

General Terms and Conditions Cheshire Business Services

These terms and conditions set out the terms on which Cheshire Business Services (2008) Limited (registered in England with number 06480036) ("we" or "us") will provide communications services to you, the customer with whom we make a Contract ("Contract"). By using or allowing us to use Equipment and Services (as defined below), you confirm that you agree to the following terms and conditions, so please read them carefully.

1. Definitions:

1.1 "Broadband Plan" means the monthly tariff which you select at the time you order the Broadband Service.

"Broadband Service" means the direct high speed "always on" network access to the internet provided in accordance with the particular type of Broadband Plan chosen by you and supplied to you Premises via a Third Party Operator Network at the best available Transmission Speed that we are reasonably able to make available to you according to the Broadband Plan you have selected and which is provided in accordance with these terms.

"Change in Control" means any material change in the exercise, control or holding of the voting shares in you (otherwise than solely for the purposes of a group re-organisation of a solvent group).

"Charges" means the amount payable by you to us for the provision of the Services and/or Equipment, or any revised charges notified to you in accordance with clause 8.2, together with all applicable taxes and any interest due in accordance with clause 8.6. **"Connection Date"** means the date of the connection of the Service(s).

"Contract" means the order placed by you or on your behalf for the provision of the Services and/or Equipment and accepted by us, subject to these terms and conditions.

"Credit Limit" means a monthly financial limit applied for Charges incurred under this Contract.

"Early Termination Charges" means the charges payable by you to us if the Contract is terminated in accordance with clauses 12.3.1 to 12.3.5, 12.3.8 to 12.3.11 or 12.3.13 to 12.3.15 and which shall be calculated by multiplying the number of months, whether in whole or part, from the termination date to the expiry of the Minimum Period or a Subsequent Contract Period multiplied by the Charges incurred by you, calculated as an average monthly figure throughout the period commencing on the Connection Date and expiring on the date of termination.

"Equipment" means any other equipment recommended and approved by us and/or your Third Party Operator as an essential part of providing the Services (as applicable). It does not include leads, batteries or other accessories or equipment you might purchase from any supplier we recommend or any alternative supplier. This other equipment is "Additional Equipment". **"Installation Services"** means services provided in accordance with clauses 20 and 21 as may be determined by us as necessary to install any Equipment or Service.

"Legislation" means any applicable legislation, authorisations, permissions, rules, regulations, orders and guidelines relating to the provision, marketing and use of the Services and/or the supply of the Equipment.

"Line" means a connection (installed either by us or a Third Party Operator) from your Premises to a Third Party Operator Network.

"Line Rental Service" means the Service we may agree to provide you to allow you to rent access to the main telephone line and shall include line rental extras (such as call divert) where we agree to provide these to you.

"Minimum Period" means, in respect of each Service, the minimum period of (twelve) 12 calendar months (or such longer period as agreed between you and us) for which a Contract for each Service will run commencing on the Connection Date. **"OFCOM"** means Office of Communications.

"Our Website" means the website located at www.cheshirebusinessservices.com or such other website as may be amended from time to time.

"Premises" means any premises of yours for which the Line Rental Service is to be provided.

"Service" means any one of the Services and Equipment stated in the Contract and **"Services"** means any combination of two or more such Services.

"Service Credits" means the amounts payable, if any, by us to you in accordance with clause 5.

"Service Failures" means any failure, error or defect in the provision of the Services by us, but excluding: (i) fault in, or any other problem associated with, equipment connected on your side of the Service demarcation point, any power not supplied by us, your equipment, non-maintained structured cabling or other telecommunications systems not operated or provided by us; (ii) your failure to give us access to your Premises or to receive a reasonable request to do so; (iii) your failure to provide the necessary rack space and power required for the installation and operation of the Equipment; (iv) your failure to supply all reasonable information we require, including but not limited to, complete details of the Premises as required to complete your order; (v) your failure to obtain all necessary permissions, consents or licenses from any parties, including government bodies, to permit us to access the Premises; (vi) delays attributable to excavation permissions or other local or national laws or regulations relating to excavation permissions; (vii) delays attributable to a network freeze period activity; (viii) the fault, negligence, act or omission of you or any Third-Party not within our direct control; (ix) your delay or failure to perform any of your responsibilities; (x) your request to us to modify the Premises, or test such although no fault has been detected or reported in accordance with the Contract; (xi) Service suspension in accordance with the Contract; (xii) an outage resulting from planned maintenance or a planned outage or the actions or omissions of you or a third party on your behalf; (xiii) any force majeure event, including but not limited to those set out in clause 16.

"Service Level" in relation to a Service means the performance standard, if any, set out in the Contract.

"Software" means the software provided by us to you for the purposes of enabling you to use the Services including all associated documentation.

"Start Date" means the date upon which you either sign the Contract or if you have placed an order for the Services with us, the date upon which we agree to provide such Services in accordance with the terms of the Contract.

"Subsequent Contract Period" means successive periods each of 12 (twelve) calendar months beginning on the expiry of the Minimum Period.

"Tariff Review" means a review which, subject to clause 2.3, you can request we carry out on your tariff at any time after the third month following the Start Date.

"Term" means the Minimum Period and each Subsequent Contract Period.

"Third Party Operator" means the operator of any communications network or system over which we may provide our Services.

"Third Party Operator Network" means the electronic communications network operated by a Third Party Operator over which we provide the Services.

"Transmission Speed" means either the rate in Kbps or Mbps that data is transferred between the Equipment and the Broadband Service. The Transmission Speed available to you will be affected by the operational and technical characteristics of your telephone line, the Third Party Operator Network and your chosen Equipment.

"Working Day" means a day which is not a Saturday or a public holiday in England or Wales.

