

Conditions for Communications Services

YOUR AGREEMENT WITH US (this "AGREEMENT") IS MADE UP OF THE FOLLOWING DOCUMENTS:

- (i) THESE CONDITIONS FOR COMMUNICATIONS SERVICES;
- (ii) THE SERVICE AGREEMENT;
- (iii) THE ORDER SCHEDULES;
- (iv) THE RELEVANT TARIFF(S) FOR THE SERVICES WE AGREE TO PROVIDE TO YOU; AND
- (v) SUPPLEMENTARY CONDITIONS RELATING TO SPECIFIC SERVICES, WHERE APPLICABLE.

THE SERVICES AND USE OF THE SERVICES

1. Provision of the Services

1.1 The Services we supply to you are those Services which (a) you have ordered by telephone and are set out in the Service Agreement and Order Schedules attached to these Conditions confirming your order, or (b) you have elected to receive as set out in the Service Agreement and Order Schedules, or (c) have been ordered via our website on your behalf by a third party (details of such Services will be set out in a letter to you from us) and which you have subsequently confirmed that you wish to receive, or (d) which you have subsequently ordered in writing, by fax, by email or by telephone, and in each case which we have agreed in writing or by email to supply to you. These may include (but are not limited to):

- The ability to make or receive a Call (telephone service);
- The provision of a Line or Lines for a rental charge (line rental service);
- The provision of Broadband internet access (Broadband service);
- The provision of Inbound telephony services (Inbound service);
- The provision of Mobile telephony services (Mobile service);
- The provision of IP telephony services (IPT service);
- The provision of Data services (Data service);
- Any other Services which we may offer for sale from time to time.

1.1.1 Your contract commencement date (the "Contract Commencement Date") will be based on one of the following: For orders placed with a signed Service Agreement the Contract Commencement Date will be the date of the signed Service Agreement. For orders placed on our website or by telephone the Contract Commencement Date will be the date you confirm the order by email or in writing. Should you fail to confirm your order in writing the contract will commence from the date advised to you in our correspondence unless we have advised you that your order will be cancelled without your confirmation.

Where you are not currently in a contract we may notify you of a change to these Conditions, by giving you at least 14 days notice in accordance with 19.2, then your new Contract Commencement Date will be the date the new Conditions came into effect.

Where there may be any conflict regarding your Contract Commencement Date, then you agree the actual Contract Commencement Date will be the date you first used the Service(s).

1.2 We will use reasonable endeavours to provide you with the Services by the date(s) we agree with you and to continue to provide the Services until this Agreement is terminated. However we will not be liable for any loss or

damages should the Services not commence or restart on the agreed date.

1.3 In providing the Services we shall use the reasonable skill and care that may be expected from a competent communications service provider.

1.4 Broadband service:

(a) If we consider that your bandwidth usage profile is abnormal or out of the ordinary (including without limitation extremely high levels of bandwidth use in a given period), we have the right to take such action as we deem appropriate which may include, without limitation, restricting or suspending your use of the broadband service, or increasing the charges you pay for the broadband service in accordance with paragraph 19.2.

(b) We will make reasonable endeavours to inform you in advance if we impose any restrictions on your use of the broadband service.

(c) Your use of the broadband service is entirely at your own risk. We will not be liable for any loss or damage arising from any virus, Trojan horse, spam or other malicious content that you may receive while using the broadband service notwithstanding that there may be a firewall contained in equipment supplied in connection with the broadband service.

1.5 Outbound service:

All calls are to be routed over Kaizen's chosen network. Should any calls be routed over any other network with or without your knowledge, other than during a service failure or network outage that we have notified you of or for any other reason we may agree with you, then we reserve the right to bill you at our Leakage tariff which at the time of application will mean the latest version available on www.kaizentelecom.co.uk

1.6 Inbound service:

(a) We reserve the right to apply a monthly charge for each inbound number which does not carry any traffic for any period of 3 consecutive months. Where this charge has been applied and a number subsequently carries traffic in any month then this charge will not apply to the months where there is traffic.

(b) We reserve the right to apply a nominal monthly charge for each inbound number where the only Service you take from us is the Inbound Service.

(c) Where you take a premium rate inbound Service you agree and acknowledge that use of this Service must comply with all relevant legislation, regulations, guidelines and codes of practice and that Kaizen will not be liable where use of this Service fails to comply.

(d) If an inbound number is withdrawn by Ofcom or PhonepayPlus or any of our suppliers for reasons beyond our control we reserve the right to recover the number(s) from you immediately. We will use our reasonable endeavours to supply you with another number which is acceptable to you.

1.7 IPT Service:

If you have an IPT Service and move location, it is your responsibility to update your address details by notifying Kaizen of any change in address where the relevant equipment will be housed so that the correct information can be supplied for Emergency Authority purposes. Kaizen are not liable for any consequences of your failure to do this.

1.8 All Services:

All Services may be subject to Acceptable Use Policies which at the time of application will be the latest version on www.kaizentelecom.co.uk

1.9 Services with Call Recording:

Where you take a service which includes call recording of

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inbound and/or outbound calls you confirm that you are aware of Legal requirements of call recording that are available at www.ofcom.org.uk and acknowledge that the information should not be relied upon in isolation and hereby accept that it is your responsibility to obtain legal advice to ensure you are fully compliant before recording any calls. You further confirm that you will comply with all legal requirements when using any call recording product and agree that Kaizen shall have no liability for any costs or claims which may be incurred as a result of any failure by you to comply with any legal requirements whether or not you were aware of the requirement.

