



ISL LINES AND CALLS SERVICE AGREEMENT

TERMS & CONDITIONS

UKSOP LineCallV1.1 DREF010214

Internal Systems Ltd
Jansel House
Hitchin Road
Luton
Beds
T +44 (0) 1582 714080

Internal Systems Ltd
MKDC1
Milton Keynes
Data Centre

Internal Systems Ltd
LDC1
Goswell Road
London
Data Centre

Definitions We, Internal Systems Limited (Company Registration Number 02988533) whose registered office is at 4th Floor Jansel House, Hitchin Road, Luton, Beds LU2 7XH agree to supply:

1.1 our services as intermediary to obtain for you line rental and other ancillary services from a TSP (as defined below); and

1.2 the supply of voice and/or data telecommunications services including SIP trunks indicated on the SIP Trunk/Lines and Calls Service Agreement (“Order Form”) (which with LCR Services is collectively referred to as “Services”) 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 Order Form (together the “Agreement”).

2. Duration and charges

2.1. The Agreement shall take effect from the date of acceptance by us and shall be for the period of 60 months or such lesser period as set out in the “minimum period” box in the Order Form (either period being referred to in the Agreement as the “Minimum Period”).

2.2. You will be liable for the charges for the Services as set out in the Order Form. These charges will apply whether you use the Services or someone else does, whether these calls are authorised by you or not. 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 which shall be added to your invoices at the current rate.

2.3. You must pay us line rental and installation charges (if applicable) from the day upon which we supply the Services. The line rental charges will depend on how the TSP 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 (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 Order Form 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 we consider it reasonable to do so.

2.7. You must pay all charges within 30 days from the date of invoice in full 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 £5 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 from time to time. In addition, if any charges are overdue or you are in default of your Agreement with us or with any other company within the ISL Group (as defined below), where

applicable, we may ask the TSP to disconnect your telephone service. If this is necessary, the following conditions 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.

2.9. If you have opted to receive our Fraud Protection services by opting in on the Order Form. We will monitor call usage patterns on each line which is provided under this Agreement for activity which is apparently fraudulent. We may, in the first instance, contact you whenever suspected fraudulent activity is identified with a view to stopping traffic or setting appropriate usage thresholds for your company. We will ensure that you are not charged more than £450.00 per un-notified fraudulent instance for calls coming from any billing number on the relevant lines or channels. All reasonable precautions should be undertaken with your system maintainer to limit the possibility of fraudulent activity.

2.10 Should you elect not to receive our Fraud Protection services you hereby acknowledge that you will be responsible for call charges and all other charges resulting from fraudulent and/or unauthorised use of the Services by you, your employees or anybody else. You are reminded of the prevalence of fraudulent activity and you agree to pay for all calls from your lines at your standard rates howsoever caused. In clauses

2.9 & 2.10 fraudulent shall mean where calls are made by an external third party dialling into the network with no physical access to premises based or company owned equipment.

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 may be notified in writing to you by us from time to time and in accordance with the relevant provisions of the Telecommunications Act 1984 ("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

3.2 and against any claim which is made against us and/or the TSP because the Services are misused in any way. Further action which we or the TSP may take is explained in clause 8.

3.4. In respect of LCR 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 other ancillary 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 telecommunications equipment 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 standards 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.

4.2. To enable us to fulfil our obligations under the Agreement you shall permit or procure 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 authorise us, our dealers, agents or personnel to re-programme and/or remove existing access equipment as may be 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 in this regard.

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 In the event that we provide you with any software or access to websites and/or the ability to download from those websites in connection with the Services, where the law permits, we will grant you a personal, non-exclusive, non-transferable licence, for so long as the relevant Service is provided, to use such software in object code form only on the hardware in which it is installed and to access and download from the websites for the sole purpose of enabling you to use the Services. You shall comply with the terms of such licence.

4.6 You agree not to:

4.6.1 disclose or make available to third parties any portion of such software or any usernames or passwords to enable access to websites without our prior written permission;

4.6.2 copy or duplicate such software;

4.6.3 reverse engineer, decompile or disassemble such software (except as permitted by law);

4.6.4 modify or make derivative works of such software; or

4.6.5 use such software or access and download from any website after expiration, cancellation or termination of this Agreement or of the relevant Service without obtaining a valid licence from us.

4.7 Upon expiration, cancellation or termination of the Services you agree to relinquish any IP addresses or address blocks assigned to you by us. If we deem it necessary (acting reasonably) for technical reasons, you may be required to renumber the IP addresses assigned to you in which event we shall use all reasonable endeavours to provide you with 30 days' prior written notice thereof.

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 the Agreement and notify us as soon as you become aware of any circumstances which may constitute a breach of your obligations under the Agreement or which may hinder our ability to efficiently provide the Services.

