

The Customer's attention is particularly drawn to the provisions of clauses 4.6, 5.3, 6.3, 7.3 and 8.3 (Contract Extended Term), and clause 16. (Limitation on Lily Comms' Liability).

The provisions of clause 14 shall apply where the Customer enters into a Hire Agreement.

1. **INTERPRETATION**

Definitions. In these Conditions, the following definitions apply:

1.1 **Administration Fee:** the fee that is required to be paid by the Customer to Lily Comms together with the first Rental Payment under the Hire Agreement, as set out therein under the section headed "Key Information".

Annual Service Fee: the fee that is required to be paid by the Customer to Lily Comms under the Hire Agreement on each anniversary of the agreement, as set out therein under the section headed "Key Information".

Business Day: a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business.

Carrier: the relevant third party telecommunications operator or network service provider.

Charges: the applicable charges payable by the Customer for the supply of any Services and/or Equipment in accordance with clause 10.

Commencement Date: means the date on which Lily Comms shall start to provide the Service which shall mean in the case of:

- (a) Maintenance Services the Installation Date or where Lily Comms has not contracted with the client to install Equipment in connection with the Maintenance Services the date specified as the Commencement Date for the Maintenance Services;
- (b) Fixed Network Services the Handover Date in respect of those Fixed Network Services;
- (c) Data Services the relevant Handover Date in respect of those Data Services;
- (d) IT Support Services the date specified as the Commencement Date in the Order Form; and
- (e) Mobile Services the Handover Date in respect of those Mobile Services.

Conditions: these terms and conditions as amended from time to time in accordance with clause 20.7.

Connection Date: means in the case of the provision of Data Services the date when the Carrier commences the provisioning of Data Services to the Customer on behalf of Lily Comms.

Contract: the contract between Lily Comms and the Customer for the supply of any Services and/or goods (including where appropriate Equipment) in accordance with these Conditions, the Order and any Service Specific Conditions.

Contract Date: the date on which a Contract between the Customer and Lily Comms is formed and comes into existence as determined pursuant to the provisions of clause 2.2

Customer: the person or firm specified as such in the Order Form who contracts to purchase Services from Lily Comms.

Customer Default: has the meaning given to it in clause 9.3.

Data Services: the data services to be provided by Lily Comms to the Customer as described in the Order, together with such other data services that Lily Comms agrees to supply to the Customer from time to time.

Data Services Contract: where applicable, the Contract for the supply of Data Services.

Delivery: has the meaning given to in clause 4.2.

Equipment: the equipment as set out in the Order Form or Hire Agreement as the case may be.

Estimated Installation Date: the date on which Lily Comms estimates that the Equipment will be installed, as advised by Lily Comms to the Customer.

Extended Term: in relation to:

- (a) a Contract for the supply of Fixed Network Services has the meaning given to it in clause 5.3 or if applicable, clause 5.4; and
- (b) a Contract for the supply of Data Services has the meaning given to it in clause 6.3 or if applicable, clause 6.4;
- (c) a Contract for the supply of Maintenance Services has the meaning given to it in clause 4.6 or if applicable, clause 4.7; and
- (d) a Contract for the supply of the IT Support Services has the meaning given to it in clause 7.3 or if applicable, clause 7.4.

Fixed Network Services: the voice services to be provided by Lily Comms to the Customer as specified in the Order Form.

Fixed Network Services Contract: where applicable, the Contract for the supply of Fixed Network Services.

Lily Comms: Lily Communications Limited registered in England and Wales with company number 07020016 of Connect House, Unit A, Millshaw Business Living, Leeds, LS118PR.

Lily Comms Customer Transfer Preference Policy: the policy as set out at <http://www.lilycomms.co.uk/legal> as varied from time to time.

Handover Date: means

- a) in the case of the provision of Fixed Network Services the date when the Fixed Network Services are available for use by the Customer with Lily Comms as the supplier of the Fixed Network Services.
- b) in the case of Data Services the date when the Data Services are available for use by the Customer with Lily Comms as the supplier of the Data Services.
- c) in the case of Mobile Services the date when the Mobile Services are available for use by the Customer with Lily Comms as the supplier of the Mobile Services.

Hire Agreement: the contract between Lily Comms and the Customer for the hire of Equipment as documented in Lily Comms' standard hire form; such contract to be subject to the terms and conditions in clause 14.

Hire Period: the term of the hire of Equipment under the Hire Agreement, as determined pursuant to the provisions of clause 14.1.

Hosted Sub Licence: a sub licence granted by Lily Comms to the Customer for a hosted product for use in connection with Fixed Network Services.

Installation Date: the date on which the Equipment is installed.

Installation Services: the services relating to the installation by Lily Comms (or its duly authorised agents) of the Equipment (where applicable).

IT Support Services: the IT support services to be provided by Lily Comms to the Customer as specified in the Order.

IT Support Services Contract: where applicable, the Contract for the supply of IT Support Services.

Maintenance Services: the maintenance services to be provided by Lily Comms to the Customer as described in the Order, together with such other maintenance services that Lily Comms agrees to supply to the Customer from time to time.

Maintenance Services Contract: where applicable, the Contract for the supply of Maintenance Services.

Minimum Hire Period: the minimum contract term that applies to the Hire Agreement as specified therein.

Minimum Term: the minimum contract term that applies to the Maintenance Services, the Fixed Network Services, the Data Services, the IT Support Services and/or the Mobile Services as the case may be shall unless a different minimum term is specified for any such Service in the Service Specific Conditions section of the Order Form be the period of five years commencing on the Commencement Date.

