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SERVICE SCHEDULE

Conditions for BT VoIP Services

1. INTERPRETATION

In this Contract:

“ATM” or Asynchronous Transfer Mode means a technology for integrating the transmission of voice, data and video over a single high speed network and switching it at a range of bandwidths.

“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 by BT for the provision of the Service.

“BT’s Licensed Area” means the United Kingdom other than the Hull area.

“BT Group Company” means a BT subsidiary or holding company, including without limitation a holding company of BT, or a subsidiary of any such holding company, all as defined by Section 736 of the Companies Act 1985 as amended by the Companies Act 1989.

“BT Price List” means the BT published price list as updated from time to time.

“CellStream” means BT’s ATM service which can be used to connect the Customer’s Network to the Service. CellStream is not provided as part of this Contract.

“Contract” means these Conditions, the Service Schedules, the BT Price List, the Order Form and the Customer Requirement Form, if any, which, in the event of conflict, rank in this order of precedence.

“Customer” means the person named on the Order Form. BT may accept instructions from another person who BT reasonably believes is acting with the Customer’s authority or knowledge.

“Customer’s Network” means the Customer’s IP or data network (LAN or WAN) that is to be connected to the Service.

“Customer Requirement Form (CRF)” means a tool for capturing Customer information required to configure the Service specified by BT and notified to the Customer.

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

“Helpdesk” means the helpdesk facility provided by BT to handle enquiries and administration for the Service.

“Internet” means the global data network comprising interconnected networks using the TCP/IP protocol suite.

“LAN” means a local area network that is, or forms part of, the Customer’s Network.

“Minimum Period” means the applicable minimum period selected by the Customer on the Order Form/CRF as set out from the options contained in the BT Price List, or applicable Service Schedule commencing on the Operational Service Date.

“Introduction Package” (for MM VoIP and/or VoIP Messaging) means the Service as described in the BT Price List.

“Operational Service Date” means the date when the Service is first made available to the Customer at a Site.

“Order Form” means the form to be completed by the Customer in respect of a request for the Service at a Site or such other form or electronic process specified by BT and notified to the Customer.

“Service” means the BT MultiMedia VoIP service or, where appropriate part of the service or service option described in the Service Schedule.

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

“Software” means any software provided by BT to enable the Customer to access or use the Service.

“System Administrator” means a person notified in writing to BT by the Customer to be the point of contact with BT for matters relating to the provision of the Service.

“User” means anyone using the Service from the Customer’s Network.

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“Voice over Internet Protocol (VoIP)” means technology enabling voice services to be transported over suitable data (IP) networks.

“WAN” means a wide area network that is to form part of the Customer Network.

2. COMMENCEMENT OF CONTRACT

This Contract begins on the date that the first signed Order Form is accepted by BT and will continue until terminated in accordance with this Contract.

3. PROVISION OF THE SERVICE

3.1 BT will provide the Customer with the Service 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.

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

3.4 BT will use reasonable efforts to provide uninterrupted Service but from time to time faults may occur, which BT will repair in accordance with the fault repair service detailed in the Service Schedule.

3.5 Occasionally BT may:

(a) for operational and regulatory reasons, change the codes or the numbers used by BT for the provision of the Service or the technical specification of the Service, provided that any change to the technical specification does not materially affect the performance of the Service; or

(b) 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; or

(c) temporarily suspend the Service for operational reasons such as repair, maintenance or improvement of the Service or because of an emergency, but before doing so will give as much online, written or oral notice as is reasonably practicable. BT will

restore the Service as soon as it reasonably can after suspension.

Before doing any of these things BT will give the Customer as much notice as possible.

3.6 With the exception of the BT Equipment and the Software the Customer is responsible for providing suitable computer hardware, software and telecommunications equipment and services necessary to connect to and use the Service, including entering into a contract for the provision of Cellstream, Equip, IP Clear or some other suitable connecting service.

3.7 This Contract does not include the provision of any telecommunications service (including without limitation access to the Internet) necessary to connect to the Service.

4. BT EQUIPMENT

4.1 If BT needs to install BT Equipment at a Site in order to provide the Service the Customer will prior to installation:-

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

(b) prepare the Site in accordance with BT's reasonable instructions, if any;

(c) make available a suitable place and conditions for the BT Equipment; and

(d) provide at no charge to BT an adequate power supply to power the BT Equipment.

After installation is completed it is the Customer's responsibility to restore the condition of the Site including any re-decorating that may be required.

4.2 The Customer is responsible for the BT Equipment and must not add to, modify or in any way interfere with, 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.

4.3 At the end of or earlier termination of the Introduction Package (for MM VoIP and/or VoIP Messaging) period the Customer must

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return the BT Equipment to BT in accordance with instructions given to the Customer by BT.

5. CONNECTION OF EQUIPMENT TO THE SERVICE

5.1 The Customer must ensure that any equipment connected to or used with the Service is connected and used in accordance with any applicable instructions, safety and security procedures applicable to the use of that equipment.