"Working Hours" means in respect of installation 08:00-17:00 on a Working Day.

1.2 In the case of any conflict between these terms and any order for Services, the provisions of these terms shall prevail.

2. When this Contract Begins and How Long it Lasts

2.1 Our obligations under the Contract will commence on the Start Date and will continue during the Term. You must contact us at least thirty (30) days before the end of the Minimum Period if you do not wish this Contract to continue. If we do not hear from you upon expiry of the Minimum Period, the Contract will automatically continue for the Subsequent Contract Period unless and until terminated under clause 12.

2.2 Our obligations under the Contract in respect of the Services will commence from the Connection Date. Our obligations under the Contract in respect of the Installation Services will commence on the date the Installation Services commence.

2.3 Where you request a Tariff Review and your tariff, a new Minimum Period of the chosen duration will be deemed to start from the date upon which the Tariff is amended.

2.4 Any dates given in the Contract regarding our provision of the Services, Installation Services or Equipment to you are estimates and are provided for planning purposes only. We will have no liability for any failure to meet a Connection Date or any other date and time is not of the essence.

3. Receiving our Services

3.1.1 Equipment

3.1.1. In respect of all Services, if you receive new Equipment through us, it is provided with the benefit of and subject to the terms applicable to such warranty or guarantee as is given by the manufacturer of the Equipment. Equipment that is not new or is Additional Equipment is provided without any warranty or guarantee whatsoever.

3.1.2 If you wish to use Additional Equipment to receive any Services rather than that provided or recommended by us or a Third Party Operator, we cannot guarantee compatibility with the Services nor will we supply any ongoing support. We will have no liability for a failure to provide the Services resulting from use by you of Additional Equipment. In addition, you should note that use of Additional Equipment may result in unexpected Charges that you will have sole responsibility for and we have no liability to you in respect of your use of Additional Equipment. This limit is in addition to clause 18 and subject to clause 18.4.

3.1.3 Equipment supplied by us will be at your risk immediately on delivery to your Premises (or into custody on your behalf, if sooner) and should be insured accordingly. Delivery will be evidenced by signature by you or an authorised person. The Equipment will be deemed to have been checked and accepted by you on the date of such signature. You must inspect it and inform us of any damaged or missing items within seven (7) days by contacting us. You are responsible for ensuring that an authorised person is available to accept delivery. We are not responsible for any delay in performing the Services and reserve the right to charge carriage if an authorised signatory is not available, or you refuse to accept delivery of Equipment. We accept no liability for any late delivery or delivery of damaged equipment.

3.1.4 Equipment will remain our property until paid for in full by you. Until such time as the ownership of the Equipment has passed to you, you will hold it on our behalf and keep it safe, insured and identified as our property and we will be entitled to ask you to return the Equipment. During this time, you will notify us immediately of any loss, theft or damage of any Equipment.

3.1.5 If it is necessary for a Third Party Operator to supply you with Equipment in order to access any Service then you agree that such Equipment will remain the sole property of that Third Party Operator and you will comply with all requests and instructions of that Third Party Operator in relation to that Equipment.

3.1.6 You will comply with any reasonable instructions issued by us or the Third Party Operator which concern your use of the Services including, without limitation, any codes of conduct which apply in relation to the Equipment and Services (as amended from time to time).

3.1.7 You will ensure that the Equipment and any other equipment and/or hardware connected to or used with any Services connected and used in accordance with any applicable instructions, safety or security procedures.

3.2 Broadband Services

3.2.1 In order for us to enable you to use the Broadband Service, you agree to comply with the following:

a. you must have an existing network telephone line;

b. you must have a personal computer of minimum specification;

c. you must have compatible cables and extension leads between any communications equipment and telephone socket;

d. our provision of the Broadband Service is subject to testing to our satisfaction of your telephone line to ensure that broadband is available in your area and can be activated. If any installation work is needed at your Premises before we are able to provide the Broadband Service, you must arrange this through an authorised third party or us at your own cost; and

e. you must cancel any other broadband access service.

3.2.2 In certain limited circumstances, we may not be able to set up the Broadband Service for technical reasons beyond your or our control. If this happens, we will notify you as soon as possible and the Contract between us will end. In such circumstances, we will provide you with a full refund for any Charges you have already paid us.

3.2.3 Upon activation of your Broadband Service, you accept that you may experience a temporary loss of your existing line.

3.2.4 You will be allocated a username and password in order to access the Broadband Service. You will be responsible for keeping this username and password confidential and agree to take all necessary steps to ensure their confidentiality and that they are not disclosed to any unauthorised persons. You will inform us if you become aware of or suspect any unauthorised use of your username and password and agree to take all necessary steps (or such steps as may be requested by us) to prevent such use.

3.2.5 To ensure that the Broadband Service remains secure, you must not change or attempt to change a username without our written permission.

3.2.6 If you move and want to access the Broadband Service at your new address you will need to set up a new account for that location by contacting us. You will have to provide us with proof of your new address. If you do not, your existing account will not be terminated and you will be liable for any Charges that remain due relating to that account. You will also have to pay an administration fee for setting up a new account when you move and if you have purchased Equipment from us and such Equipment is lost or damaged when you move address you will have to purchase new Equipment from us.

3.2.7 When you have moved address, a telephone line test will need to be carried out. If it is not possible to connect you, you may terminate the Contract provided: (i) it is no earlier than the date you actually move; (ii) you give us no less than ten (10) days' notice; and (iii) you send us proof of your change of address.

3.2.8 Charges due in respect of your use of the Service up to the date of cancellation will remain payable. If it is possible to connect you at your new address, we will try to ensure that your connection is at the same Transmission Speed as that at your old address prior to your move. However, if it is not possible, we will connect you at the Transmission Speed we determine is available and possible.

