will result in disconnection of the Service by TTL; however, the Customer's obligations under this Agreement will remain. TTL reserves the right to levy a fee for re-connection and/or demand a payment in advance for future services. Such demand to be equivalent to two months invoices based on average invoices raised over the previous 12 months to the Customer.

4. PROVISION OF INFORMATION:-

4.1 The Customer undertakes to promptly provide TTL, free of charge, with all information and co-operation that TTL may reasonably require to enable it to proceed without interruption with the performance of its obligations under this Agreement.

4.2 The Customer accepts responsibility for the accuracy of all information passed to TTL. TTL does not accept any liability whatsoever for any loss incurred as a result of inaccurate information.

5. LIABILITY:-

5.1 TTL shall not be liable to the customer in contract, tort or otherwise, including any liability for negligence, for any loss of revenue, business, anticipated savings or profit or any indirect or consequential loss however arising.

5.2 In the event of any failure of the service, TTL shall not be liable to the Customer for any charges incurred by the Customer should the Customer divert its traffic to an alternative supplier.

5.3 TTL shall not be liable for any loss whatsoever if the routing of telephone calls or the loss of Exchange lines is ceased or disrupted for reasons outside the control of TTL.

5.4 TTL shall not be liable for any costs incurred for any unauthorized or fraudulent use of the telephone network.

6. TERMINATION:-

6.1 Without prejudice to their rights under the Agreement TTL and the Customer shall have the right to terminate this Agreement forthwith in the event that:

- The other party is in default in its performance or observance of any of its obligations under this Agreement and in the case of a remediable breach, fails to remedy the breach within a reasonable time specified by the non defaulting party in its written notice to do so.

- An interim order is applied for or made, or a voluntary arrangement approved, or if a petition for bankruptcy order is presented or a bankruptcy order is made against the other party, or if a receiver or trustee in bankruptcy is appointed of the other party's estate or a voluntary

arrangement is proposed or approved or an administration order is made, or a receiver or administrative receiver is appointed or any of the party's assets or undertaking or a winding-up resolution or petition is passed or presented (otherwise than for the purposes of reconstruction or amalgamation) or if any circumstances arise which entitle the court or creditor to appoint a receiver or administrator to present a winding-up petition or make up a winding up order.

6.2 Without prejudice to its other rights, TTL shall have the right forthwith to terminate this Agreement by notice in writing to the Customer in the event that the Customer fails to make any payment when it becomes due to TTL.

7. SUSPENSION OF SERVICE:-

7.1 TTL may at its sole discretion elect to suspend forthwith the provision of the Service until further notice without liability to the Customer on notifying the Customer either orally, (confirming the same in writing) or in writing the event that:

- The Customer is in breach of any term of this Agreement

- The Customer is suspected in TTL's reasonable opinion of involvement with fraud or attempted fraud in connection with the use of the Service.

- The Customer fails to make payments as detailed in Clause 3.

7.2 TTL reserves the right to demand payment in advance for any/all services before resumption of service following suspension for non-payment by the Customer.

8. CANCELLATION:-

8.1 In the event the Customer cancels their order for the Exchange Line Rental service prior to completion of the installation or take-over by TTL from BT, a cancellation fee will be levied to the Customer in accordance with the following table based upon the full installation cost;

- Cancellation notice of less than 3 working days - 90% of the costs incurred to set up the service

- Cancellation notice of between 3 and 7 working days - 75% of the costs incurred to set up the service

- Cancellation notice of between 8 and 14 working days - 60% of the costs incurred to set up the service

- Cancellation notice of between 15 and 21 working days - 30% of the costs incurred to set up the service

- Cancellation notice of 22 or more working days - 0% of the costs incurred to set up the service

8.2 The above fee will be charged in addition to 12 months line rental.

8.3 Working days are defined as Monday to Friday (inclusive) excluding Public Bank Holidays.

9. GENERAL:-

9.1 The Customer may not assign this agreement in whole, or in part without the prior written consent of TTL, such consent not to be unreasonably withheld.

9.2 Service support under this Agreement will only be available during 9.00 a.m. to 5.00 p.m. Monday to Friday (excluding Public Bank Holiday).

9.3 Neither part shall be liable to the other or for any loss or damage, which may be suffered by the other party due to any cause beyond the first party's reasonable control.

9.4 This agreement represents the entire Agreement and understanding of the parties with respect to the subject matter hereof and supersedes all prior undertakings and representations, whether written or oral and this Agreement may only be modified if such modifications are in writing and signed by TTL and the Customer.

9.5 TTL's rights under this Agreement will not be affected by granting any indulgence to the Customer.

9.6 Any notice, which may be given by TTL under this Agreement, shall be deemed to have been given if left or sent by post or facsimile transmission (confirming the same by or post) to the last known address of the Customer.

9.7 TTL's address for service of any notice hereunder shall be such address as appears on the last invoice rendered to the Customer or such other address as may be prescribed by TTL for that purpose. In the case of a dispute, unless proof of delivery of such written notice by the date can be produced by the Customer (e.g. Recorded Delivery Receipt, Registered Letter Receipt) TTL will be unable to terminate the Contract.

9.8 The Agreement shall be governed by and construed and interpreted in accordance with English Law and the parties hereby submit to the exclusive jurisdiction of the English Courts.