Mobile Services: the mobile services to be provided by Lily Comms to the Customer as specified in the Order.

Mobile Services Contract: where applicable, the Contract for the supply of Mobile Services.

Notes Section: the section of the order form marked "Notes Section".

OFCOM: the Office of Communications or any equivalent successor body.

Order: the Customer's order for Services as set out in the Order Form; such Order being subject to these Conditions.

Order Form: the document which sets out amongst other things the Services which the Customer would like Lily Comms to provide to it and certain details in respect thereof including when read in conjunction with these Conditions the basis on which the charges for providing the Services will be calculated. The Order Form shall be prepared by Lily Comms and sent to the Customer for signature by or on behalf of the Customer and returned to Lily Comms. The Order Form may be prepared, sent, signed or returned either electronically or physically.

Personal Data: has the meaning given to it in the Data Protection Act 1998.

Rental Payment: the payment that is required to be made by the Customer to Lily Comms for the hire of the Equipment under the Hire Agreement, as set out therein under the section headed "Rental Payments and Period of Hire".

Services: the services to be supplied by Lily Comms to the Customer being any or all of the Installation Services, Maintenance Services, Fixed Network Services, Data Services, IT Support Services and/or Mobile Services, as the case may be, and **Service** shall be construed accordingly but shall exclude the provision of DNS servers and mail servers.

Service Specific Conditions: any policies, terms or procedures that apply to and shall be incorporated into the Contract, as specified in the notes section of the Order Form.

Site: the Customer's place of business as specified in the Order Form where any Services are to be provided or carried out and/or (where applicable) Equipment is to be delivered and any Installation is to take place, as specified in the Order Form.

Small Business Customer: a Customer identified on the Order Form as not being a communications provider and who has 10 or fewer individuals working for that Customer (whether as employees, volunteers or otherwise).

Specification: the description or specification of the relevant Services and/or Equipment provided in writing by Lily Comms to the Customer as set out in the Order Form.

Tariff: The standard tariff as set out at <http://www.lilycomms.co.uk/legal/> and as varied in the Notes Section of the Order Form for Fixed Network Services, Data Services and the IT Support Services as attached to the Order Form and as amended or notified to the Customer from time to time.

VOIP: Voice Over Internet Protocol being the use of the internet as the transmission medium for telephone calls by digital means (rather than the traditional telephone system based on copper wires carrying analogue data).

Construction. In these Conditions, the following rules apply:

1.2

- (a) a **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality);

- (b) a reference to a party includes its personal representatives, successors or permitted assigns;
- (c) a reference to a statute or statutory provision is a reference to such statute or statutory provision as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or re-enacted;
- (d) any phrase introduced by the terms **including, include, in particular** or any similar expression, shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and
- (e) a reference to **writing** or **written** includes e-mails but excludes faxes.

2. BASIS OF CONTRACT

- 2.1 The sending of the Order Form by Lily Comms to the customer constitutes an offer by Lily Comms to the Customer to provide services and/or Equipment in accordance with these conditions, the Order and any service specific conditions ("the Offer"). The Offer may be withdrawn at any point by Lily Comms prior to it being accepted by the Customer.
- 2.2 The offer shall be accepted and the Contract shall be formed and come into existence at the point when Lily Comms receives the Order Form, either electronically or physically, duly signed (either electronically or physically) by or on behalf of the Customer at which point and on which date the Contract shall come into existence (subject where applicable to clauses 4.1, 5.6, 6.6 and 7.5). If Lily Comms has not received the Order Form duly signed for or on behalf of the Customer within [12 months] from the date on which it is sent to by Lily Comms to the Customer the offer to contract with the Customer shall be deemed to have been withdrawn unless otherwise agreed between Lily Comms and the Customer.
- 2.3 The Contract constitutes the entire agreement between the parties. The Customer acknowledges that it has not relied on any statement, promise, representation, assurance or warranty made or given by or on behalf of Lily Comms which is not set out in the Order Form, the Service Specific Conditions or the terms (or incorporated by reference in any of them).
- 2.4 Any samples, drawings, descriptive matter or advertising issued by Lily Comms, and any descriptions or illustrations contained in Lily Comms' catalogues or brochures, are issued or published for the sole purpose of giving an approximate idea of the services described in them. They shall not form part of the Contract nor have any contractual force.
- 2.5 These Conditions apply to the Contract to the exclusion of any other terms that the Customer seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing. In the event of any conflict between these Conditions and any Service Specific Conditions, the Service Specific Conditions shall prevail. In the event of any conflict between these Conditions, any Service Specific Conditions and the Order Form, the Order Form will prevail in relation to that Service.
- 2.6 Any quotation given by Lily Comms shall not constitute an offer, and is only valid for a period of 20 Business Days from its date of issue.
- 2.7 The Customer warrants to Lily Comms that it is entering into the Contract for the purpose of its business, trade or profession and not as a consumer.
- 2.8 Except for Installation Services that shall form part of a Contract for the supply of Equipment, each order for Maintenance Services, Data Services or Fixed Network Services shall be

deemed to be a separate Contract (irrespective of whether more than one or all of them are included on the same Order Form).

- 2.9 To the extent that there is any failure or delay by Lily Comms to supply one of the Services, that shall not entitle the Customer to terminate the Contract for the supply of any other Service or Services as the case may be (if any).