3.2.8 Where we provide you with one or more e-mail addresses and storage as part of providing the Broadband Service you acknowledge that such e-mail addresses are not your property and that we are entitled to alter them in our sole discretion. We will only change your e-mail addresses where reasonably necessary after providing you with reasonable notice of such change. The number of e-mail addresses and the amount of e-mail storage that we provide to you will depend on the Broadband Plan you subscribe to.

3.2.9 You agree that you will enter into any licence or agreement reasonably required by the owner of any intellectual property rights in any software supplied to you for the purpose of accessing the Broadband Service. You also agree that all intellectual property rights in the Broadband Service (including the Equipment and any related software) are and will remain vested in us, our

agents, the Equipment manufacturer or their licensors as applicable.

3.2.10 You acknowledge that, as part of your wish to receive and enjoy the full benefits of the Broadband Service, some minor modifications may need to be made to your computer. It is your responsibility to ensure that such modifications do not invalidate the terms of any warranty that you may have concerning your computer. We will not be liable for any claim that your warranty has been invalidated (if applicable) as a result of work carried out by you, us, our agents in order to make your computer operate with the Broadband Service.

3.2.11 It is your responsibility to ensure the compatibility of the Broadband Service with your personal computer, any hardware, software or any other equipment or services.

3.2.12 You recognise that the Broadband Service may from time to time be adversely affected by failure of a server or other external causes and may fail or require maintenance without notice. You further acknowledge that we will have no liability for failure of the Broadband Service unless and to the extent caused by our negligence or fraudulent misrepresentation.

4. What Level of Service We Will Provide to You

4.1 We will provide the Services in accordance with the terms of the Contract.

4.2 We will use reasonable skill and care when providing the Services.

4.3 The Services are provided for use by you in the course of your business and on the condition that you do not resell or otherwise make the Services available to any other person unless authorised by us in writing.

4.4 If you elect to apply for the Line Rental Service and already receive line rental services from another provider, the service from the other provider will continue until the transfer to our Services is complete unless your other provider agrees that it can be done earlier.

4.5 We may select and at any time change any carrier or service provider for the purposes of providing the Services, and you authorise us to give all notices, nominations and other authorisations that are necessary for us to provide the Services to you.

4.6 Whilst we provide the Services to you, you authorise us to act on your behalf in all dealings with any Third Party Operator in connection with any matter that enables us to provide or to continue to provide you with the Services.

4.7 To enable us to perform our obligations under the Contract, you will obtain all requisite licences, consents and permissions and will provide such reasonable assistance and information as we request from time to time.

4.8 It is your responsibility to ensure the compatibility of the Services with any monitored alarm system you may have and you should check this with your monitored alarm system provider. Subject to clause 18.4, if there is an interruption to the provision of the Services under the Contract, we do not accept any liability in connection with your use of a monitored alarm system with the Services.

4.9 Certain services which are provided by Third Party Operators may not be compatible with the Services and may be automatically removed from your line during set up and may no longer be available to you.

5. What Services We Provide

5.1 We do not guarantee that the Services will be continuously available to you or free from Service Failures.

5.2 Where you believe that you are experiencing a Service Failure, you must immediately report this to us, providing sufficient information to enable us to investigate the problem. We will log the date and time of receipt of all such reports.

5.3 Where we spend time investigating a fault(s) that is being continuously reported by you and conclude each time that there is no Service Failure, you will lose the right to charge you a fee of £120; or (b) all reasonable costs and expenses incurred in investigating the alleged fault, and you agree to pay such charges.

5.4 Where the Parties agree, as a result of a Service Failure, an applicable Service Level specified in the Contract is not achieved we will, subject to clause 8.8, pay to you a Service Credit by issuing a credit note to you for a sum equivalent to the amount of the Service Credit.

5.5 The duration of any Service Failure, for the purposes of calculating Service Credits, will be measured from the time your fault report is logged by us to the time we can demonstrate that the Service has been restored.

6. Your Use of the Services

6.1 You agree that you will not use the Services in a way which would:

6.1.1 contravene or cause us to contravene any Legislation;

6.1.2 be for any improper, immoral or unlawful purpose;

6.1.3 enable or permit unauthorised access by you or Third Parties to data stored on any Third Party Operator Network;

6.1.4 cause a degradation of service to any of our other customers;

6.1.5 involve the sending of unsolicited marketing or advertising materials;

6.1.6 result in the transmission or storage of any material of a pornographic, obscene, defamatory, menacing or offensive nature or material which is a nuisance, hoax, abusive, racist or indecent or which would result in the breach of any third party's intellectual property rights, confidential information or privacy;

6.1.7 breach or cause us to breach any applicable data protection legislation including, but not limited to, the Data Protection Act 1998; or

6.1.8 cause an overload of the Third Party Operator Network.

6.2 You will indemnify us against any claims, proceedings or threatened proceedings from third parties, including Third Party Operators, and against any loss or damage suffered by us arising from any breach of your obligations under the Contract, including this clause 6, and for all costs and expenses reasonably incurred by us in investigating and defending ourselves in relation to any such claims, proceedings or threatened proceedings.

6.3 You will give us not less than two (2) Working Days' written notice of any advertising, promotion or other campaigns which may significantly increase traffic on the Third Party Operator Network.

6.4 You are solely responsible for safeguarding your data by taking backup copies, maintaining a disaster recovery process and through any other means you believe appropriate.

6.5 To enable us to perform our obligations under the Contract, you will obtain (where necessary) all requisite licences, consents and permissions.