2. Telephone numbers

2.1 You accept that you do not own the number(s) provided to you and that this agreement is personal to you. Therefore, you have no right to sell or to agree to transfer the number(s) provided to you for use with the Services and you must not do so or try to do so.

2.2 You also accept that we have the right to reallocate to a third party any numbers that are provided to you for use with the Services but that you do not use for a period of six (6) months. However, if you continue to pay any recurring rental charges for those numbers, we shall not exercise this right.

3. Telephone books and directory enquiries

3.1 We will put your name, address and the telephone number(s) for the Services (subject to Paragraph 3.3.) in the telephone book published by BT for your area and make your phone number available to BT's directory enquiries database, as soon as we can. However, we will not do so if you ask us not to.

3.2 If you want a special entry in the telephone book you must let us know. Where we agree to a special entry you will be liable to pay an extra charge and sign a separate agreement for that special entry.

3.3 In relation to the IPT Service, arrangements in relation to inclusion in BT's telephone book and directory enquiries database are available on request from us.

3.4 It is your responsibility to verify that all directory entries are correct and remain correct. Other than where the error is as a result of Kaizen's negligence, Kaizen accept no liability for any errors nor are we liable for any costs, financial losses or disputes that may arise from any omission or inaccuracy in the entry.

4. Changes and interruptions to the Services

4.1 We may have to do some things that could affect the Services. These things are listed in paragraph 4.2. If we have to interrupt the Services we will restore them as quickly as we reasonably can.

4.2 Occasionally we may have to:

- (a) change the code or phone number or the technical specification of the Services for operational reasons;
- (b) interrupt the Services for operational reasons or because of an emergency;
- (c) give you instructions that we believe are necessary for health or safety or to maintain the quality of the Services that we supply to you or to our other customers.

4.3 Should the change we make have a material adverse effect on you or the Services we provide then you have the right to terminate the Agreement under the terms of paragraph 19.3.

4.4 We cannot guarantee and do not warrant that the Services will be free of interruptions or will be fault-free and we will not be liable for any loss or damages should the Services be interrupted from time to time. You accept that there may also be degradations of the quality of the Service from time to time due to matters beyond our control (see paragraph 14 below), and that we will not be liable for any loss or damages should the quality of the Service we provide be affected by such matters.

4.5 On occasions we may be forced to pass on Mid-term percentage price increases as they are applied to us, due to changes by the operating network providers such as (but not exclusively) Openreach, where they are related increases to the UK's CPI index or due to UK inflation pressure, we may not be made aware of this until we get this cost passed to us in which case the same percentage increase is applied to the customer account.

EQUIPMENT

5. Equipment

To the extent possible, we shall use reasonable endeavors to pass on to you the benefit of any manufacturers' warranties in relation to equipment supplied by us in connection with the Services.

6. Sale Equipment

6.1 The quantity, quality and description of and any specification for the Sale Equipment shall be those set out in the Service Agreement, Order Form or Product Schedules as may be amended from time to time.

6.2 We shall deliver the Sale Equipment to your address as specified in the Service Agreement and Order Schedules, and time shall not be of the essence for delivery.

6.3 Risk in the Sale Equipment will pass to you on delivery of the Sale Equipment. Therefore, it is your responsibility to look after the Sale Equipment and you will have to pay if you wish to replace or repair the Sale Equipment if it is lost, stolen or damaged.

6.4 You will not own the Sale Equipment until you have paid us in full for the Sale Equipment and we reserve the right to require you to return to us, or for us to collect (at your cost).

6.5 You will be responsible for installing the Sale Equipment.

7. Rental Equipment

7.1 We will at all times own all Rental Equipment supplied to you. You will not let, sell, charge, assign, sub-license or allow a third party to use the Rental Equipment nor remove any labels, and shall not prejudice our rights in the Rental Equipment in any way. We may replace the Rental Equipment from time to time either with your prior consent or provided that the replacement Rental Equipment is of a specification that is at least equal to the Rental Equipment originally supplied.

7.2 Subject to the other terms of this paragraph 7, we (or our authorised representative) shall, during our usual working hours:

7.2.1 where necessary install the Rental Equipment at your premises at a time and date agreed with you; and

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7.2.2 use our reasonable endeavours to repair any faults to the Rental Equipment in accordance with our standard procedures (which are available on request).

7.3 It is your responsibility to look after the Rental Equipment that is in your possession or custody and you agree to pay for the Rental Equipment to be replaced or repaired if it is lost, stolen or damaged.

7.4 You will notify us promptly of any faults which occur, any repairs which become necessary, and of any loss, theft or damage to the Rental Equipment.

7.5 You agree that you will only use the Rental Equipment in conjunction with the relevant Services and shall comply with our reasonable instructions in relation to its use.

7.6 You shall be responsible for maintaining adequate cover in place to insure the Rental Equipment while it remains in your possession and custody. You will also be responsible for obtaining and, where appropriate, paying for all necessary licences, consents and approvals required for the installation and use of the Rental Equipment.

7.7 You will not (and you will ensure that no-one else will) repair, alter, modify or maintain, or make any additions or attachments to, or otherwise alter, the Rental Equipment without our prior written consent. We will not be liable for any costs or charges incurred, faults caused by, or repairs required as a result of, installation or programming of Rental Equipment that is carried out by any other person (other than our employees or agents). You agree to indemnify us for all losses, damages and expenses that are brought against or incurred by us, arising as a result of the same.