3. SUPPLY OF SERVICES

- 3.1 Lily Comms shall supply the Services to the Customer in accordance with the Contract in all material respects. In the event that the Order Form specifies:

- (a) the supply by Lily Comms to the Customer of Equipment and Installation Services and/or Maintenance Services, clause 4 of these Conditions shall also apply to the Contract;
- (b) the supply by Lily Comms to the Customer of Fixed Network Services, clause 5 of these Conditions shall also apply to the Contract;
- (c) the supply by Lily Comms to the Customer of Data Services, clause 6 of these Conditions shall also apply to the Contract; and
- (d) the supply by Lily Comms to the Customer of IT Support Services, clause 7 of these Conditions shall also apply to the Contract.

- 3.2 Lily Comms shall use all reasonable endeavours to deliver any Services on or by any date or dates specified in the Order Form, but any such dates shall be estimates or for guidance only and time shall not be of the essence for the performance of the Services.

- 3.3 Lily Comms shall have the right to make any changes to any Services which are necessary to comply with any applicable law or safety requirement, or which do not materially affect the nature or quality of the relevant Services. Lily Comms shall notify the Customer of any such change.

- 3.4 Lily Comms warrants to the Customer that the relevant Services will be provided using reasonable care and skill, subject to clauses 4, 5, 6 and 7 of these Conditions.

4. TERMS APPLICABLE TO EQUIPMENT, INSTALLATION SERVICES AND MAINTENANCE SERVICES

- 4.1 Any Order for Equipment is conditional on the availability of such Equipment prior to the Estimated Installation Date. Lily Comms shall use reasonable endeavours to deliver the Equipment and supply the Installation Services with reasonable care and skill in accordance with the estimated period for delivery and installation. Installation within such period is not guaranteed and time shall not be of the essence.

- 4.2 Delivery of Equipment shall be deemed to take place when the relevant Equipment arrives at the Customer's Site (prior to unloading or unpacking) as specified in the Order (**Delivery**) (and **Delivered** shall be construed accordingly). In relation to Delivery of any Equipment:

- (a) the Customer shall be responsible for checking that all details specified in the Order are correct;
- (b) if the Customer fails to take Delivery of any Equipment within 10 Business Days of Lily Comms notifying the Customer that the Equipment is capable of being delivered, the Equipment shall be deemed to have been Delivered in accordance with the Contract and the Equipment shall be at the risk of the Customer and thereafter clause 4.3 shall apply to the Equipment;

- (c) if any Equipment is to be Delivered in instalments, any delay in the Delivery of one instalment shall not entitle the Customer to reject the other instalments or to terminate the Contract; and
 - (d) the risk in any Equipment shall pass to the Customer on Delivery (or deemed Delivery in accordance with clause 4.2(b)) and the Customer shall be responsible for insuring the Equipment from that time.

- 4.3 Notwithstanding clause 4.2(d), ownership of any Equipment contracted to be purchased by the Customer shall not pass to the Customer until such time as the Customer has paid to Lily Comms all sums due for the Equipment and the Installation Services. Unless and until ownership of the Equipment passes to the Customer (if at all), the Customer shall:
 - (a) not remove, deface or obscure any identifying mark on or relating to the Equipment;
 - (b) maintain (except where Lily Comms is also at the time supplying Maintenance Services) the Equipment in satisfactory condition and insured it against all risks for its full price from the date of Delivery or deemed Delivery;
 - (c) not lease, charge or otherwise encumber the Equipment;
 - (d) not remove the Equipment from the Site without Lily Comms' prior written consent;

- 4.4 If the Equipment is leased or rented to the Customer the Customer shall:-
 - (a) return the Equipment at the Customer's cost to Lily Comms immediately on request at the end of the lease or agreement; and
 - (b) permit Lily Comms or its agents to enter any premises of the Customer or of any third party where the Equipment is located in order to recover it.

- 4.5 If the Customer is in breach of the Contract the Customer shall return the Equipment at the Customer's cost to Lily Comms immediately on request and permit Lily Comms or its agents to enter any premises of the Customer or of any third party where the Equipment is located in order to recover it.

- 4.6 Subject to clause 2.2, supply of the Maintenance Services shall commence on the Commencement Date and shall continue for the Minimum Term and thereafter the Maintenance Services Contract shall automatically extend for five years (**Extended Term**) at the end of the Minimum Term and at the end of each Extended Term. A party may give notice in writing to the other party no later than 90 days before the end of the Minimum Term or the relevant Extended Term, to terminate the Maintenance Services Contract at the end of the Minimum Term or the relevant Extended Term, as the case may be.

- 4.7 If for any reason clause 4.6 is deemed to be unreasonable and unenforceable by way of a final court judgment then this clause 4.7 shall apply. Subject to clause 2.2, supply of the Maintenance Services shall commence on the Commencement Date and shall continue for the Minimum Term and thereafter the Maintenance Services Contract shall automatically extend for 12 calendar months (**Extended Term**) at the end of the Minimum Term and at the end of each Extended Term. A party may give notice in writing to the other party no later than 90 days before the end of the Minimum Term or the relevant Extended Term, to terminate the Maintenance Services Contract at the end of the Minimum Term or the relevant Extended Term, as the case may be.

- 4.8 The Maintenance Services shall only be supplied by Lily Comms in relation to the Equipment and to any other equipment agreed by Lily Comms in writing from time to time. Unless agreed otherwise in writing by Lily Comms, Lily Comms shall supply the Maintenance Services in accordance with the Maintenance Service Levels (a copy of which is available at <http://www.lilycomms.co.uk/legal/> as amended from time to time.