6.6 If you want to connect equipment to the Third Party Operator Network other than using a main phone socket, you must obtain our permission and you agree that we may request permission from a Third Party Operator in order for us to make any device.

6.7 You agree that you will not connect any equipment to the Third Party Operator Network that may harm the Third Party Operator Network or the equipment of other users of the Third Party Operator Network. If you do connect such equipment, you must disconnect it immediately or allow us to do so at your expense.

6.8 For operational reasons, we or Third Party Operators may need to change your phone number or the codes used for the Line Rental Services. We will give you as much notice as possible of this.

6.9 You shall ensure that you do not use the subject of Line Rental Service shall be made using the Third Party Operator Network. If you switch any calls you make on any Line that is the subject of Line Rental Service to any other service provider then we shall be entitled to either: (i) terminate the Contract with immediate effect by giving you notice in writing;

(ii) bar your use of indirect access codes; (iii) charge you a higher fee for your use of the Line Rental Service; (iv) amend your tariff; or (v) disconnect the Line Rental Service.

6.10 You will comply with our reasonable instructions from time to time in relation to your use of the Services.

6.11 You will provide us on our reasonable request with copies of any information we may require to comply with our obligations under the Legislation both during the Term and following termination.

6.12 You shall maintain in force throughout the Term appropriate health and safety insurance to cover our employees or agents working at the Premises with a reputable insurance company and shall produce evidence of this to us on demand.

6.13 To prevent spam from entering and affecting the operation of our systems and the Broadband Service, we may take any reasonable measures or actions necessary to block access to or delivery of any e-mail which appears to be of an unsolicited nature and/or part of a bulk e-mail transmission. We may also use within our systems virus screening technology that may result in the deletion or alteration of e-mail and/or e-mail attachments. However, we do not warrant that such technology will be effective against all such viruses or malware.

6.13.2 You acknowledge that the Broadband Service is provided to other users and we owe a duty to them as a whole to preserve the integrity of the Third Party Operator Network and to avoid degradation to the same. If, in our reasonable opinion, we believe that your use of the Broadband Service has or may adversely affect such network integrity or may cause network degradation we may change your Transmission Speed or manage your use of our Broadband Service as we see fit in the circumstances. This includes, but is not limited to, any circumstances where you are running an application or program that places excessive bandwidth demands on the Broadband Service for continued periods. We may also impose a limit on your usage capacity at any time at our sole discretion if your usage is affecting or may affect other users' enjoyment of the Broadband Service.

6.13.3 During the Term, you may request a change to your Broadband Plan at any time provided that it is only once in every thirty (30) days. Changes to your Broadband Plan are subject to availability and payment of any applicable Charges. We will use reasonable endeavours to complete the change as soon as possible but cannot guarantee how quickly this will be done. You will be responsible for all Charges on the existing Broadband Plan until the change is completed.

7. Allocation and Use of Telephone Numbers

Where we or a Third Party Operator allocates you any telephone numbers or codes as part of the Services, you acknowledge that you will not acquire any legal, equitable or other rights in relation to any numbers or codes. We may on giving you notice withdraw or change any such numbers or codes but we will only do this in the event it is required to do so under Legislation or by the Third Party Operator as applicable. You may not sell or transfer or seek to sell or transfer any numbers or codes allocated by us or a Third Party Operator.

8. How We Charge You and How You Pay

8.1 You will pay us for the Services which will be payable with effect from the date that a Service or any part of a Service is first made available to you for commercial use or upon installation in the case of Equipment and Installation Services. Our Charges shall be based on the rates set out in your order confirmation and, except in the case of demonstrable error, all Charges shall be calculated in accordance with data recorded or logged by or on our behalf and not by reference to data which has been recorded or logged by you. You shall remain liable for payment of the Charges notwithstanding any claims that such Charges have been incurred as a result of fraud or misuse of the Service, unless and to the extent that such Charges (or part thereof) were incurred as a direct result of our fraud or misuse.

8.2 We may vary our Charges at any time by giving you notice. We will only do this if we have a valid reason for example to reflect changing arrangements with any Third Party Operator or changing legal, regulatory or business requirements. The revised Charges will apply to all Services provided after the effective date of the notice of change.

8.3 All Charges are stated exclusive of Value Added Tax (VAT) or other applicable taxes. You will be responsible for paying VAT and other applicable taxes which will be included in our invoices at the applicable rates.

8.4 We will provide invoices for the Services and the Equipment monthly or as notified from time to time. You will, subject to clause 8.7 and unless otherwise agreed, pay invoices within fourteen (14) days of the date of the invoice or within seven (7) days in respect of your final invoice. All amounts due under the Contract shall be paid in full without any deduction, withholding or set-off. You are not entitled to assert any credit, set-off or counterclaim against us in order to justify withholding payment of any such amount in whole or in part.

8.5 Payments will be by direct debit only. For payments made by any other method, we reserve the right to charge a reasonable administration fee per payment.

8.6 Without prejudice to any other rights we may have under the Contract (including but not limited to clauses 12 and 15), if a direct debit is dishonoured or cancelled, we shall be entitled to pass on to you the administration fee of £50 which may include third party charges. We shall also be entitled to charge you a monthly administration fee for each month in which your direct debit is dishonoured or not reinstated following cancellation. We may charge interest on all overdue amounts from time to time on a daily basis at a rate of 3 (three) per cent above the base rate of the Royal Bank of Scotland plc, to run from the due date of payment until receipt by us of the full amount (including any accrued interest) whether before or after judgment in respect of the overdue amount.

8.7 Disputing an Invoice:

8.7.1 If you wish to dispute an invoice you must within 60 (sixty) days of the date of issue of the invoice write to us and provide us with: (i) nature and reason for dispute; (ii) amount in dispute; and (iii) any evidence to support the disputed amount. Otherwise, all invoices will be deemed correct.