7.8 On expiry or termination of the Agreement or the relevant Service, all Rental Equipment must be returned to us in reasonable condition, subject to reasonable wear and tear. If you fail to return or make available for collection the Rental Equipment in a reasonable condition or at all we may, at our option, invoice you for a sum equal to the original cost of the Rental Equipment less any depreciation together with any costs reasonably incurred by us.

7.9 In the event that you return Rental Equipment to us and it is not received by us, in the absence of reasonable evidence that the Rental Equipment has been delivered to us you accept that you shall remain liable for the Rental Equipment.

YOUR INFORMATION

8. Call monitoring

We may occasionally monitor and record calls made to or by us relating to customer services and telemarketing calls made by us, for the purpose of training and improving customer care services, including complaint handling. We and/or our suppliers may also record 999 and 112 calls.

9. Data protection and use of your information

9.1 All information that we hold concerning you as an individual ("Personal Data") will be held and processed by us strictly in accordance with the provisions of the Data Protection Act 1998. Such data will be used by us to provide you with the Services, for related purposes and for the purposes set out in paragraph 9.2. We will not, without your consent, supply any Personal Data to any third party except where (1) such transfer is a necessary part of the Services that we undertake, (2) we are required to do so by operation of law, or (3) we share information for the purpose of managing and administering our relationship with Kaizen dealers.

9.2 We would like to use the information we have about you and your use of the Services (this includes information about your bill size, the numbers you call and the times you call) to inform you about the products, services, pricing packages and special offers which we provide and which we believe may be of particular interest to you. By accepting these Conditions you consent to our, and your dealer, sending you such information. However, if you do not wish to receive that information, please advise us, by writing to us at 2-6 Townend Road, Sheffield, S35 9YY

9.3 You have the right under the Data Protection Act 1998 to obtain information, including a description of the data, that we hold on you. Should you have any queries concerning this right, please contact us at the address set out in paragraph 9.2.

9.4 You must inform us immediately if any of the information you have provided to us about you in connection with this Agreement changes.

9.5 You acknowledge that in connection with the provision of the Services detailed technical information (including by way of example, but without limitation, information as to your existing telecoms suppliers and supplies) as well as your contact details may have been provided on your behalf by a Kaizen dealer with whom you may have had initial discussions and you hereby confirm to us that we may rely on that information.

YOUR OBLIGATIONS

10. Paying our charges for the Services

10.1 Charges

You must pay the charges for the Services according to the applicable Tariff(s). This applies whether you or someone else use the Services and whether the Services are used with your full knowledge and consent or otherwise. (This means by way of example but not by way of limitation that you are liable to pay for all calls made as a result of "rogue diallers", unbarred premium rate numbers and calls made by any third party gaining unauthorised access to your telephony systems). We may vary the charges set out in the Tariff as explained in paragraph 19.2.

10.2 Installation and Connection charges

The Service Agreement, Order Schedules and Tariff(s) set out whether installation costs are payable for the Services we have agreed to supply to you. However, we may be unable (due to third party constraints) to tell you when you place, or we confirm, your order for the Services how much these installation costs will be. If this is the case, we will give you an estimate of how much the installation costs will be prior to commencement of the installation work, but there may be supplementary excess construction charges. You agree to pay all installation costs actually incurred. In the event of an installation being cancelled before being completed you agree to pay all of the installation costs actually incurred to the point of cancellation which will be notified to you at the time.

10.3 Equipment

You must pay the charges for any Sale Equipment that we supply to you. We will invoice you for the Sale Equipment in the next invoice that we send to you (in accordance with paragraph 10.4) following the date on which we dispatch the Sale Equipment to you. You shall also pay the rental charges for any Rental Equipment that we supply to you, and we shall invoice you for this on a monthly basis in accordance with paragraph 10.4.

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10.4 Invoices

We will send you your first invoice at the beginning of the month after the Services commence and thereafter on a monthly basis, but we shall be entitled to send you an invoice at a different time, which you shall pay in each case in accordance with paragraph 10.7. We will send all invoices and other correspondence to the address set out in the Service Agreement or otherwise the address you ask us to. We will show on the invoice which charges are payable in advance or in arrears, as referred to in paragraph 10.5. We will include all charges on the next invoice where possible, and in any event as soon as we can.

10.5 Rental and Call charges

You will incur charges from the time any part of a Service is used or received except in the case of Services subject to a periodic rental, in which case you will incur charges from the date the Service is made available for use. We will usually ask you to pay the rental in advance and your first invoice will include both one month's rental in advance and a charge for a part month's rental from the Contract Commencement Date up to the beginning of the first complete month, where appropriate, and then monthly in advance thereafter. Call and other charges will be invoiced in arrears. We will calculate the charges for Calls using the details recorded by our network.

10.6 Payments in advance and deposits

(a) We may ask you for a payment in advance before payment would normally be due, which you shall pay in accordance with paragraph 10.7. This advance payment will not be more than our best estimate of your following month's invoice. Should your advance payment exceed your actual invoice then any surplus will be credited to your account to be offset against subsequent invoices, should there be no further invoices and your account is not in debit then we will refund to you any surplus after deducting any cancellation or termination charges.

(b) We may ask for a deposit at any time, as security for payment of your invoices if it is reasonable for us to do so, which you shall pay in accordance with paragraph 10.7. Our procedures for deposits will be explained to you at the relevant time.