- 4.9 The Maintenance Services shall not include or be deemed to include repair or maintenance to:
- (a) equipment that is faulty or has failed due (in whole or in part) to or caused by:
 - (i) fair wear and tear;
 - (ii) the Customer's (including its agents or workers) acts, operating errors, omissions or default;
 - (iii) failure in air-conditioning or fluctuations in electrical power;
 - (iv) any failure of equipment or software attached to or integrated to the Equipment where such equipment or software was not supplied by Lily Comms;
 - (v) vandalism, fire, theft, water or lightening;
 - (vi) any defect or error in software loaded on to the Equipment;
 - (vii) any defect or fault in connection with services supplied to Lily Comms by any Carrier;
 - (viii) failure by the Customer (including its agents or workers) to adequately maintain any Equipment or operate it in accordance with the manufacturer's specifications, guidelines or recommendations; or
 - (ix) any attempt by the Customer or any third party other than Lily Comms or its duly authorised agents to repair, reconfigure, re-program or otherwise alter the Equipment or any equipment or cabling attached to it.
 - (b) ancillary items, including but not limited to, answer-phones, analogue and digital phones or devices, call loggers, payphones, computers, servers, uninterruptible power supplies, batteries, fax machines, public address systems, printers, cabinets, external music on hold sources, any cabling and/or consumables unless otherwise agreed in writing;
 - (c) the maintenance or repair of any extension wiring, any Equipment not at the Site, or of anything other than the Equipment; or
 - (d) the reprogramming of the Equipment to provide improved or modified services or facilities.
- 4.10 In the event that Lily Comms carries out Maintenance Services to any Equipment which has, in its reasonable opinion failed or become faulty due (wholly or partially) to any of the circumstances described in clause 4.9, Lily Comms shall be entitled to charge additional fees for such services calculated in accordance with clause 9.5.
- 4.11 In carrying out the Maintenance Services Lily Comms shall not (subject to clause 16) be liable for the loss of any data or information stored on the Equipment or any other equipment that may be affected by the carrying out of the Maintenance Services and the Customer shall ensure that appropriate backups of all data and information are maintained.
- 4.12 In rectifying any fault to Equipment it may be necessary for Lily Comms to reset the Equipment's software. In such cases, Lily Comms shall not be responsible for resetting or reloading equipment programming and user profiles.
- 4.13 The Maintenance Services are limited to the provision and repair of the Equipment by Lily Comms on a like for like basis, which may include Lily Comms supplying reconditioned parts for Equipment and reconditioned Equipment. Any Equipment that is removed or replaced and any parts that are removed or installed in Equipment in the carrying out of the Maintenance Services shall become or shall remain (as the case may be) the property of Lily Comms.

- 4.14 Subject to clause 16, Lily Comms shall not be liable for any delay in the performance of the Maintenance Services where such delay is attributable to no or poor or delayed availability of spare parts for any item of Equipment.
- 4.15 If the Customer terminates a Contract (in whole or in part) for Maintenance Services before the end of any applicable Minimum Term or Extended Term, the Customer shall pay to Lily Comms all charges that would have accrued during the period from the expiry of the Customer's notice to terminate (or where no notice is given the date of indication by the Customer of an intention to no longer be bound by the Contract (in whole or in part)) to the end of the Minimum Term or Extended Term (as the case may be).

5. TERMS APPLICABLE TO FIXED NETWORK SERVICES

- 5.1 Subject to clause 2.2 and clause 5.5, the supply of the Fixed Network Services shall commence on the Commencement Date and shall continue for the Minimum Term.
- 5.2 If the Commencement Date for the provision of Fixed Network Services has not occurred prior to the first anniversary of the Contract Date for the Fixed Network Services then the Contract in respect thereof shall be deemed to have terminated unless otherwise agreed between Lily Comms and the Customer. The rights of the parties that have accrued prior to such termination shall not be affected by such termination.
- 5.3 Subject to clause 5.5, the Fixed Network Services Contract shall automatically extend for five years (**Extended Term**) at the end of the Minimum Term and at the end of each Extended Term. A party may give notice in writing to the other party no later than 90 days before the end of the Minimum Term or the relevant Extended Term to terminate the Fixed Network Services Contract at the end of the Minimum Term or the relevant Extended Term, as the case may be.
- 5.4 In the event that clause 5.3 is deemed to be unreasonable and unenforceable by way of a final court judgment then this clause 5.4 shall apply. Subject to clause 5.5, the Fixed Network Services Contract shall automatically extend for 12 calendar months (**Extended Term**) at the end of the Minimum Term and at the end of each Extended Term. A party may give notice in writing to the other party no later than 90 days before the end of the Minimum Term or the relevant Extended Term to terminate the Fixed Network Services Contract at the end of the Minimum Term or the relevant Extended Term, as the case may be.
- 5.5 Where the Customer is a Small Business Customer, the Customer may terminate the Fixed Network Services Contract by giving not less than 90 days notice in writing to Lily Comms, such notice to expire no earlier than the end of the Minimum Term.

- 5.6 The provision of any Fixed Network Services by Lily Comms under a Fixed Network Services Contract is conditional on:
- (a) Lily Comms carrying out such surveys as it deems necessary to satisfy itself that that it is possible for it to supply the Fixed Network Services;
 - (b) the installation of the lines over which the Fixed Network Services are to be provided and such lines being fully operational; and
 - (c) the Customer providing to Lily Comms to its satisfaction accurate information and data to enable Lily Comms to calculate the Charges and to carry out a site survey.

- 5.7 Lily Comms warrants to the Customer that Fixed Network Services will be provided using reasonable care and skill. The Customer agrees that Lily Comms cannot guarantee that the Fixed Network Services will work without interruption and will be fault or error free. Any

interruption, fault or error with the Fixed Network Services must be notified to Lily Comms in accordance with clause 5.8.