8.7.2 If an invoice is disputed and we can demonstrate that the invoice is in fact correct, we shall be entitled to charge interest in accordance with clause 8.6 from the date of when the invoice should originally have been paid to the date upon which we receive the full amount.

8.7.3 If we agree that a disputed invoice is incorrect, we shall apply a relevant credit to your account with us.

8.8 Where, under the Contract, a Service Credit or other sum of money becomes payable by us to you, we shall be entitled to deduct that sum from payments due from you to us whether under the Contract or any other agreement from time to time.

8.9 You agree that the details that you provide to us are true, accurate and complete.

9. Credit Limit/Security Payment

9.1 We may perform a credit check on you at any time during the Term. We may at our sole discretion and at any time during the Term impose a Credit Limit on your account. Any Credit Limit imposed can be amended without prior notice. If you exceed such Credit Limit: (i) we may demand immediate payment of the Charges and/or suspend the Services; and (ii) you will still be

responsible for all Charges incurred including those exceeding the Credit Limit.

9.2 We may require you to provide us with a security deposit as a condition of providing the Services to you. We may suspend provision of the Services until we receive payment of the security deposit. We may hold this deposit until you have paid all sums due to us from you under the Contract. If you owe us money, we may set off the deposit against any amount due to us. We will refund any deposit we are still holding on request upon termination of the Contract or at our discretion after three (3) months of continuous on time bill payments. No interest is payable on any deposit held by us.

10: When We Can Make Changes to the Services and to the Contract

10.1 This clause 10 applies to all changes to the Contract, except changes to Charges, which are dealt with in clause 8.2 above.
10.2 Subject to clause 10.1, we may vary these terms and conditions at any time by posting the changes on our Website and, where reasonably practicable, giving you prior notice. We will only do this if we have a valid reason, for example to reflect changing arrangements with any Third Party Operator or changing legal, regulatory or business requirements. If any variation of these terms and conditions is likely to cause material detriment to you: (i) we will also notify you of the variation in writing or by your chosen method of contact; and (ii) you shall have the right to terminate the Contract in accordance with clause 12.1.3. You agree that, if you decide to use any Services after any variation to these terms and conditions have been posted on our Website or, in the case of a variation which is likely to cause material detriment, notified to you, you will be bound by the terms and conditions as varied.

11: Security and Backup Services

11.1 You are responsible for the security of your use of the Services including, but not limited to, protecting all passwords, backing-up all data, employing appropriate security devices, including virus checking software, and having disaster recovery processes in place.

11.2 Where you are or become aware of any matters which you know or ought reasonably be expected to know constitute a threat to the security of the Services, you will immediately advise us of such matters.

12: Ending the Contract

12.1 You may terminate the Contract or any individual Service:

12.1.1 by giving us thirty (30) days' notice, such notice not to expire before the end of the Minimum Period or any Subsequent Contract Period;

12.1.2 on written notice if we are in material breach of this Contract; or

12.1.3 on written notice pursuant to clause 10.2 if we change the Contract.

12.2 For the purposes of clause 12.1.2, "material breach" means where there have been eight (8) Service Failures during any twelve (12) month period which result in us paying to you the maximum amount of Service Credits (to the extent that Service Credits apply) in any one month. Service Failures are defined as: (i) a Service Failure as defined in clause 12.1.3; or (ii) a Service Failure as defined in clause 12.1.3.

12.3 We may terminate the Contract and/or any one or more of the Services with immediate effect by notice in writing if:

12.3.1 you fail to pay any sums due to us within fourteen (14) days of receiving written notice from us stating the sums due and demanding payment;

12.3.2 you are in material breach of the Contract, which breach is capable of remedy and you fail to remedy that breach within thirty (30) days of receiving the notice specifying the breach;

12.3.3 you are in material breach of the Contract and that breach cannot be remedied;

12.3.4 you commit persistent breaches of the Contract;

12.3.5 you make any voluntary arrangements with your creditors or become subject to an administrative order or go into liquidation, whether voluntary or compulsory (other than for the purposes of reconstruction or amalgamation), or an encumbrancer takes possession of or a receiver is appointed in respect of any of your assets;

12.3.6 our contract with any Third Party Operator is terminated (for any reason whatsoever);

12.3.7 we are directed by OFCOM and/or any other competent authority to cease the provision of the Services or any part of them to you;

12.3.8 you have submitted an order for the Services which in our reasonable opinion contains any false, incorrect or misleading information;

12.3.9 we have a right to suspend any of the Services;

12.3.10 we consider that the breach, act, omission or default of you, a caller or any third party may result in our failure to comply with any applicable Legislation or may place us in breach of any of our interconnect agreements with a Third Party Operator;

12.3.11 use by you, a caller or any third party of any Third Party Operator Network is, or is likely to cause damage to, interrupt or otherwise prevent us from supplying services to other customers or complying with obligations owed to other customers;

12.3.12 such action is required in order to comply with any Legislation;

12.3.13 we have reasonable grounds to suspect that you, a caller or any third party is involved in fraudulent or other unlawful activity;

12.3.14 if we have reason to believe that information supplied to us by you is false or misleading;

12.3.15 a Change in Control takes place or is proposed; or

12.3.16 if you raise a fault and for reasons beyond our control we are unable to rectify this fault within a reasonable time.

12.4 For the purposes of clause 12.3, "material breach" shall include any failure by you to pay the Charges and/or any failure to comply with your obligations under the Contract.

13: Ending the Contract Without Cause

13.1 In addition to our rights under the Contract, we may terminate the Contract for any reason by giving you thirty (30) days' notice in writing.