10.7 Terms of payment

Our standard credit terms are payment within fourteen (14) days of date of invoice by direct debit and these are the credit terms which will apply to this Agreement unless we have agreed otherwise in writing. You must pay all charges and rental within the credit terms which we have agreed and any advance payments and deposits when we ask for them. Kaizen reserves the right to apply a nominal monthly charge for non direct debit payment methods. Where payment is arranged through a finance provider payment shall be in accordance with the terms of the finance agreement.

10.8 Tariff

(a) You hereby acknowledge and agree that we have agreed to supply the Services to you at the agreed Tariff and charges on the basis that you have committed to the Minimum Spend and Minimum Term commitments.

(b) Our call rates for outbound calls to UK non geographic numbers are charged according to the banding used by BT. You hereby acknowledge and agree that there may be occasions where a call type moves from one band to another band or BT change their charging structure and subsequently the charges for some of these call types may change, we will apply this change from the 1st of the month following the change and you acknowledge that we may not

always be able to give you notice of such changes.

(c) Where you take any bundled service you agree to pay for all chargeable items which are excluded from or exceed the allowance of the bundle.

10.9 Finance and Credit

10.9.1 You hereby consent to and shall procure that your owners, directors, officers and assigns consent to, Kaizen carrying out searches with credit reference agencies relating to the credit worthiness of your Company and/or your owners, directors, officers and assigns and you undertake to supply or procure the supply of all information requested for a credit search with a credit reference agency, who will add to your records and/or those records of your directors, officers and assigns details of the searches and these will be seen by other organisations that make searches.

10.9.2 It is agreed that where Kaizen approaches a finance provider to arrange finance for the purchase of Equipment then Kaizen acts as an agent for the Customer and not for the finance provider.

10.9.3 In the event that Kaizen is unable to obtain finance on the terms originally proposed or on other terms acceptable to you then Kaizen shall return any deposit received from you without further liability to you. Where third party indemnities are required by the finance provider failure to provide such indemnities shall constitute a breach of these Conditions and shall entitle Kaizen to retain any deposit paid by you.

10.9.4 After delivery and installation (where applicable) is completed any failure by you to complete the finance agreement documentation and/or commence payment in accordance with the terms of the finance agreement shall render you liable to pay to Kaizen the full value of the order (plus VAT) within seven (7) days of presentation of an invoice.

10.10 Inbound Rebates

We reserve the right to offset any inbound rebates which may be due to you against any amounts you may owe to us. We reserve the right not to pay any inbound rebates until such rebates total a cumulative minimum of £5 in any month.

10.11 Offsetting

Where we owe you any monies, you agree that we may offset this against any monies you may owe us before we make any payment to you.

10.12 Online Orders and Payments

Where you place an order and make a payment online for that order and we accept your order, we will confirm your order and receipt of payment by email at which point your contract will be binding. You may also get a payment confirmation from the third party payment processing company. Where we do not accept your order we reserve the right to return a payment to you. You should contact us immediately if you have any concerns regarding the order or payment. Where you fail to advise us of any issues regarding your online payment we are not liable for any consequences of any such payment but will make reasonable endeavours to rectify any of your concerns.

10.13 Trial Periods

Where you take a product or service on a trial basis for a reduced or zero charge for a fixed period, unless otherwise advised to you in writing, you need to give us notice in writing if you wish to cancel the product or service at the end of the trial. If you fail to give us notice then we will automatically invoice you for the product or service at the end of the trial for the remainder of the agreed contract term.

10.14 Other Charges

We reserve the right to make a nominal monthly charge for paper itemised billing; our basic online billing is provided as

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standard to all customers free of charge. We also reserve the right to apply a £5 per month minimum charge if your monthly invoice would be less than £5.

11. Your other responsibilities

11.1 Our equipment and instructions

You agree to comply with our reasonable instructions relating to the Services and any equipment we supply to you in connection with the Services.

11.2 Entry to your premises

(a) If our engineers or sub-contractors have to enter your premises you agree to let them do so within normal working hours (Monday to Friday, 9am to 5pm) or otherwise if agreed with you in advance. We will meet your reasonable requirements regarding the safety of people on your premises and you must do the same for us.

(b) If we need someone else's permission to cross, or put our equipment in, or make an installation on their premises, you must get that permission for us and make any necessary arrangements. We will not be liable for any loss or damage where this permission is not obtained by you and you agree to pay any costs actually incurred.

(c) When our work is completed, you will be responsible for putting items back and for any necessary re-decorating.

11.3 Misuse of the Services

Nobody must use the Services:

(a) to make abusive, defamatory, obscene, offensive, indecent, menacing, disruptive, nuisance or hoax Calls, emails or other communications or Calls, emails or other communications in breach of privacy or any other rights;

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

(c) to send and receive data in such a way or in such amount so as to adversely affect the network (or any part of it) which underpins any Service or to adversely affect our other customers or customers of our suppliers;

(d) for the carrying out of fraud, an unlawful activity or a criminal offence or in a way which does not comply with the terms of any legislation;

(e) in a way that does not comply with any instructions given by us to you under paragraph 11.1;

(f) to obtain access, through whatever means, to restricted areas of the underlying network; or

(g) in a way which (in our reasonable opinion) brings our name into disrepute, or which places us in breach of our legal or regulatory obligations,

and you must make sure that this does not happen. The action we can take if this happens is explained in paragraph 15. If a claim is made against us because the Services are misused in these ways, you must indemnify us in respect of any sums we are obliged to pay and/or costs we incur.