- 5.8 The Customer shall notify Lily Comms of any interruption, fault or error with the Fixed Network Services in accordance with Lily Comms' Fault Handling Policy (available at <http://www.lilycomms.co.uk/legal/> as amended from time to time. Lily Comms shall use reasonable endeavours to correct or cure any interruption, fault or error with the Fixed Network Services in accordance with Lily Comms' Fault Handling Policy, save that time shall not be of the essence.
- 5.9 Notwithstanding any other provision of these Conditions, Lily Comms shall not be liable to the Customer in contract, tort (including negligence) or otherwise for any acts or omissions of Carriers that may (wholly or partially) cause, impact or result in any interruption, fault error with or withdrawal of (temporarily or permanently) the Fixed Network Services.
- 5.10 All and any telephone numbers allocated to the Customer in connection with the Fixed Network Services may be withdrawn by OFCOM and accordingly Lily Comms does not warrant or represent that such telephone numbers can be provided to the Customer. The Customer acknowledges and agrees that any telephone numbers allocated to it are allocated on the basis of a licence and the Customer agrees not to sell or transfer any telephone number provided to it (except where the Customer has a right to port that telephone number).
- 5.11 In relation to the use of the Fixed Network Services the Customer agrees:
- (a) to ensure that the Fixed Network Services are not used to make offensive, indecent, menacing, nuisance or hoax calls;
 - (b) not to use the Fixed Network Services in anyway that may, in Lily Comms' reasonable opinion, damage its reputation;
 - (c) not to contravene any laws, regulations or codes of conduct that may, from time to time, be applicable to the use or supply of the Fixed Network Services;
 - (d) to implement and maintain appropriate security and control over its networks, equipment and business to prevent fraud and to prevent calls being generated by third parties;
 - (e) to maintain adequately all equipment utilised in connection with the Fixed Network Services and ensure its compatibility in terms of technical specification;
 - (f) not to use nor permit the Fixed Network Services to be used in any way that would constitute or contribute to the commission of any crime, tort, fraud or other unlawful activity;
 - (g) not to allow any unauthorised use of the Fixed Network Services and to take all reasonable security measures to prevent such use;
 - (h) not to sell or resell the Fixed Network Services in whole or in part;
 - (i) not to misuse the Fixed Network Services in any way, including without limitation causing the volume of calls made to the telephone numbers allocated to the Customer to significantly exceed that which can be answered by the Customer where this would cause congestion to a network;
 - (j) that Lily Comms may publish details of the Customer's name, address and telephone number(s) in the Directory Enquiries Service, unless the Customer expressly confirms to Lily Comms in writing that it would like a special entry to be made, for which Lily Comms may make an additional charge;
 - (k) that to the extent the Fixed Network Services contain VOIP services, clause 6.12 shall also apply save that references in that clause to Data Services shall be deemed to be references to Fixed Network Services; and

- (l) in order to protect the Customer against unauthorised transfer of Fixed Network Services, in the event that the Customer fails to contact Lily Comms not less than 48 hours prior to any transfer date in accordance with Lily Comms' Customer Transfer Preference Policy, Lily Comms may cancel any order made with a third party supplier.
- 5.12 Any equipment installed or supplied by Lily Comms to the Customer in connection with the Fixed Network Services (including but not limited to handsets) shall, except for equipment purchased by the Customer under clause 4, at all times remain the property of Lily Comms. Clause 4.3 shall apply to such equipment as if it were deemed to be Equipment. The Customer shall return such equipment to Lily Comms immediately on request and shall be liable for costs, losses, damages and expenses incurred by Lily Comms for the repair, recovery and replacement of such equipment.
- 5.13 Upon termination of the Fixed Network Services Contract (for whatever reason), the Customer shall return any handsets installed or supplied by Lily Comms to the Customer in connection with the Fixed Network Services at the Customer's cost. If such handsets are not returned within seven days following the termination of the Fixed Network Services Contract, Lily Comms reserves the right to charge the Customer a fee in respect of each handset, as specified in the Tariff.
- 5.14 Lily Comms shall be entitled to make additional charges in the event that the Customer supplies inaccurate or misleading information to Lily Comms or if the results of any survey reveal additional construction work is required in order for Lily Comms to supply the relevant Fixed Network Services.
- 5.15 Where the transfer of lines and services of another supplier occurs, then the provision of any and all relevant existing services supplied to the Customer by such supplier will automatically transfer to Lily Comms and will be charged for by Lily Comms in accordance with the Tariff.
- 5.16 The Customer acknowledges and accepts that it is liable for any charges (including without limitation any early termination charges) made by third party suppliers for any transfer of lines and services or otherwise, unless it is clearly stated on the Order Form that Lily Comms will pay for such charges in which case Lily Comms will pay for such charges but limited to those specifically as set out on the Order Form.
- 5.17 The Customer accepts and acknowledges that Lily Comms will prior to the Handover Date have spent a significant amount of time and incurred expense in preparation for the provision of the Fixed Network Services to the Customer. In the event that the Customer terminates the Contract for Fixed Network Services prior to the Handover Date it shall pay to Lily Comms £500 plus vat. This clause 5.17 shall not apply where the Customer is a Small Business Customer. Where the Customer is a Small Business Customer, the Customer may terminate a Contract for Fixed Network Services at any time prior to commencement of the supply of such Services.
- 5.18 The following provisions of this clause 5.18 shall apply in the event that after the Handover Date the Customer terminates the Contract for Fixed Network Services in breach of contract prior to the expiry of the Minimum Term or the Extended Terms as the case may be
- (a) In this clause 5.18 **Remainder of the Term** means (where the Customer terminates or is deemed to have terminated the Contract in breach of contract) the period that the Contract would have had left to run if the Customer had instead terminated it at the earliest following opportunity without being in breach of contract.
 - (b) Save where the Customer has contracted for the supply of line rental only, a Customer agrees that it shall not on lines contracted to be billed by Lily Comms use those lines for calls charged for by another supplier. If in breach of this clause the Customer does

use lines supplied by Lily Comms for the carriage of calls charged for by another supplier the Customer shall be deemed to be in breach of the Contract for the supply of Fixed Network Services and at Lily Comms' option the Customer shall be deemed to have terminated the Contract for Fixed Network Services in breach of contract and the provisions of this clause 5.18 shall apply.