13.2 If you terminate the Contract or any part of it, you must notify us and return at your own cost any Equipment unused and in the original packaging and if you do not, you will be responsible for all Charges incurred, the replacement cost of any Equipment and any enforcement costs (including legal fees).

14: Consequences of Ending the Contract

14.1 Early Termination Charges are the event that the Contract is terminated under clauses 12.3.1 to 12.3.5, 12.3.8 to 12.3.11 or 12.3.13 to 12.3.15 before the end of the Minimum Period or during a Subsequent Contract Period and notwithstanding any other remedy under the Contract or at law, we reserve the right to charge you the Early Termination Charges to be added to your final invoice.

14.2 You agree that the Early Termination Charges are a fair assessment of the losses and damage that we will suffer as a result of early termination of the Contract.

14.3 Upon termination of the Contract (or any part), any e-mail, data, e-mail addresses and any other features provided as part of the Services will be deleted and we will have no liability to you for this nor will we be able to retrieve this data for you. Under no circumstances will we have any liability for any Equipment purchased by you. You are solely responsible for safeguarding your data by taking backup copies, maintaining a disaster recovery process and through any other means you believe appropriate.

14.4 Where you cancel a Service or the Contract as a result of changes made to the Contract or to the Services by us in accordance with clause 10, and where the changes have a material adverse effect on the relevant Services, you will not be liable for any additional charges arising as a direct result of such cancellation, but you will remain liable to pay any Charges due and payable.

14.5 If you are a Line Rental Service customer and you elect at any time to use another provider for some or all of your calls, we may at our sole discretion charge you for any remedy under the Contract to: (i) bar your use of indirect access codes; (ii) charge you a higher fee for your use of the Line Rental Service; or (iii) disconnect the Line Rental Service or any part thereof.

14.6 In addition to our rights under clause 12, in the event that rental of your telephone line is terminated by a Third Party Operator or you change the services on your line such that the Broadband Service is unable to operate normally, the Broadband Service will automatically terminate and you will be liable to us for the Early Termination Charges.

14.7 Termination of one or more of the Services will not automatically terminate the Contract unless notified by us.

14.8 On termination of the Contract, each party will return to the other party any confidential information which it has in its possession.

14.9 Upon termination, we will arrange for disconnection of the Equipment from the Third Party Operator Network.

14.10 If you choose to terminate the Contract under clause 12.1, you must return any Equipment to us within fourteen (14) days of such notice to terminate. If you fail to do so or wish to retain it, you will be charged the standard charge for that Equipment.

14.11 The expiry or termination of the Contract for whatever reason shall not affect such of the provisions of it as are expressed to operate or have effect after its termination and shall be without prejudice to any right of action already accrued to either party in respect of any breach of the Contract by the other party.

15: Suspension of the Service or Suspension of the Contract

15.1 We may suspend the provision of any one or more of the Services if:

15.1.1 we have a right to terminate the Contract;

15.1.2 you fail to meet any of your obligations under the Contract;

15.1.3 technical limitations exist or arise which make the provision of the Services impossible or materially limit the functionality or performance of the Services;

15.1.4 it is necessary for operational reasons such as upgrades to the Services or regular or emergency maintenance;

15.1.5 we are obliged to comply with any contracts, order, instruction or request of a competent governmental regulatory or other authority;

15.1.6 in our reasonable opinion your conduct is likely to result in the breach of any law or is otherwise prejudicial to our interests;

15.1.7 the Credit Limit is exceeded;

15.1.8 you allow to be done anything which in our reasonable opinion may have the effect of impairing the operation of the Services; or

15.1.9 your direct debit is dishonoured or cancelled for any reason.

15.2 You may be liable for an administration fee if suspension is due to your default and we, in our sole discretion, reinstate the Services following suspension.

15.3 We will, where practical, give you notice of our intention to suspend the Services and, in relation to suspension for the reasons stated in clauses 15.1.3 to 15.1.5, will restore the Services as soon as we are reasonably able to do so. If we exercise our right to suspend the Services, this will not restrict our rights to terminate the Contract under clause 12.

16: Events Outside Our Reasonable Control (Force Majeure Events)

Neither party will be liable to the other for any delay in performing or failure to perform any of its obligations under the Contract (other than the obligation to pay the Charges) which occurs as a result of circumstances beyond a party's reasonable control. For the avoidance of doubt, circumstances beyond our reasonable control include, but are not limited to, act of God, theft, war or riot, civil disobedience, national emergency, strikes and other labour disputes (other than those involving that party's personnel), fire, flood, act of terrorism, power failures, failures of technology, failure of third party suppliers,

non-availability of any third party communication services, breakdown of any equipment not supplied by us or acts of government or other competent authority.

17: Confidentiality

17.1 Neither party will disclose to any third party without the prior written consent of the other party any confidential information which is received from the other party as a result of the Contract. Both parties agree that any confidential information received from the other party will only be used for the purposes of providing or receiving Services. These restrictions will not apply to any information which:

17.1.1 is or becomes generally available to the public other than as a result of a breach of an obligation under this clause 17;

17.1.2 is acquired from a third party who owes no obligation of confidence in respect of the information; or

17.1.3 is or has been independently developed by the recipient.

17.2 Notwithstanding clause 17.1, either party may be entitled to disclose the confidential information of the other to a third party to the extent that this is required by any court of competent jurisdiction or by a governmental or regulatory authority, or where there is a legal right, duty or requirement (other than a contractual requirement or duty) to disclose such confidential information.