6. Provisions specific to LCR Services

6.1. The TSP's standard terms and conditions of business relate to line rental and ancillary services and the manner of provision of our LCR Services are subject to those terms and conditions in force from time to time. Therefore, we may have to do some things that could affect LCR Services including the following

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

6.1.2. Occasionally, at the request of the TSP, we may have to change the code or phone number or the technical specification of the LCR 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 because of the quality of the telephone services.

6.2.1. You have no right to sell or to agree to transfer the telephone number(s) provided to you for use with the LCR Services and you must not attempt to do so.

6.2.2. You must not allow the advertisement of any telephone number(s) used for the LCR 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 8. We will however give you written notice before taking any such action where reasonably practicable.

6.3. The TSP will put your name, address and the telephone number(s) for the LCR Services in the telephone book for your area and make your telephone number(s) available from directory enquiries services. However, the TSP will not do so if you ask us to notify the TSP accordingly. If you require a special entry in the telephone book you must let us know and we will notify the TSP. Where we agree to a special entry you must pay an extra charge and sign a separate agreement for that entry.

6.4. Both we and the TSP may use the information we have about you and your use of the LCR Services for marketing purposes. However, we will not do so if you ask us not to. For your information both we and the TSP will process your billing data and information about your use of the LCR Services for the purposes of providing the LCR Services and for invoicing you for these.

6.5. We shall use all reasonable endeavours to provide you with the LCR Services by the date we agree with you and the TSP, but time shall not be of the essence for such provision.

6.6. We cannot guarantee that the telecommunications network and ancillary services will never be faulty and you acknowledge to us that you are subject to the terms and conditions of the TSP 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 TSP and monitor the progress of the TSP in rectifying the fault. We will ask the TSP to work on any fault that you report to us and that work will be subject to the repair service which the TSP agrees to provide to you from time to time and the charges levied by the TSP from time to time. If you tell us that there is a fault in the LCR Services and either we, or the TSP, finds that either there is no fault or that someone at your premises has caused the fault, we may make a reasonable charge to you for any work which we have done to try to find the fault or to repair it.

7. Liability

7.1. Nothing in the 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 Without prejudice to our other rights, we shall have the right to terminate the Agreement forthwith by notice in writing to you in the event that:

7.2.1. Any licence required for the conduct of our business expires or is suspended or is revoked; or

7.2.2. A licence 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 licence.

7.3. If we terminate the Agreement under clause 9 below 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.

7.4. 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 7.5 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 the 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 12-month period.

7.5. 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.

7.6. 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.

7.7 Each part of the 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.

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

8. Suspension of the Services

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

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

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

8.1.3. We are obliged to comply with any order, instruction or request of government, an emergency service organisation or other competent authority; 8.1.4. Any insolvency event occurs as defined in

clause 9.2.1 below; 8.1.5. If we believe that the Services are being used in a way forbidden by any part of clause 3. This applies even if you do not know that the Services are being used in such a way.

8.2. If 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 any part of clause 3.

8.3. If we suspend the Services because you breach the 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 9 below.

9. Cancellation and Termination 9.1.

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 details of which we will notify to you.

9.2 Without prejudice to our respective rights under the Agreement, we or you shall have the right to terminate the Agreement forthwith in the event that the other party:

9.2.1 goes into liquidation, becomes insolvent or has an administrator, receiver or similar officer appointment, receiver or similar officer appointed in respect of all or part of its undertaking (or is the subject of a filing with any court for the appointment of any such officer); or

9.2.2 commits a material breach of the Agreement which is not remedied within 28 days of receipt of a notice from the other party specifying the breach and putting the defaulting party on notice of the non-defaulting party's intention to terminate the Agreement with effect from the expiry of the notice period if such breach has not been remedied to its reasonable satisfaction

9.3. The Agreement and the supply of the Services can be ended by:

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

9.3.2 not less than three months' written notice from you to us to expire no earlier than the final day of the Minimum Period (or of the Annual Term if the Agreement has been extended under the provisions of clause 9.4 below).

9.4 After expiry of the Minimum Period, this Agreement will be automatically renewed on an annual basis ("Annual Term") unless you give not less than three months' written notice to us, such notice to expire on the anniversary date of the Agreement.

9.5. If either we or you give notice to terminate, you must pay for all LCR Services up to the end of the relevant notice period set out in clause 9.3 or 9.4 as appropriate and, in respect of any other services, all reasonable costs incurred including, but not limited to, the cost of work done and equipment and services supplied or to be supplied to you.

