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SERVICE SCHEDULE

Conditions for Cardway 2000 Service

1. INTERPRETATION

In this Contract:

“**BT**” means British Telecommunications plc of 81 Newgate Street, London EC1A 7AJ, registered in England No. 1800000.

“**BT Equipment**” means equipment (including any software) placed on a Site for the provision of the Service.

“**BT Group Company**” means a BT subsidiary or holding company, or a subsidiary of that holding company, all as defined by Section 736 of the Companies Act 1985, as amended by the Companies Act 1989.

“**Contract**” means, in order of precedence, the Service Schedule, these Conditions, the BT Price List, the Order Form and the Customer Requirement Form, if any.

“**Customer**” means the person so named on the Order Form and anyone reasonably appearing to BT to be acting with that person's authority or permission.

“**Minimum Period**” means the minimum period set out in the Service Schedule or the BT Price List beginning on the Operational Service Date.

“**Operational Service Date**” means the earlier of the date when the Service is first made available to the Customer at a Site or the date when the Customer first starts to use the Service.

“**Service**” means the service or, where appropriate, part of a service described in the Service Schedule to this Contract.

“**Site**” means the place at which BT agrees to provide the Service.

2. COMMENCEMENT OF THIS CONTRACT

This Contract begins on the date that the Order Form is signed by both parties.

3. PROVISION OF THE SERVICE

3.1 BT will provide the Service to the Customer on the terms of this Contract.

3.2 BT will use reasonable endeavours to provide the Service by the date agreed with the Customer, but all dates are estimates and BT has no liability for any failure to meet any date, unless the Service Schedule says otherwise.

3.3 BT will provide the Service with the reasonable skill and care of a competent telecommunications service provider.

3.4 It is technically impracticable to provide a fault free Service and BT does not undertake to do so. BT will however repair any faults in the Service in accordance with the fault repair service it has agreed to provide the Customer.

3.5 Occasionally BT may:

(a) for operational reasons, change the codes or the numbers allocated to the Customer or the technical specification of the Service, provided that any change to the technical specification does not materially affect the performance of the Service;

(b) suspend the Service for operational reasons such as maintenance or because of an emergency; or

(c) give the Customer instructions which it believes are necessary for reasons of health, safety or the quality of any telecommunications service provided by BT to the Customer or any other customer.

Before doing so BT will give the Customer as much notice as possible and whenever practicable will agree with the Customer when the Service will be suspended.

4. BT EQUIPMENT

4.1 The Customer will, at its own expense, to enable the installation and use of the BT Equipment:

(a) obtain all necessary consents, including consents for any necessary alterations to buildings;

(b) provide a suitable environment, accommodation and foundations, including all necessary trunking, conduits and cable trays, in accordance with the relevant installation standards;

(c) take up or remove any fitted or fixed floor coverings, ceiling tiles, suspended ceiling and partition covers as BT advises are necessary, and carry out afterwards any making good or decorator's work required;

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- (d) provide any electricity and connection points required by BT.

All preliminaries must be completed in advance of any installation work.

- 4.2 The Customer is responsible for the BT Equipment and must not add to, modify or in any way interfere with the BT Equipment, nor allow anyone else (other than someone authorised by BT) to do so. The Customer will be liable to BT for any loss of or damage to the BT Equipment, except where such loss or damage is due to fair wear and tear, or is caused by BT or anyone acting on BT's behalf.

5. CONNECTION OF EQUIPMENT TO THE SERVICE

- 5.1 Any equipment connected to or used with the Service must be connected and used in accordance with any instructions, safety and security procedures applicable to the use of that equipment.

- 5.2 Any equipment which is attached (directly or indirectly) to the Service must be technically compatible with the Service and approved for that purpose under any relevant legislation.

6. ACCESS AND SITE REGULATIONS

- 6.1 To enable BT to carry out its obligations under this Contract, the Customer will provide BT employees and anyone acting on BT's behalf, who produces a valid identity card, with access to any Site and any other premises outside BT's control, at all reasonable times. BT will normally only require access during its usual working hours but may, on reasonable notice, require the Customer to provide access at other times. BT may agree to work outside its usual working hours, but the Customer must pay BT's additional charges for doing so.

- 6.2 BT employees and anyone acting on BT's behalf will observe the Customer's reasonable Site regulations as previously advised in writing to BT. In the event of any conflict between the Site regulations and these Conditions, these Conditions will prevail.

- 6.3 The Customer will provide a suitable and safe working environment for BT employees and anyone acting on BT's behalf.

7. USE OF THE SERVICE

- 7.1 The Service must not be used in a way that does not comply with:

- (a) the terms of any legislation or any licence applicable to the Customer or that is in any way unlawful; or

- (b) any instructions given under paragraphs 3.5(c) and 5.1.