18: Our Liability to You

18.1 If you receive faulty Equipment within twenty eight (28) calendar days (the "Warranty Period"), we will at no additional cost to you provide a "like for like" replacement provided that you return the faulty Equipment to us by registered post or special delivery, within fourteen (14) days of redelivery of the replacement Equipment. If you fail to so return the faulty Equipment to us, we reserve the right to charge you the full cost for the replacement Equipment. If the exact same Equipment is not in stock then we will provide you with a substantially similar product. We will have no liability under any warranty if any Charges are due from you under the Contract. If a claim is made outside the Warranty Period, we may at our sole discretion replace or repair the Equipment subject to your payment of a standard charge for a replacement part.

18.2 If you return Equipment to us in accordance with clause 18.1 and either failed to take reasonable care of the Equipment while it remained in your possession or fail to return all the relevant cables and appropriate ancillary equipment or software

supplied to you with the Equipment, we will be entitled to debit your account (using the details that you provided to us) for the full replacement cost of such Equipment. We will not replace any Equipment that becomes faulty as a result of any damage caused to it through your negligence or willful default and, in such circumstances, you will be responsible for the cost of any replacement supplied by us.

18.3 Other than as set out above, we will be under no other obligation to exchange, repair or replace the Equipment or provide any refunds. You accept that you are solely responsible for backing up any important data stored on the Equipment prior to the commencement of your repairs and you hereby acknowledge that any such data may be lost during the repair and will be lost if the Equipment is exchanged. We are not liable for this.

18.4 In respect of any Equipment, no liability is accepted under any warranty or for any defect resulting from the following: fair wear and tear; rain, water or other liquid damage; accidental or willful damage; negligence; abnormal working conditions; failure to follow the manufacturer's instructions (whether oral or in writing); or misuse or alteration or repair of the Equipment without the manufacturer's approval.

18.4.1 We accept liability without limit for death or personal injury arising from our own negligence or for any fraudulent pre-contractual misrepresentation on which you can be shown to have relied.

18.4.2 Our liability to pay Service Credits in accordance with clause 5 will be the maximum extent of our liability and your sole remedy for any Service Failures.

18.5 Subject to clauses 18.4.1 and 18.4.2, neither party is liable to the other whether under contract, tort (including negligence), equity or otherwise for direct or indirect loss of profits, anticipated profits, business, goodwill or anticipated savings, or for any indirect or consequential loss or damage ("Loss"), arising out of or in relation to or in connection with your access to or use of or inability to use the Services or any Equipment or Software or content supplied to you with the Services, or in connection with any failure of performance of the Services or otherwise, error, omission, interruption, defect, delay in operation or transmission, virus, line or system failure and loss of or damage to data, even if such Loss was reasonably foreseeable or the unaffected party had been advised of the possibility of the affected party incurring the Loss.

18.6 Subject to clause 18.4.1 and 18.4.2, our liability to you in contract, tort (including negligence) or otherwise in relation to or arising out of the Contract is limited per claim and in the aggregate to the amount of the annual Charges in the preceding twelve (12) months relating to the Service giving rise to such claim or claims for all events, claims, losses however arising during the Term. Service Credits paid or credited by us to you will be taken into account for the purposes of calculating the limitation amounts set out in this clause 18.

18.7 Except as expressly set out in the Contract and to the extent permissible by law all other warranties, terms and conditions, guarantees as to quality or fitness for a particular purpose of the Services or any other conditions or guarantees, whether express or implied by law, custom or otherwise, are excluded.

18.8 We are not liable to you in contract or tort (including negligence) for any acts or omissions of you or any third party acting on your behalf, including other providers to you of communications equipment or services, including internet services.

18.9 We do not warrant that the Equipment and/or hardware and/or software connected to or used with any Services is connected to be invalid in whole or part such provision will be deemed not to form a part of the Contract. In any event the enforceability of the remainder of the Contract will not be affected.

18.10 In respect of the Services and the Equipment, you agree that you are solely responsible for the use of the Services and the Equipment and all content, information, data and results obtained from using the Services or the Equipment and that all warranties, terms and conditions, guarantees, undertakings, representations, or any other conditions or guarantees whether express or implied by law, custom or otherwise are excluded to the extent permissible by law.

19: Data Protection

Each party warrants to the other that throughout the Term it shall comply with its obligations pursuant to the Data Protection Act 1998 and any other applicable data protection legislation.

20: Equipment and Installation

20.1 The Equipment remains the property of either us or (where applicable) the Third Party Operator. Equipment will be at your risk immediately on delivery to your Premises (or into custody on your behalf, if sooner) and should be insured accordingly. Delivery will be evidenced by signature by you or an authorised person. You must inspect it and inform us of any damaged or missing items within seven (7) days by telephoning us. You are responsible for ensuring that an authorised person is available to accept delivery. We are not responsible for any delay in performing the Services and reserve the right to charge carriage if an authorised signatory is not available, or you refuse to accept delivery of Equipment. We accept no liability for any late delivery or deliveries that are lost in the post.

20.2 You will hold the Equipment on our behalf and keep it secure, safe, insured and identified as our property and we will be entitled to ask you to return the Equipment. You will notify us immediately of any loss, theft or damage of any Equipment. You will ensure that the Equipment and any other equipment and/or hardware connected to or used with any Services is connected and used in accordance with any applicable instructions, safety or security procedures.

20.3 Where Equipment is required to be installed at your Premises to enable us to provide the Line Rental Service you must:

20.3.1 prepare your Premises in accordance with our or the Third Party Operator's reasonable instructions;

20.3.2 make available a suitable place and conditions for the Equipment; and

20.3.3 provide (at your own cost) sufficient electricity to power the Equipment and connection points to the Third Party Operator Network.

20.4 We shall not be responsible for any redecorating or making good that may be required after the installation is completed.