11.4 Indemnity

(a) If you use the Services for business purposes, you must indemnify us against any claims that anyone (other than you) threatens or makes against us because the Services are faulty or cannot be used by them.

(b) Where you take any product or service via Kaizen for which you are billed by Kaizen but where you are directly contracted to third party for that product or service, including but not limited to maintenance and insurance, you agree to indemnify Kaizen from any direct or indirect claims in relation to this product or service. You also agree not to make any

deduction from any monies owed to Kaizen as a result of any dispute you may have with any such third party.

11.5 Line rentals

When we provide your Line rentals, we will route your Calls through our network. No other service provider may route these Calls or attempt to, and if they do we reserve the right to bar these calls.

11.6 Call charges

We will bill you for all Calls that are routed over our chosen network provider. Any Calls that are routed by other means for any reason beyond our control and for which you are invoiced by another provider will remain your responsibility. It is your responsibility to advise us if you receive invoices from other providers for services you believe to be with Kaizen and you should advise us as soon as you receive these invoices. We shall not be liable for any loss or damages as a result of you being invoiced by other providers (including but not limited to any perceived loss of savings).

11.7 Existing Contractual Obligations

It is your responsibility to ensure that signing a contract with Kaizen does not breach any existing contractual obligations you may have with any other suppliers and you should give any other suppliers notice as may be required by them. Kaizen are not responsible or liable for any costs, financial losses or disputes that may arise from any such breach of contract or your failure to give the correct notice.

11.8 Resilience

It is your responsibility to ensure you have adequate resilience in place to protect against any loss of data, service or connectivity; this includes a separate power supply for IPT phones. In accordance with paragraph 13.2, Kaizen will not be liable for any loss or damage (financial or otherwise) where you fail to do so.

11.9 Emergency Calls

IP Phones need an additional power supply to operate. In the event of a power failure it is your responsibility to ensure you have the means to make emergency calls. In accordance with paragraph 13.2, Kaizen will not be liable for any loss or damage (financial or otherwise) where you fail to do so.

11.10 User Names, Passwords and Pin Codes

It is your responsibility to keep private any user names, passwords or pin codes that we may provide you with to use any of our Services. You are liable for all charges associated with the use of such user names, passwords and pin codes to access our Services unless you advise us that the security of any of the user names, passwords or pin codes may have been compromised and we confirm back to you that we have disabled the access. Should you fail to notify us of any such compromise in security then you will remain liable for all charges incurred in accessing the Services. Where we disable any access following a compromise in security, we shall provide you with new user names, passwords or pin codes as appropriate which are subject to the terms of this paragraph.

REPAIRING FAULTS

12. Repairing faults

12.1 We will investigate any fault that is reported to us according to our standard procedures for the Service in question (which are available on request). We will use reasonable endeavours to repair any fault that is reported to us and which is directly caused by us or our employees or agents according to our standard procedures for the Service in question.

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12.2 When we agree to work on a fault outside the hours covered by our standard procedures, you will be liable to pay us an extra charge at the applicable rate set out in our tariffs in force at the time.

12.3 If you tell us there is a fault in a Service and we find either that there is not or that you, someone at your premises or a third party (including, without limitation, another network operator or communications supplier) has caused the fault or the interruption in service, we may charge you for any work we have done to try to find the fault or to repair it. We are not liable for any loss or damages arising from a fault or interruption in service caused by someone other than us, and we are not responsible for fixing any faults not caused by us.

12.4 During any fault investigations, we may require you to carry out tests and we will require you to feedback any results of these tests to allow us to follow our standard procedures and conclude our investigations.

12.5 Where Call routing utilises IP, you acknowledge that call quality and availability can be subject to factors outside of Kaizen's control e.g. bandwidth contention or quality of service (QoS). Kaizen shall not be liable to you in respect to any quality or availability issues with such a Service.

LIMITATION OF LIABILITY

13. Liability

13.1 We accept liability for personal injury or death as a result of our negligence. We also accept liability for fraud or fraudulent misrepresentation. We do not limit that liability and paragraphs 13.2 and 13.3 do not apply to that liability.

13.2 We have no liability (howsoever caused including (without limitation) by negligence) for any loss of business, profits, revenue or savings you expected to make, wasted expense, financial loss, data being lost or damaged, lack of availability of IT and/or communications systems not provided by us, damage to reputation or for any liability for any loss that is not reasonably foreseeable or for any indirect or consequential loss.

13.3 Any liability we have of any sort (including any liability because of our negligence) is limited to £100,000 for any one event or any series of related events, and in any twelve (12) month period to £500,000 in total.

13.4 Except as expressly set out in this Agreement, all conditions, warranties, terms, undertakings and obligations implied by statute, common law, custom, trade usage or otherwise are hereby excluded to the maximum extent permitted by law.

13.5 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.

13.6 We are not responsible for any pricing, typographical, or other errors and reserve the right to reject any orders where such an error may have occurred.

13.7 The provisions of this paragraph 13 shall continue to apply notwithstanding termination of this Agreement.

14. Matters beyond our reasonable control

If we cannot fulfil, or are delayed in fulfilling, or are interrupted in continuing to fulfil, our obligations under this Agreement because of something beyond our reasonable control such as, without limitation, lightning, flood, or exceptionally severe weather, fire or explosion, civil disorder, war, or military operations, national or local emergency, anything done by government or other competent authority, acts or omissions of

other communications suppliers or network operators, or industrial disputes of any kind, (including those involving our employees or suppliers), we will not be liable for this.