5.2 The Customer must ensure that any equipment which is attached (directly or indirectly) to or used with the Service is 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 at all reasonable times to any Site or any other premises outside BT's control.

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 by the Customer. BT will not be liable for any breach of this Contract which arises as a result of conflict between any Site regulations and these Conditions. In the event of any conflict between the Site regulations and this Contract, this Contract will prevail.

6.3 BT and the Customer will meet each other's reasonable requirements for the safety of people on any Site.

7. SECURITY

7.1 The Customer is responsible for the security and proper use of all user IDs and passwords used in connection with the Service (including changing passwords on a regular basis) and must take all necessary steps to ensure that they are kept confidential, secure, used properly and not disclosed to unauthorised people.

7.2 The Customer must immediately inform BT of any changes to the information the Customer supplied when registering for the Service.

8. USE OF THE SERVICE

8.1 The Customer agrees and understands that calls to the emergency services cannot be made if the Service is unavailable; even if the Service is available it is not possible to provide accurate location information to the emergency services. Therefore BT recommends that the Customer maintains a direct service line and suitable equipment to make calls to the emergency services in the unlikely event that Service is unavailable. The Customer may already have a direct service line installed for use for facsimile purposes.

8.2 The Customer must only access the Service as permitted by BT and must not attempt at any time to circumvent system security.

8.3 The Service is provided solely for the Customer's own use and the Customer will not resell or attempt to resell the Service (or any part or facility of it) to any third party.

8.4 The Service must not be used:

(a) in a way that does not comply with the terms of any legislation or any licence applicable to the Customer or that is in any way fraudulent or unlawful; or

(b) in a way that does not comply with any instructions given under paragraphs 3.5(b) and 5.1; or

(c) to send, knowingly receive, upload, download, use or re-use any information or material which is abusive, indecent, defamatory, obscene or menacing, or in breach of confidence, copyright, privacy or any other rights; or

(d) other than in accordance with BT's acceptable use policy (as applicable to the Service) as may be amended by BT from time to time; or

(e) to cause annoyance, inconvenience or needless anxiety.

8.5 If the Customer or anyone else, with or without the Customer's knowledge or approval, uses:

(a) the Service in contravention of paragraphs 8.2 to 8.9; or

(b) the server capacity or the Software made available to it in any way which,

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in BT's opinion, is, or is likely to be, detrimental to the provision of the Service to the Customer or any other customer and fails to take corrective action within a reasonable period of receiving notice from BT to do so; or

- (c) the Service in any way which, in BT's opinion is, or is likely to be, detrimental to the provision of the Service to the Customer or any other customer and fails to take corrective action within a reasonable period of receiving notice from BT to do so.

BT may treat the contravention as a material breach of this Contract for the purposes of paragraph 19.

- 8.6 The Customer must indemnify BT against any claims or legal proceedings which are brought or threatened against BT by a third party because the Service is used in breach of the provisions of this paragraph 8;

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.

- 8.7 As a condition of the indemnity in paragraph 8.6 above BT must:

- (a) notify the Customer promptly of any such claims or legal proceedings upon becoming aware of the same;
- (b) make no admission relating to such claims or legal proceedings without the agreement of the Customer, which shall not be unreasonably withheld; and
- (c) actively consult with the customer regarding the conduct of any action and have due regard to the Customer's representations and not agree any settlement of such claims or legal proceedings nor make any payment on account of them without the agreement of the Customer, which shall not be unreasonably withheld.

- 8.8 The Customer is responsible for the acts and omissions of all Users in connection with the Service and is liable for any failure by any User to perform or observe the terms and conditions of this Contract, including any

instructions issued under paragraph 3.5 and 5.1.

- 8.9 The Customer agrees that the Service is only to be used from Sites within BT's Licensed Area. Should an User access the Service from outside BT's Licensed Area the Customer shall indemnify BT against all liabilities resulting from actions, proceedings, claims by third parties attributable to such use.

9. INTERNET

The Internet is separate from the Service and use of the Internet is solely at the Customer's risk and subject to all applicable laws. BT has no responsibility for any information, software, services or other materials obtained by the Customer using the Internet.

10. INTELLECTUAL PROPERTY RIGHTS

- 10.1 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.

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

- 10.3 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.

- 10.4 BT may offer updates or modifications to the Software or documentation. Any applicable charges for such updates or modifications will be notified to the Customer at the time BT offers such updates or modifications.

11. INTELLECTUAL PROPERTY RIGHT INDEMNITIES

- 11.1 BT will indemnify the Customer against any claims and proceedings arising from infringement of any intellectual property rights through 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;

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- (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
- (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.

11.2 The indemnity in paragraph 11.1 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 subject to BT complying with the conditions set out in paragraph 8.10 above.

11.3 The limitations and exclusions of liability contained in paragraph 15 do not apply to this paragraph 11.

12. LAN AND WAN ACCESS

- 12.1 If the Customer accesses the Service via an ATM service or similar service, the Customer is responsible for:
- (a) providing and maintaining a suitable LAN/WAN and Internet Protocol ("IP") router capable of interfacing satisfactorily with the WAN product used to access the Service;
 - (b) specifying the configuration of the IP router on the Customer Requirement Form;
 - (c) notifying BT of any proposed changes to the router configuration before making them. The Customer acknowledges that if the router configuration referred to in paragraph 12.1(b) is changed without BT's agreement BT is not responsible or liable for any degradation of quality or failure of the Service under this Contract;
 - (d) the appointment of a System Administrator.