- 7.2 The Customer must indemnify BT against any claims or legal proceedings which are brought or threatened against BT by a third party because:

- (a) the Service is used in breach of paragraph 7.1; or

- (b) the Service is faulty or cannot be used by that third party.

BT will notify the Customer of any such claims or proceedings and keep the Customer informed as to the progress of such claims or proceedings.

8. INTELLECTUAL PROPERTY RIGHTS

- 8.1 Where software is provided to enable the Customer to use the Service, BT grants the Customer a non-exclusive, non-transferable licence to use the software for that purpose.

- 8.2 The Customer will not, without BT's prior written consent, copy or (except as permitted by law) decompile or modify the software, nor copy the manuals or documentation.

- 8.3 The Customer will sign any agreement reasonably required by the owner of the copyright in the software to protect the owner's interest in that software.

9. INTELLECTUAL PROPERTY RIGHT INDEMNITIES

- 9.1 BT will indemnify the Customer against all claims and proceedings arising from infringement of any intellectual property rights by reason of BT's provision of the Service to the Customer. As a condition of this indemnity the Customer must:

- (a) notify BT promptly in writing of any allegation of infringement;

- (b) make no admission relating to the infringement;

- (c) allow BT to conduct all negotiations and proceedings and give BT all reasonable assistance in doing so (BT will pay the Customer's reasonable expenses for such assistance); and

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- (d) allow BT to modify the Service, or any item provided as part of the Service, so as to avoid the infringement, provided that the modification does not materially affect the performance of the Service.
- 9.2 The indemnity in paragraph 9.1 does not apply to infringements caused by the use of the Service in conjunction with other equipment, software or services not supplied by BT or to infringements caused by designs or specifications made by, or on behalf of, the Customer. The Customer will indemnify BT against all claims, proceedings and expenses arising from such infringements.
- 9.3 The limitations and exclusions of liability contained in paragraph 12 do not apply to this paragraph.
- 10. CONFIDENTIALITY**
- 10.1 The parties will keep in confidence any information (whether written or oral) of a confidential nature (including software and manuals) obtained under this Contract and will not disclose that information to any person (other than their employees or professional advisers or, in the case of BT the employees of a BT Group Company or their suppliers, who need to know the information) without the written consent of the other party.
- 10.2 This paragraph 10 will not apply to:
- (a) any information which has been published other than through a breach of this Contract;
 - (b) information lawfully in the possession of the recipient before the disclosure under this Contract took place;
 - (c) information obtained from a third party who is free to disclose it; and
 - (d) information which a party is requested to disclose and, if it did not, could be required by law to do so.
- 10.3 This paragraph 10 will remain in effect for 2 years after the termination of this Contract.
- 11. CHARGES AND DEPOSITS**
- 11.1 The charges for the Service will be calculated in accordance with the BT Price List. Charging will begin on the Operational Service Date. Charges for use of the Service will be calculated in accordance with the details recorded by, or on behalf of, BT.
- 11.2 The Customer will pay the charges within 28 days of the date of BT's invoice. BT may charge daily interest on late payments at a rate equal to 4% per annum above the base lending rate of HSBC Bank plc.
- 11.3 BT may, at any time, require the Customer to pay a deposit or provide a guarantee as security for payment of future bills. BT's procedures for deposits are published in its major offices.
- 12. LIMITATION OF LIABILITY**
- 12.1 BT accepts unlimited liability for death or personal injury resulting from its negligence. Paragraphs 12.2 and 12.3 do not apply to such liability.
- 12.2 Except as stated in paragraph 5 of the Service Schedule, BT is not liable to the Customer, either in contract, tort (including negligence) or otherwise for any direct or indirect loss of profits, business or anticipated savings, nor for any indirect loss or damage or for any destruction of data.
- 12.3 BT's liability to the Customer in contract, tort (including negligence) or otherwise in relation to this Contract is limited to £1 million for any one incident or series of related incidents and to £2 million for all incidents in any period of 12 months.
- 12.4 Each provision of this Contract, excluding or limiting liability, operates separately. If any part is held by a court to be unreasonable or inapplicable, the other parts will continue to apply.
- 13. MATTERS BEYOND THE REASONABLE CONTROL OF EITHER PARTY**
- 13.1 If either party is unable to perform any obligation under this Contract because of a matter beyond that party's reasonable control, such as lightning, flood, exceptionally severe weather, fire, explosion, war, civil disorder, industrial disputes (whether or not involving that party's employees), acts of local or central Government or other competent authorities or events beyond the reasonable control of that party's suppliers, that party will have no liability to the other for that failure to perform.
- 13.2 If any of the events detailed in paragraph 13.1 continue for more than 3 months either party

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may serve notice on the other terminating this Contract.

within 2 months of the mediator being appointed then either party may exercise any remedy that it has under this Contract.