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

9.6.1. We have increased our charges or materially changed the conditions of the Agreement to your detriment; or 9.6.1. We terminate the Agreement (in which case line rental charges up to the date of termination are payable by you);

9.6.3. We are in substantial un-remedied breach of the Agreement (and for the purposes of this sub-clause you must give notice to us in writing of the breach complained of specifying the breach and giving us 28 days from receipt of the notice to remedy the breach and putting us on notice of your intention to terminate the Agreement with effect from the expiry of the notice period if such breach has not been remedied to your reasonable satisfaction);

9.7. If you attempt to terminate the Agreement within the Minimum Period or subsequent Annual Term(s) or ask us to terminate the Agreement early, we will normally agree to do so on the basis that you pay to us a proportion of the SIP trunk cost or line rental for the remainder of the Minimum Period or the remainder of the Annual Term as the case may be. The amount which will be charged will be 24% of the SIP trunk cost or line rental due for that period.

9.8. If you attempt to terminate the Agreement within the Minimum Period and then in addition to the obligation to pay us under clause 9.7 above for the remainder of the Minimum Period (or Annual Term, if applicable), you must pay to us a proportion of the 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 ("the Average Charge"). We shall charge you an amount equal to 46% of the Average Charge.

9.9 You agree that any disputes relating to an invoice (including the calculation of any amounts payable) must be notified to us in writing within 6 months of the date of the relevant invoice. You will not be entitled to any credit or refund relating to disputes raised after the expiry of this period.

10. Force Majeure If we cannot provide the Services because of something beyond our reasonable control, such as default by the TSP 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, lightening 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 TSP), delay or failure in manufacture, reduction 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.

11. Assignment

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

11.2. We may assign or novate all or part of our rights or obligations under the 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 11.2.

12. Entire agreement

12.1. The Agreement sets 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 the Agreement may only be modified if such modification is in writing and signed by us.

12.2. The 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 us agree to amend the Agreement in line with any changes required by any of the aforementioned in this clause.

12.3 If any condition or part of this Agreement is found by any court, tribunal, administrative body or authority of competent jurisdiction to be illegal, invalid or unenforceable then that provision will, to the extent required, be severed from this Agreement and will be ineffective, without, as far as is possible, modifying any other provision or part of this Agreement and this will not affect any other provisions of this Agreement which will remain in full force and effect.

13. No waiver Failure by us to exercise or enforce any right conferred by the 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.

14. Notices

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

14.1.1. to us at the address shown on the Order Form; or

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

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

16. 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.

17. Provision of communication equipment 17.1 In the event that we agree to let or hire and maintain any equipment described in the Order Form and you agree to rent such equipment from us or we provide you with equipment free of charge (but subject always to the Agreement operating for the full Minimum Period), the following terms and conditions shall apply:

17.1.1. 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.

17.1.2. We, or our appointed agent, shall install the equipment at your site at your cost.

17.1.3. 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 Internal Systems Limited.

17.1.4. You shall be responsible for the equipment whilst it is in your custody (and risk in the equipment shall pass to you on delivery) and you 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 wilful act, fault or omission of ours. It will be your responsibility to notify us immediately of any loss or damage to the equipment.

17.2. 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.

17.2.1. We have no responsibility for faults arising from: 17.2.2. your negligence or default; or

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

or 17.2.4. any other cause beyond our control. 17.2.5. We shall have the right to charge you in the event that the need for maintenance results from any of the events in clause 17.2 or if any maintenance and repair works is, in our reasonable opinion unnecessary.

17.3. 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 any way except with our prior written consent and any alternations and changes as mentioned in this clause will, if appropriate, be carried out by us or our appointed agent.

17.4 Where we have provided you with equipment free of charge under clause

17.1, should you attempt to terminate the Agreement within the Minimum Period then you must pay to us such reasonable sum in respect of the equipment as we shall notify to you in writing.

18. Small Business Customers

18.1 Where you are a small business with 10 staff or less you must notify us prior to signing the Order Form

18.2 For all small business customers only:

18.2.1 we acknowledge that the longest Minimum Period which may apply to this Agreement is 24 months (and clause 2.1 should be amended accordingly).

18.2.2 we acknowledge that no automatic renewal shall apply to this Agreement and all provisions relating to Annual Term(s) in clauses 9.3.2, 9.4, 9.6, 9.7 and 9.8 shall not apply to your Agreement (although all provisions relating to the Minimum Period shall continue to apply).

18.2.3 An automatic renewal may apply to this Agreement with your express consent.

19. Defined terms in this Agreement The following words have the meaning set out alongside them: "ISL Group" - means Internal Systems Limited (or a group company if they form one) together with any subsidiary of ISL Group, subsidiary as defined by s.1159 Companies Act. "TSP" - means a telecommunications service provider. "us" - means Internal Systems Limited and "our" pertains to "us".