CHANGING AND TERMINATING THE AGREEMENT

15. Breach of the Agreement

15.1 We may suspend any or all of the Services or terminate the Agreement immediately at any time by notifying you in writing if:

- (a) you commit a material breach of this Agreement or any other agreement you have with us and fail to remedy the breach within a reasonable time of being asked to do so;
- (b) we believe that the Service(s) are being used in a way forbidden by paragraph 11.3. This applies even if you do not know that the Service(s) are being used in such a way;
- (c) bankruptcy or insolvency proceedings are brought against you, or if you do not make any payment under a judgment of a court on time, or (if you are a business) you make an arrangement with your creditors, or a receiver or administrator is appointed over any of your assets, or you go into liquidation.

15.2 If you fail to pay any charges due to us by the due date Kaizen may (without losing or reducing any other right or remedy) suspend any Service (in whole or in part) without notice if;

- (a) you fail to make any payment requested within seven (7) days of the date of a letter, e-mail or other appropriate correspondence requesting such payment;
- (b) two (2) consecutive direct debit requests are rejected; and/or
- (c) you fail to pay any payment on the due date where there have been two (2) preceding failures which were remedied within the seven (7) day period.

15.3 We reserve the right to charge interest at the rate of five percent (5%) above the bank of England base rate per annum on any charges not paid by the due date for payment until the date when they are received by us.

15.4 If we suspend any Services, we will not provide them again until you rectify the situation that caused us to suspend the Services or you have satisfied us that you will do so or that the Services will not be used in a way that is forbidden by paragraph 11.3.

15.5 If we suspend any Services because you breach this Agreement, the Agreement will still continue and you must still pay us any rental charges as and when they arise unless and until the Agreement is terminated.

15.6 If this Agreement or any of the Services are terminated in accordance with this paragraph 15 during the Minimum Term or any agreed term applicable to each of the Services, we will levy a cancellation charge in relation to each relevant Service calculated in accordance with the following:-

- (a) Each Service for which a monthly rental charge is payable - number of months remaining of Minimum Term for that Service multiplied by the monthly rental; and/or
- (b) Call Spend - number of months remaining on Minimum Term multiplied by the monthly Minimum Spend (or the average of your last three months call spend where there is no Minimum Spend) and/or
- (c) Repayment of any subsidised charges or any other contribution Kaizen made towards any other costs, as described in paragraph 18.2.

15.7 Following a suspension of services, we will only re-activate your services after you have paid the re-activation

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charges as may be advised at the time.

16. Cancelling the Services before they are provided

16.1 You may cancel the Services or an individual Service at any time up to seven (7) working days either after you receive or (if earlier) you are deemed to receive these Conditions (and the Service Agreement and other documents comprising this Agreement) or, if sooner, up to but not including the date on which we commence our supply of the Services to you, provided that you notify us in writing of such cancellation within such period and return any equipment that we may have sent to you, undamaged and in its original packaging by sending it special delivery to us at 2-6 Townend Road, Sheffield, S35 9YY. You will be deemed to have received these Conditions at the time you sign the Kaizen Service Agreement and Order Schedule. These conditions are available for download from www.Kaizen.co.uk. Please note that if you have commenced using any Service or equipment after receiving these Conditions, you will be deemed to have accepted these Conditions and agree that you will also lose your right of cancellation (statutory or otherwise) as set out in this paragraph 16.1.

16.2 If the circumstances described in paragraph 16.1 apply, and if you are a domestic user, no cancellation charge will be payable for the Services although if you do not return any equipment that we may have sent to you, we shall be entitled to charge you for the costs we incur in collecting them from you or invoice the cost. This does not affect your statutory rights. However, if you have ordered the Service(s) for business use you must pay us for any work we have done or costs we have incurred up to the date of cancellation.

17. Terminating the Agreement after the Services are provided

17.1 Termination at end of Minimum Term

(a) Either party may terminate this Agreement in respect of a Service by giving the other party not less than thirty (30) days notice in writing to take effect on or at any time after the end of the Minimum Term for the relevant Service. Where a Service has a notice period of greater than thirty (30) days then this notice must be provided on that Service.

(b) If we give you notice to terminate under paragraph 17.1(a), you must pay rental up to the end of the notice period in addition to any charges for Calls made during the notice period. If you give us notice to terminate under paragraph 17.1(a), you must pay rental until thirty (30) days from the date we receive your notice, or until the end of the notice if that is later, in addition to any charges for Calls made during the notice period.

(c) If you fail to give us notice you must pay rental until thirty (30) days, or longer where a service has a greater notice period, after you have ceased to use our Service.

(d) Some Services may incur cease charges as detailed in the Tariff and these will be chargeable on termination unless otherwise agreed in writing.