12.2 If the Customer accesses the Service via an IP-VPN service, the Customer is responsible for:

- (a) ensuring this supports the necessary jitter, packet loss and latency measures;
- (b) ensuring suitable access mechanism to the service;
- (c) ensuring suitable VoIP CPE i.e. VoIP Gateway/Routers are connected to the service.

The Customer acknowledges that BT is not responsible for providing any support, whether technical or otherwise, to the Customer's Network.

13. CONFIDENTIALITY

13.1 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, without the written consent of the other party, 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, who need to know the information).

13.2 This paragraph 13 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 to do so by law.

13.3 This paragraph 13 will remain in effect for 2 years after the termination of this Contract.

14. CHARGES AND DEPOSITS

14.1 The charges for the Service will be calculated in accordance with the BT Price List. Charging will begin on the Operational Service Date or otherwise as set out in the BT Price List.

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- Charges for use of the Service will be calculated in accordance with the details recorded by, or on behalf of, BT. Value Added Tax will be added to BT's invoices as appropriate.
- 14.2 BT may revise the charges on 14 days' notice to the Customer as is stated in the BT Price List.
- 14.3 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.
- 14.4 The Customer acknowledges that the Customer may be subject to BT's credit vetting procedures and that 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.
- 14.5 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.
- 15. LIMITATION OF LIABILITY**
- 15.1 BT accepts unlimited liability for death or personal injury resulting from its negligence. Paragraphs 15.2 and 15.3 do not apply to such liability.
- 15.2 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 or consequential loss or damage or for any destruction of data.
- 15.3 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.
- 15.4 BT is not liable to the Customer either in contract, tort (including negligence) or otherwise for the acts or omissions of other providers of telecommunications or Internet services (including domain name registration authorities) or for faults in or failures of their equipment.
- 15.5 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 shall continue to apply.
- 16. MATTERS BEYOND THE REASONABLE CONTROL OF EITHER PARTY**
- 16.1 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 or 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.
- 16.2 If any of the events referred to in paragraph 16.1 continue for more than 3 months either party may serve notice on the other terminating this Contract.
- 17. CANCELLATION**
- The Customer may cancel the Service in relation to any Site at any time before the Operational Service Date. If the Customer cancels the Service the Customer must pay BT its reasonable costs and expenses (together with VAT if appropriate) 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 and expenses and the Customer will pay them to BT in accordance with paragraph 14.3.
- 18. TERMINATION OF THIS CONTRACT BY NOTICE**
- 18.1 Either party may terminate this Contract provided under it on 3 months' notice to the other.
- 18.2 If the Customer terminates this Contract during the Minimum Period (other than because BT has increased the 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 VoIP terms and conditions contained in the BT Price List.
- 19. BREACHES OF THIS CONTRACT**
- 19.1 Either party may terminate this Contract or the Service immediately on notice, if the other:

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- (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 its creditors, or goes into voluntary (otherwise than for reconstruction or amalgamation) or compulsory liquidation, or a receiver or administrator is appointed over their assets.

19.2 If BT is entitled to terminate this Contract under paragraph 19.1, BT may, on giving prior notice where practicable, suspend the Service without prejudice to such rights. Where the Service is suspended under this paragraph the Customer must pay the charges for the Service until this Contract is terminated.

19.3 If this Contract is terminated by BT during the Minimum Period because of an event specified in paragraph 19.1, the Customer must pay BT the termination charges specified in the BT Price List.

19.4 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.

20. CHANGES TO THIS CONTRACT

20.1 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.

20.2 Conditions

BT can change the conditions and service schedule of this Contract (including the

charges) at any time. BT will give the Customer notice of the changes and publish details in the BT Price List at least 14 days before the change is to take effect.

20.3 New Options

From time to time BT may introduce new options for the Service. Such options will be notified to the Customer via publication in the BT Price List no less than 3 days before the option becomes available.

21. 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 assign its rights or obligations (or both) to a BT Group Company without consent.

22. ENTIRE AGREEMENT

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

22.2 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.

22.3 Paragraph 22.1 and 22.2 above shall not affect the parties rights and remedies in respect of any fraudulent misrepresentation.

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

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23. NOTICES

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

- (a) to BT at the address of the BT office shown on the Order Form or on the Customer's last bill 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 to the Customer's registered office.

24. SEVERABILITY

If any provision of this Contract is held invalid, illegal or unenforceable for any reason by any court of competent jurisdiction, such provision shall be severed and the remainder of its provisions will continue in full force and effect as if this Contract had been executed with the invalid, illegal or unenforceable provision omitted.

25. LAW

This Contract is governed by the law of England and Wales and both parties submit to the exclusive jurisdiction of the English Courts.