- (c) If in breach of contract the Customer terminates a Contract for Fixed Network Services before the end of the Minimum Term or where applicable the end of an Extended Term (as the case may be), the Customer shall be liable to pay to Lily Comms an amount calculated in the following manner:-
 - (i) (by reference to line rental) the sum that it would have paid to Lily Comms for the rental of the lines for the Remainder of the Term calculated at the rate then applying at the time of termination; plus
 - (ii) (by reference to call charges) either the sum of £500 or if greater the average of the monthly charges for calls incurred by the Customer for the three whole months prior to the termination of the Contract multiplied by the period of the Remainder of the Term (expressed in months)

- 5.19 The Customer agrees not to use in connection with the Fixed Network Service provided by Lily Comms any telephone number that the Customer does not have the legitimate right to use. In this regard the Customer shall not "present out" any telephone number that it does not have the right to use; such as a telephone number of a competitor.

- 5.20 Where Lily Comms grants to the Customer a Hosted Sub Licence it shall terminate at the point when Lily Comms ceases to provide to the Customer the Fixed Network Services in respect of which the Hosted Sub Licence was granted and the Hosted Sub Licence and all rights in the Hosted Sub Licence shall revert to and be owned in their entirety by Lily Comms.

- 6. **TERMS APPLICABLE TO DATA SERVICES**

- 6.1 Subject to clause 6.6, the supply of the Data Services shall commence on the Commencement Date and shall continue for the Minimum Term.

- 6.2 Subject to the remaining provisions of this clause if the Commencement Date for the provision of Data Services has not occurred prior to the first anniversary of the Contract Date for the Data Services then the Contract in respect thereof shall be deemed to have terminated. Lily Comms may by giving written notice to the Customer extend the period referred to in this clause by six months if the reason why the Commencement Date has not occurred is outside of the control of Lily Comms. Further, the period may be extended in by such period as Lily Comms and the Customer agree. The rights of the parties that have accrued prior to such termination shall not be affected by such termination.

- 6.3 Subject to clause 6.5 the Data Services Contract shall automatically extend for five years (**Extended Term**) at the end of the Minimum Term and at the end of each Extended Term. Either party may give notice in writing to the other party no later than 90 days before the end of the Minimum Term or of the end of the relevant Extended Term, to terminate the Data Services Contract at the end of the Minimum Term or the relevant Extended Term, as the case may be.

- 6.4 If for any reason clause 6.3 is deemed to be unreasonable and unenforceable by way of a final court judgment then this clause 6.4 shall apply. Subject to clause 6.5 the Data Services Contract shall automatically extend for 12 calendar months (**Extended Term**) at the end of the Minimum Term and at the end of each Extended Term. Either party may give notice in writing to the other party no later than 90 days before the end of the Minimum Term or of the end of the relevant Extended Term, to terminate the Data Services Contract at the end of the Minimum Term or the relevant Extended Term, as the case may be.

- 6.5 Where the Customer is a Small Business Customer, the Customer may terminate the Data Services Contract by giving not less than 90 days notice in writing to Lily Comms, such notice to expire no earlier than the end of the Minimum Term.
- 6.6 The provision of any Data Services by Lily Comms under a Data Services Contract is conditional on:
- (a) Lily Comms carrying out such surveys as it considers necessary to satisfy itself that that it is feasible for it to supply the Data Services and Lily Comms being satisfied with the results of such surveys;
 - (b) Lily Comms not being prevented by circumstances and factors outside of its control from being able to supply the Data Services. Examples of such circumstance and factors include (without limit) the infrastructure not being able to support the Data Services, the Customer not obtaining the necessary permission from third parties such as a landlord to install the necessary infrastructure, or a public body such as a local authority or highways authority withholding consent to the installation of the infrastructure where such consent is required;
 - (c) the installation of the lines over which the Data Services are to be provided and such lines being fully operational; and
 - (d) the Customer providing to Lily Comms to its satisfaction accurate information and data to enable Lily Comms to calculate the Charges and to carry out or commission a site survey.
- 6.7 Lily Comms warrants to the Customer that Data Services will be provided using reasonable care and skill. The Customer agrees that Lily Comms cannot guarantee that the Data Services will work without interruption and will be fault or error free. Any interruption, fault or error with the Data Services must be notified to Lily Comms in accordance with clause 6.8.
- 6.8 The Customer shall notify Lily Comms of any interruption, fault or error with the Data Services in accordance with Lily Comms' Fault Handling Policy (available at <http://www.lilycomms.co.uk/legal/> as amended from time to time. Lily Comms shall use reasonable endeavours to correct or cure any interruption, fault or error with the Data Services in accordance with Lily Comms' Fault Handling Policy, save that time shall not be of the essence.
- 6.9 Notwithstanding any other provision of these Conditions, Lily Comms shall not be liable to the Customer in contract, tort (including negligence) or otherwise for any acts or omissions of suppliers that may (wholly or partially) cause, impact or result in any interruption, fault or error with, or withdrawal of (temporarily or permanently), the Data Services.
- 6.10 In relation to the use of the Data Services the Customer agrees and where appropriate accepts:
- (a) to comply with the obligations in clauses 5.11(a) to 5.11(i) (inclusive) as if references in those clause to Fixed Network Services were references to Data Services;
 - (b) not to misuse the Data Services in any way, including sending or receiving data in such a manner or volume so as to exceed agreed usage limits or so as to adversely affect the network, Lily Comms or its other customers;
 - (c) that the speed of any Data Services or connection depends on a number of factors beyond Lily Comms' control (including external factors and physical factors) (such as local availability, the distance from the exchange and peak traffic volume) and that Lily Comms does not warrant or represent that the Customer's connection(s) will produce the maximum advertised speed;
 - (d) that except where stated otherwise in the Order Form, the Data Services do not include the supply by Lily Comms of lines, modems and other equipment that might