20.5 You must not add to, modify, carry out any maintenance on or in any way interfere with the Equipment nor permit anyone else (other than someone authorised by us) to do so. You are liable to us for any loss of or damage to the Equipment, except where such loss or damage is due to fair wear and tear or is caused by you or anyone acting on our behalf.

20.6 You agree to provide us with any necessary consents, including for example, consents for any alterations to buildings, permission to cross other people's land or permission to put any Equipment on your property.

20.7 Completion of the Installation Services shall not be confirmation that any connection of the Services will take place.

21: Access to Your Premises

21.1 In respect of certain Services it may be necessary to access your Premises prior to the Connection Date in order to install Equipment. We will use our reasonable endeavours to perform and complete the Installation Services, however for technical or operational reasons installation may not be possible. In this event, we may terminate the Contract or the affected Service or part thereof by notice to you in writing.

21.2 To enable us to carry out our obligations under the Contract, you must permit or procure permission for us or anyone acting on our behalf that produces a valid identity card, with access to your Premises and any other premises at all reasonable times.

21.3 Our employees or anyone acting on our behalf will observe your reasonable regulations affecting your Premises as previously advised in writing to us. In the event of any conflict between any regulations in place at your Premises and these conditions, these conditions will prevail.

21.4 You will provide a suitable and safe working environment for our employees and anyone acting on our behalf in relation to work carried out at your Premises.

21.5 In normal circumstances, access to your Premises will only be required during Working Hours. If we require access at other hours, you will permit or procure permission for us or our agents to have access to your Premises and will provide such reasonable assistance and information as we request from time to time. We will routinely work during normal Working Hours. Any request by us to carry out work at other times may be refused by you. Any request by you that we carry out work at other times may be refused by us, but if accepted such work will be charged to you at our then current standard rates.

22: Intellectual Property

22.1 Except as expressly set out in the Contract, all intellectual property rights in our Equipment will remain with us or our suppliers or licensors.

22.2 Where Software is provided to enable you to make use of the Services, we grant to you a non-exclusive, non-transferable licence to use the Software solely for the purpose of receiving the Services. Where any additional terms and conditions apply to your use of Software we will make these known to you and you will, if requested, sign any agreement reasonably required to protect the owner's rights in the Software.

22.3 You will not copy, decompile or modify the Software without our prior written consent (except as permitted by law) and will not distribute or disclose the Software to any third party.

22.4 You acknowledge that we have no obligation to review or edit any of your information or third party information which you store on or transmit through our Equipment or use in connection with the Services. However, we reserve the right to access, retain and disclose copies of such information for the purposes of:

22.4.1 correcting, maintaining and improving the Services;

22.4.2 complying with any Legislation or the terms of our contracts;

22.4.3 observing the performance of the Services including for Service Level monitoring;

22.4.4 retaining a record of activity on our Equipment or systems; and

22.4.5 complying with any request for information or disclosure from a court or other appropriately authorised body.

23: Assigning the Contract

23.1 We may assign, sub-contract or otherwise transfer the Contract or any part of it to any third party in our absolute discretion. Notwithstanding any such sub-contract, we will remain primarily liable to you under the Contract.

23.2 You may not assign, sub-contract or otherwise transfer the Contract or any of your rights or obligations arising under it without our written consent.

24: Entire Agreement

The Contract sets out the whole agreement between you and us for the provision of the Services and supersedes all prior agreements, understandings and agreements between us.

25: Waiver

The failure or delay by us in exercising any of our rights, powers or remedies under the Contract shall not in any circumstances impair such right, power or remedy nor operate as a waiver of it. The single or partial exercise by us of any right, power or remedy under the Contract shall not in any circumstances preclude any other or further exercise of it or the exercise of any other right, power or remedy. Any waiver of a breach of, or default under, any of the terms of the Contract shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of the Contract.

26: Security and Backup Services

26.1 You are responsible for the security of your use of the Services including, but not limited to, protecting all passwords, backing-up all data, employing appropriate security devices, including virus checking software, and having disaster recovery processes in place.

26.2 Where you are or become aware of any matters which you know or ought reasonably be expected to know constitute a threat to the security of the Services you will immediately advise us of such matters.

27: Third Party Rights

A third party which is not a party to the Contract has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Contract.

28: Bringing a Claim

You must bring any legal proceedings against us arising from the Contract within twelve (12) calendar months from the date you first became aware that you might reasonably have become aware of the facts giving rise to the liability or alleged liability or within the relevant statutory limitation period, whichever is the earlier.

29: Law and Disputes

29.1 The Contract will be construed in accordance with and governed by the laws of England.

29.2 In the event of any dispute relating to or arising from the Contract the parties agree to submit to the non-exclusive jurisdiction of the English Courts.

30: Notices

30.1 Notices must be in writing and shall be served by hand delivered or by sending it by pre-paid first class post, or registered post, or prepaid recorded delivery or prepaid international recorded airmail addressed to the other party at the address shown on the Contract application form or any other address as notified in accordance with this clause or fax to the number notified by each party to the other or e-mail to the address notified by each party to the other.

30.2 Any such notice shall be deemed to have been received:

30.2.1 if hand delivered or sent by prepaid recorded or registered post or international recorded airmail at the time of delivery;

30.2.2 if sent by post (other than by recorded or registered post) two (2) days from the date of posting;

30.2.3 if sent by airmail (other than prepaid recorded airmail) five (5) days from the date of posting; and

30.2.4 in the case of fax, at the time of receiving a successful transmission report.

30.3 Notices to us must be sent to: Cheshire Business Services (2008) Limited, 89-91 Buxton Road Stockport Cheshire SK2 6LR; tel: 01614873332; email: info@cheshirebusinessservices.com.