17.2 Termination before end of Minimum Term

If you want to terminate this Agreement in respect of a Service prior to the end of the Minimum Term for the relevant Service (other than because we have materially altered the conditions of this Agreement under paragraph 19.3) you must give us at least thirty (30) days notice in writing and we will levy a cancellation charge calculated in accordance with the following:-

(a) Each Service for which a monthly rental charge is payable - number of months remaining of Minimum Term for that Service multiplied by the monthly rental; and/or

(b) Call Spend - number of months remaining on Minimum Term multiplied by the monthly Minimum Spend (or the average of your last three months call spend where there is no Minimum Spend); and/or

(c) Pro-rata or full repayment of any subsidised installation or any other contribution to upfront or ongoing costs paid by Kaizen as described in paragraph 18.2 and in accordance with the terms of the subsidised installation, and/or

(d) The appropriate notice period charge for each Service, and/or

(e) Repayment of any discount or other benefit you may have received which was based on a minimum contract term commitment, and/or

(f) Any applicable cease charges as may be detailed in the tariff.

17.2.1 Should you fail to pay the early termination cancellation charges with 10 days of the date of invoice we reserve the right to suspend your services.

17.3 If you have paid any rental in respect of a Service for a period after this Agreement has ended in respect of that Service, we will either repay it or off set towards any money you owe us.

17.4 You must pay all charges for the Services until the date on which we stop providing the Services to you and any applicable notice period.

17.5 We also have the right to terminate this Agreement or any of the Services immediately on notice to you in accordance with paragraph 15 and in these circumstances the thirty (30) day notice period will not apply.

17.6 Additional Termination Provisions

(a) The provisions of this paragraph 17.6 shall be without prejudice to the other provisions of this Agreement.

(b) At the end of this Agreement, you shall be responsible for arranging for the Services to be provided by another supplier ("the New Supplier").

(c) In the event that we terminate this Agreement pursuant to the provisions of paragraphs 15.1 or 15.2, the provision of Services shall end with immediate effect upon the service of notice to you, in accordance with the provisions of those paragraphs.

(d) If we terminate this Agreement pursuant to paragraph 17.1(a) or if you terminate this Agreement for any reason whatsoever, you must confirm whether you wish to progress the termination in accordance with Option 1 or Option 2:

Option 1 We will cease the provision of Services on the day on which the applicable notice period expires ("the Termination Date"). Please note that if you fail to arrange for the New Supplier to commence provision of the Services by the Termination Date or if the New Supplier should fail to commence provision of the Services by that date for any reason, you will lose some or all of the Services. We shall not be liable for any damages, losses, costs or expenses which you may incur or suffer as a result of any such loss of the Services.

Option 2 We will continue providing the Services (notwithstanding termination of the Agreement) until such date(s) ("the Transfer Date(s)") that each Service has been transferred to the New Supplier. You will need to notify us of the relevant Transfer Date(s). We will continue to provide the Services until we receive notice of the relevant Transfer Date(s). You agree and acknowledge that you will remain

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liable for all charges for the Services provided by us until the relevant Transfer Date(s) or until we receive notice of such dates (whichever is the later). Under Option 2, there will be no time limit on the period during which we continue to provide you with Services. The terms of this Agreement shall continue (notwithstanding termination) in respect of each Service provided until the relevant Transfer Date(s).

(e) You may also elect to combine Options 1 and 2, where Option 1 will apply in respect of certain Services and Option 2 will apply in respect of other Services.

(f) If you fail to confirm which Option should apply on termination of this Agreement, we will proceed on the basis that Option 2 will apply in respect of all of the Services.

18. Minimum Term, Minimum Spend and Contract Renewal

18.1 The Minimum Term and Minimum Spend will be as specified on the Service Agreement, Order Schedules or Tariff(s) for each Service, or as otherwise agreed with you in writing. In the event that the Minimum Term is not on the Service Agreement or Order Schedules then the Minimum Term will be 12 months from your Contract Commencement Date. In the event that the Minimum Spend is not on the Service Agreement or Order Schedules then the Minimum Spend applicable to the tariff(s) will apply. The Minimum Term for any new installation will be at least twelve (12) months or greater as may be specified in the Service Agreement or Order Form.

18.2 If you fail to reach the annualised Minimum Spend commitment in respect of a Service over the initial Minimum Term and any renewed Minimum Term for such Service then we reserve the right to bill you in the month following expiry of the Minimum Term (or immediately on early termination) the difference between the actual amount you spent and the amount you committed to spend pursuant to the Minimum Spend over the Minimum Term.

18.3 If this Agreement or any individual Services are terminated during the Minimum Term or any agreed term for the relevant Service(s) and you received free or subsidised installation or activation or any other contribution towards costs of any Services, Products, Equipment, Lines or third party termination charges as part of the Tariff or otherwise, then we reserve the right to impose a termination charge equal to the original cost divided by the number of the months in the relevant term, multiplied by the number of months remaining in the relevant term.

18.4 After the expiry of the initial Minimum Term, unless otherwise agreed with you in writing, your contract will automatically renew for a period of 12 months. This automatic renewal reoccurs on each 12 month anniversary thereafter until cancelled by either party by giving 30 days written notice to expire no earlier than the end of the then current term, subject to paragraph 15. Automatic contract renewal will be on the same terms as the original contract and unless otherwise agreed in writing, the same minimum spend will apply.

19. Changing the Agreement

19.1 In general

If you ask us to make any change to the Services or Rental Equipment we will ask you to confirm your request in writing. No action will be taken by us to carry out the change until we have received your written confirmation. If we agree to a change, this Agreement will be changed when we confirm the change to you in writing.