be required by the Customer to utilise the Services nor advice on these unless Lily Comms is specifically engaged to do so under a separate contract which shall be in addition to the provision of Data Services under the Data Services Contract;

- (e) to comply with Lily Comms' Fair Use Policy (available at <http://www.lilycomms.co.uk/legal/> as amended from time to time;
 - (f) provide suitable space and environment at the Site for the equipment used in the provision of the Data Services (such as sufficient cooled space on a rack) and to do so in a timely manner. Compliance by the Customer with this clause shall be entirely at the Customers cost.
 - (g) In respect of any router supplied by or on behalf of Lily Comms for a managed internet Ethernet circuit unless otherwise specifically agreed with Lily Comms:-
 - (i) the router will be provided in a routed IP configuration and its sole purpose is to create an interface for the Customer to plug equipment into and it is not to be used for any other purpose;
 - (ii) the router is the demarcation point at which the responsibility for the provision of Data Services by Lily Comms ends;
 - (iii) access to the command interface of the router (which would be required to configure the router) will not be provided to the Customer, nor will other functions that the router may be capable be enabled such as wireless connectivity and firewall functionality;
 - (iv) Lily Comms is not responsible for configuration of the router other than to an IP configuration; and
 - (v) Lily Comms shall not be responsible for installing firewalls or plugging in the router and if the Customer requires firewalls the Customer shall be responsible for processing their installation.
 - (h) In respect of a router supplied by or on behalf of Lily Comms for an internet broadband service it will be provided in a NAT (Network Address Translation) configuration with DHCP Scope enabled unless otherwise agreed.
- 6.11 Lily Comms is under a duty to all of its customers to preserve network integrity and capacity and avoid degradation. The Customer agrees that:
- (a) if in Lily Comms' reasonable opinion the Customer's use of Data Services is adversely affecting, or may adversely affect, integrity and capacity of networks, Lily Comms may take such steps as it deems appropriate to manage the Customer's Data Services;
 - (b) Lily Comms and/or the Carrier may take such steps as it deems necessary to stop emails that appear to be bulk emails or which appear to be or of an unsolicited nature from entering networks an this may including blocking access to or delivery of any such emails; and
 - (c) Lily Comms and/or the Carrier may operate virus screen technology which may result in the deletion or alteration of emails or their attachments.
- 6.12 Where the Data Services involve the supply of VOIP services, then it is agreed that the following shall apply and the Customer accepts that:
- (a) the Customer's ability to make emergency calls and their priority treatment can not be guaranteed and that any suspension or interruption of the VOIP service may result in the Customer being unable to make emergency calls;
 - (b) the VOIP services are generally not considered to be as reliable as calls made over conventional telephone lines and Customers are advised to maintain the ability to make telephone calls other than as through a VOIP system, such as by maintaining a conventional telephone line;

- (c) the Customer acknowledges that the VOIP service may sometimes be limited, unavailable or interrupted due to events beyond Lily Comms' control, such as those specified in clause 19.1 (force majeure); and
 - (d) the VOIP services may not offer all of the features or resilience that the Customer may expect from a conventional telephone line.

- 6.13 Other than Equipment purchased by the Customer, any equipment installed or supplied by Lily Comms to the Customer in connection with the Data Services (including but not limited to routers) shall at all times remain the property of Lily Comms. The provisions of clauses 4.3 (a) to (d) shall apply to all such equipment. The Customer shall return such equipment to Lily Comms immediately on request or cessation of the provision of Data Services and the Customer shall be liable for all costs, losses, damages and expenses incurred by Lily Comms for the repair, recovery and replacement of such equipment.

- 6.14 Upon termination of the Data Services Contract (for whatever reason), the Customer shall return any routers installed or supplied by Lily Comms to the Customer in connection with the Data Services at the Customer's cost. If such routers are not returned within seven days following the termination of the Data Services Contract, Lily Comms reserves the right to charge the Customer a fee in respect of each router, as specified in the Tariff.

- 6.15 Where the Customer wishes to transfer the provision of any lines or services from another supplier to Lily Comms, the Customer shall:
 - (a) provide to Lily Comms such accurate information as is required by Lily Comms to enable the migration from the current supplier; and
 - (b) be responsible for all costs, charges and penalties that may arise as a result of or in connection with such transfer.

- 6.16 The Customer acknowledges and accepts that it is liable for all cancellation or termination payments and charges (including without limitation any early termination charges) levied by a previous supplier for the transfer of the provision of services and lines to Lily Comms unless it is stated on the Order Form that Lily Comms will be responsible for the payment of such Charges.

