

MAINTENANCE AGREEMENT TERMS AND CONDITIONS

1. DEFINITIONS

- "the Commencement Date" means the date specified overleaf
"the Company" means Palebeck Telecommunications Technology Limited
"the Customer" means the person or persons designated as such overleaf
"the Equipment" means the equipment specified overleaf
"the Location" means the location specified overleaf
"the Maintenance Fee" means the annual fee specified overleaf
"the Minimum Period" means the period specified overleaf

2. EFFECTIVE CONDITIONS

A. In these terms and conditions the word "Contract" means the agreement to supply maintenance services upon the terms and conditions set out herein and all agreements by which the Company agrees to supply maintenance services to the Customer shall be subject to these terms and conditions.

B. No binding Contract shall come into force unless and until the Customer and the Company shall have signed where indicated overleaf. Should the Company decide not to enter into the Contract it will notify the Customer of its decision but will not be required to give any reason whatsoever for such decision.

3. SERVICES

A. The Company shall maintain the Equipment in good working order throughout the term of the Contract by means of repair or replacement of any defective parts of the Equipment (including the provision of labour and spare parts free of charge) where such defect arises from fair wear and tear of the Equipment during proper operation thereof.

B. The services shall be provided by the Company during normal working hours which are 8.45 a.m. to 5.30 p.m. Monday through to Friday excluding bank and public holidays.

C. The Company shall be entitled to charge at its current rates for any work carried out at the Customer's request other than the services as specified in 'A' above including but without limitation the following:

(i) Alterations or modifications to the Equipment to meet the Customer's requirements

(ii) Relocation or reinstallation of the Equipment

(iii) Defects arising from misuse of the Equipment or accidental damage thereto or faulty manufacture materials or design

(iv) Any fault due to customer's error

D. The maintenance provided under this agreement shall not cover any wiring that is used with the Equipment or any Customer generated software programs.

E. The Equipment may be replaced at the option of the Company for any length of time with similar Equipment which will also be subject to the terms and conditions of this agreement.

F. In the event of a fault being reported to the Company which is found to be external to the Equipment the Company reserves the right to make a reasonable additional charge.

G. The Company shall not be required to carry out services outside its normal service boundaries (being the area within the M25) and the Company shall not be obliged to provide services in the event of relocation of the Equipment.

4. TERM AND TERMINATION

A. This agreement may not be terminated by either party within the minimum period except pursuant to Clause 4C or 4D.

B. The Company shall provide the services (subject to the Customer not being in breach of any of the terms hereof) for the minimum period from the Commencement Date and thereafter from year to year unless either party shall give the other not less than ninety days written notice (sent by first class post Recorded Delivery) to expire on any anniversary after the minimum period.

C. The Company may terminate this Contract forthwith if the Customer shall be in breach of the Contract and shall fail to rectify any such breach within thirty days of the Company giving notice so to do.

D. Either party may terminate this Contract forthwith in the event that the other:

(i) passes a resolution for its winding-up (save for the purposes of amalgamation or reconstruction) or suffers a winding-up order being made against it or commits an act of bankruptcy

(ii) if an administrative receiver or administrator is appointed or an encumbrancer takes possession of the undertaking or the assets of either party

(iii) if either party is unable to pay its debts within the meaning of Section 123 Insolvency Act 1986 or ceases or threatens to cease to carry on its business

(iv) if either party suffers distress or execution

5. FEES

A. The Customer shall pay the Maintenance Fee annually in advance on the Commencement Date and on each subsequent anniversary thereof during the term.

B. The Company may increase the fee on three month's notice not more than once in every twelve month period provided that the Customer shall have the right after expiry of the minimum period to terminate the Contract at the end of such three month period by giving not less than one month's notice to the Company in writing.

6. CUSTOMER'S OBLIGATIONS

The Customer shall:

A. Pay the Maintenance Fee

B. Notify the Company immediately of any defect in the Equipment and give full details of such defect

C. Not use any materials or services supplied by a person other than the Company or persons authorised by the Company

D. Provide the Company with access to the Equipment and such facilities and equipment as the Company may reasonably require to perform the services

E. Observe all statutory or other requirements including the obtaining of all necessary consents and licences to operate the Equipment at the Location

F. Maintain the Equipment in a suitable environment

7. LIABILITY

Save in respect of death or personal injury arising from the Company's negligence (in respect of which the Company's liability shall not be limited) the Company's liability under the Contract shall be limited to such sum as it shall have received from the Customer hereunder during the previous three years and the Company shall not in any circumstances be liable to the Customer for consequential or indirect loss including loss of profit.

8. GENERAL

A. This contract constitutes the entire agreement between the parties and save as set out herein no representations or warranties are given by the Company except where the Customer is a consumer in which case the terms implied by the Sale of Goods Act 1979 shall not be excluded.

B. Any variation or amendment to this Contract shall be made in writing and shall be signed by or on behalf of both parties.

C. Failure by the Company to exercise any of its rights hereunder shall not constitute a waiver of forfeiture of such rights.

D. In the event that performance of the agreement is rendered uneconomic prevented or delayed as a result of war hostilities, act of God, industrial unrest, civil disturbance, the act of any local or national government or authority shortage or unavailability of raw materials equipment, labour or fuel or any other cause beyond the reasonable control of the Company the Company may by written notice to the Customer at the Company's option either cancel the contract or suspend or postpone performance of it with no liability on either party's side.

E. The Customer may not assign or transfer the benefit of this Contract or any of its rights herein.

F. This Contract shall be governed by English law and English courts shall have jurisdiction and both parties agree to submit to the jurisdiction of English courts in respect of all matters arising under contracts between them.