14. ESCALATION AND DISPUTE RESOLUTION

14.1 If a dispute arises between the parties to this Contract, the parties will use their reasonable endeavours to settle the dispute in accordance with the following procedures:

- (a) a dispute which has not been settled by the Customer's representative and the BT representative within 7 days of the matter being raised, may be escalated by either party to the first level by written notice to the other party;
- (b) if the dispute is not resolved at the first level within 7 days of escalation either party may refer the dispute to the second level.

The parties' representatives and the people to whom a dispute must be escalated at the first and second levels are as notified by either party to the other from time to time.

14.2 If a dispute is not resolved after the procedures set out in paragraph 14.1 have been followed then, if the parties agree, the dispute will be referred to a mediator:

- (a) the mediator will be appointed by agreement of the parties. In the event of a failure to agree within 3 days of a proposal by one party, the mediator will be appointed by the Centre for Dispute Resolution (CEDR);
- (b) within 14 days of the appointment of the mediator the parties will meet with the mediator in order to agree the procedure to be adopted for the negotiations;
- (c) all negotiations connected with the dispute will be conducted in confidence and without prejudice to the rights of the parties in any further proceedings;
- (d) if the parties reach agreement on the resolution of the dispute the agreement will be put in writing and once signed by the parties will be binding on them;
- (e) if the parties are not prepared to agree to the dispute being referred to a mediator or fail to reach agreement

15. CANCELLATION

The Customer may cancel the Service at any time before the Operational Service Date. If the Customer cancels the Service the Customer must pay BT for any work done or money spent in getting ready to provide the Service. BT will take reasonable steps to mitigate the amount of such costs.

16. TERMINATION OF THIS CONTRACT BY NOTICE

16.1 Either party may terminate this Contract or the Service on 1 month's notice to the other.

16.2 If the Customer terminates this Contract or the Service during its Minimum Period (other than because BT has increased its charges, or has materially changed the Conditions of this Contract to the Customer's detriment) the Customer must pay BT the termination charges specified in the BT Price List.

17. BREACHES OF THIS CONTRACT

17.1 Either party may terminate this Contract or the Service immediately, on notice, if the other:

- (a) commits a material breach of this Contract, which is capable of remedy, and fails to remedy the breach within a reasonable time of a written notice to do so; or
- (b) commits a material breach of this Contract which cannot be remedied; or
- (c) is repeatedly in breach of this Contract; or
- (d) is the subject of a bankruptcy order, or becomes insolvent, or makes any arrangement or composition with or assignment for the benefit of their creditors, or goes into voluntary (otherwise than for reconstruction or amalgamation) or compulsory liquidation or a receiver or administrator is appointed over their assets.

17.2 If any of the events detailed in 17.1 occur because of the Customer, BT may suspend the Service without prejudice to its right to

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terminate this Contract. Where the Service is suspended under this paragraph, the Customer must pay the charges for the Service until this Contract is terminated.

17.3 If this Contract is terminated by BT during the Minimum Period because of an event specified in paragraph 17.1, the Customer must pay BT the termination charges specified in the BT Price List.

17.4 If either party delays in acting upon a breach of this Contract that delay will not be regarded as a waiver of that breach. If either party waives a breach of this Contract that waiver is limited to that particular breach.

18. CHANGES TO THIS CONTRACT

18.1 Service

If the Customer asks BT to make any change to the Service BT may ask the Customer to confirm the request in writing. If BT agrees to a change, this Contract will be amended from the date when BT confirms the change in writing to the Customer.

18.2 Conditions

BT can change the Conditions of this Contract (including the charges) at any time. BT will give the Customer notice of the changes and publish details in each of BT's major offices at least 2 weeks before the change is to take effect.

19. TRANSFER OF RIGHTS AND OBLIGATIONS

Neither party may transfer any of their rights or obligations under this Contract, without the written consent of the other, except that BT may transfer its rights or obligations (or both) to a BT Group Company without consent.

20. ENTIRE AGREEMENT

20.1 This Contract contains the whole agreement between the parties and supersedes all previous written or oral agreements relating to its subject matter.

20.2 The parties acknowledge and agree that:

- (a) they have not been induced to enter into this Contract by any representation, warranty or other assurance not expressly incorporated into it; and

- (b) in connection with this Contract their only rights and remedies in relation to any representation, warranty or other assurance are for breach of this Contract and that all other rights and remedies are excluded, except in the case of fraud.

23.3 A person who is not a party to this Agreement has no right under the Contracts (Rights 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 that Act.

21. NOTICES

Notices given under this Contract must be in writing and may be delivered by hand or by courier, or sent by telex or first class post to the following addresses:

- (a) to BT at the address of the BT office shown on the Order Form or any alternative address which BT notifies to the Customer;
- (b) to the Customer at the address to which the Customer asks BT to send invoices, the address of the Site or, if the Customer is a limited company, its registered office.