19.2 Conditions

We may change the terms and conditions of the Agreement (or any document comprising part of the Agreement, including the Tariff for any Service) at any time on giving you fourteen (14) days notice. We will notify you of any changes on your monthly invoice and will post any changes or new terms and conditions on www.Kaizen.co.uk. You agree that if you continue to use the Services following receipt of such notice you will be bound by the new/revised Conditions. We reserve the right to pass on any increase in our cost for the Services we provide to you at any time by giving fourteen (14) days notice, the only exception being that detailed in 10.8(b).

19.3 Material Adverse Effect

Other than in the case of passing on cost increases, if a change has a material adverse effect on you or the Services we provide then the termination charges detailed in paragraph 18.1 will not be payable by you if you wish to terminate the Agreement or any of the Services before the end of the Minimum Term applicable to each of the Services. Termination charges for any subsidised installation as described in paragraph 18.2 will remain in effect and will be payable by you.

20. Transferring the Agreement

You cannot, and cannot try to, assign or transfer (in whole or in part) this Agreement or the benefit of or the rights under this Agreement to anyone else. We may assign or transfer (in whole or in part) this Agreement to any Associated Company.

GENERAL CONDITIONS

21. Giving notice

Any notice given under this Agreement must be delivered by hand or sent by email or prepaid post as follows:

- (a) to us at the address or email address shown on the Service Agreement or on your last invoice, or at any other address or email address we give you;
- (b) to you at the address you have asked us to send invoices to or to the email address you have given us.

22. Entire Agreement

The Agreement (including these Conditions, the documents referred to in them, the Service Agreement, the Order Schedules and conditions relating to Services) constitutes the agreement between us for the Services and supersedes any and all written, recorded and oral communications between you and us in connection with the Services.

23. Severance

If any of these Conditions or any term or condition of this Agreement is deemed invalid, void, or for any reason unenforceable, that term or condition will be deemed severable and will not affect the validity and enforceability of any remaining term or condition.

24. Reliance

You acknowledge that you have not been induced to enter into this Agreement by, nor have you relied upon, any representation, promise, assurance, warranty or undertaking (whether written or oral) by or on behalf of us or any other person save for those set out in this Agreement, except in the case

25. No waiver

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If you breach these Conditions and we take no action, we will still be entitled to use our rights and remedies in any other situation where you breach these Conditions.

26. Survival

Any Conditions which are expressed to survive expiry or termination shall survive expiry or termination of the Agreement however caused.

27. Third Party Rights

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.

28. Governing Law and Jurisdiction

28.1 Subject to paragraph 28.2, this Agreement shall be governed by and construed in accordance with the laws of England and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

28.2 We are a member of Ofcom who offer an independent dispute resolution service. You are entitled to refer any complaint to Ofcom should you deem that Kaizen have failed to address a complaint to your satisfaction.

29. Applicable Conditions

29.1 This Agreement will continue in respect of each Service for the Minimum Term applicable to each Service and thereafter unless and until terminated in accordance with this Agreement.

29.2 These Conditions apply to the provision of all Services.

29.3 Where we publish separate conditions for specific Services, both conditions will apply but those conditions will take precedence over these Conditions in the event of inconsistencies between them.

30. Definitions

"Associated Company" means, as appropriate, Kaizen's ultimate holding company or any subsidiary thereof.

"BT" means British Telecommunications plc.

"Call" means a signal, message or communication which is silent, spoken or visual on each Line that we agree to provide to you under this Agreement.

"Conditions" means these Conditions for Communications Services and any other Conditions specific to other Services.

"Contract Renewal" means an automatic renewal of your contract for a further 12 months after the initial Minimum Term and each subsequent 12 month renewal thereafter.

"Line" means a connection to our network or that of our suppliers, whether direct or indirect.

"Minimum Spend" means in relation to each Service the monthly minimum spend commitment as outlined in the Service Agreement, or the Order Schedule, or the Tariff or otherwise in any agreed tariff plan referred to in the Service Agreement or Order Schedule constituting the minimum amount you agree to pay to us each month for that Service regardless of your actual use of the Service.

"Minimum Term" means the minimum initial period of service for each Service as shown on the Service Agreement and Order Schedule, such period to start on the date on which the relevant Service is first made available to you for use. For the avoidance of doubt, unless otherwise agreed the minimum term will be 12 months from your contract commencement date or other such date as may be notified to you in

accordance with paragraph 19.2.

"Rental Equipment" means the equipment identified on the Service Agreement and Order Schedule or otherwise notified to you in writing that we will rent to you as part of our provision of the Services and which you will return to us after expiry or termination of the Agreement, subject to the provisions of this Agreement.

"Sale Equipment" means the equipment identified on the Service Agreement, Order Schedule or otherwise notified to you in writing that we will sell to you, subject to the provisions of this Agreement.

"Service" or **"Services"** means all or part of the Services explained in paragraph 1 or identified in the Service Agreement and Order Schedule and any related services that we agree to provide to you under this Agreement.

"Service Agreement" means (i) where you place an order with us by telephone, the confirmation of order accompanying these Conditions for Communications, or (ii) where you place a written order, the document you sign when you become our customer, in each case detailing, amongst other things, the Services you wish to receive, the minimum period you wish to receive the Services for and the Tariff at which you will be charged and which forms part of this Agreement.

"Tariff" means the Kaizen tariff referred to in the Service Agreement and Order Schedules and as amended from time to time under paragraph 19.2 above.

"we" and **"us"** and **"Kaizen"** and **"our"** means Kaizen Telecom Ltd.

"you" and **"your"** means the customer we make this Agreement with. It includes a person who we reasonably believe is acting with the customer's authority or knowledge.