- 6.17 The Customer accepts and acknowledges that Lily Comms will prior to the Connection Date have spent a significant amount of time and incurred expense in preparation for the provision of the Data Services to the Customer. In the event that the Customer terminates the Contract prior to the Connection Date it shall pay to Lily Comms: (a) £500 plus vat in respect of the time spent by Lily Comms in preparation for the provision of the Data Services to the Customer; and (b) an amount equal to the direct expenses (plus vat) incurred by Lily Comms to its supplier(s) in the preparation of Data Services to the Customer limited to £2,000. This clause 6.17 shall not apply where the Customer is a Small Business Customer.

- 6.18 Where the Customer is a Small Business Customer, the Customer may terminate a Contract for Data Services at any time prior to commencement of the supply of such Data Services.

- 6.19 The following provisions of this clause 6.19 shall apply in the event that after the Connection Date the Customer terminates the Contract for Data Services in breach of contract prior to the expiry of the Minimum Term or the Extended Terms as the case may be
 - (a) In this clause 6.19 **Remainder of the Term** means (where the Customer terminates or is deemed to have terminated the Contract in breach of contract) the period that the Contract would have had left to run if the Customer had instead terminated it at the earliest following opportunity without being in breach of contract. Where the Customer terminates the Contract for Data Services in breach of contract after the

Connection Date but before the Handover Date then the Remainder of the Term shall be deemed to have commenced on the Connection Date.

- (b) The Customer acknowledges and accepts that to enable Lily Comms to provide the Data Services to the Customer, Lily Comms will enter into a contract for a fixed term with its supplier at the Connection Date. As is common with such contracts Lily Comms may remain liable to its supplier whether or not the Contract for Data Services with the Customer terminates prior to the end of the Minimum Term or the Extended Term as the case may be.
- (c) In the event that the Customer is in breach of contract by terminating the Contract for Data Services otherwise than in accordance with clause 6.3 or 6.4 if applicable (and/or 6.5 where the Customer is a Small Business Customer) before the end of the Minimum Term or where applicable the end of an Extended Term (as the case may be) the Customer shall pay to Lily Comms (subject to the provisions of clause (d)) as liquidated damages an amount equal to the sum that the Customer would have been liable to pay to Lily Comms for the Remainder of the Term for the Data Services (calculated at the rate which applied at the time of termination) less any reduction that may apply pursuant to the provisions of clause 6.19(d) below. Where such termination occurs after the Connection Date but before the Commencement Date then the rate shall be the rate that would have applied at the Commencement Date had the Contract not been terminated.
- (d) If the provisions of clause 6.19(c) apply and in the event that a supplier used by Lily Comms to provide the Data Services to the Customer reduces the amount that it charges to Lily Comms from that which it is contractually entitled to charge in respect of the Remainder of the Term Lily Comms shall advise the Customer of the amount of the reduction and that reduction shall be deducted from the amount payable under clause 6.19(c).

7. TERMS APPLICABLE TO IT SUPPORT SERVICES

7.1 For the purpose of the IT Support Services, the following terms shall have the following meanings:

Service Level Agreement: the service levels for the provision of IT Support Services as set out at <http://www.lilycomms.co.uk/legal/> as varied from time to time

System: the hardware, operating systems and software listed in the Order Form.

Support Hours: the hours listed on the Order Form.

Out of Hours: such hours and times that not within the Support Hours.

Support Request: includes the following: a request submitted by the Customer via telephone or email for support by Lily Comms under the IT Support Services; and automated messages for support generated by the System and sent directly to Lily Comms for attention.

7.2 Subject to clause 2.2, the supply of the IT Support Services shall commence on the Commencement Date and continue for the Minimum Term.

7.3 The IT Support Services Contract shall automatically extend for five years (**Extended Term**) at the end of the Minimum Term and at the end of each Extended Term. Either party may give notice in writing to the other party no later than 90 days before the end of the Minimum Term or the relevant Extended Term, to terminate the IT Support Services Contract at the end of the Initial Period or the relevant Extended Term, as the case may be.

7.4 If for any reason clause 7.3 is deemed to be unreasonable and unenforceable by way of a final court judgment then this clause 7.4 shall apply. The IT Support Services Contract shall automatically extend for 12 calendar months (**Extended Term**) at the end of the Minimum Term

and at the end of each Extended Term. Either party may give notice in writing to the other party no later than 90 days before the end of the Minimum Term or of the end of the relevant Extended Term, to terminate the IT Support Services Contract at the end of the Minimum Term or the relevant Extended Term, as the case may be

- 7.5 The provision of any IT Support Services by Lily Comms under an IT Support Services Contract is conditional on:
- (a) Lily Comms carrying out such surveys as it deems necessary to satisfy itself that it is possible for it to supply the IT Support Services; and
 - (b) the Customer providing to Lily Comms to its satisfaction accurate information and data to enable Lily Comms to provide IT Support Services.
- 7.6 Subject to the Customer's payment of the Charges, Lily Comms will provide the IT Support Services to the Customer:
- (a) during Support Hours, unless support during Out of Hours is requested by the Customer and this is agreed to be provided by Lily Comms;
 - (b) meeting or exceeding the service levels referred to in the Service Level Agreement;
 - (c) remotely, unless otherwise agreed between Lily Comms and the Customer.
- 7.7 In relation to the use of the IT Support Services the Customer agrees:
- (a) that the IT Support Services shall be provided by Lily Comms remotely, unless otherwise agreed;
 - (b) to permit Lily Comms remote access to its System and inform Lily Comms of any changes to passwords or other security devices to enable Lily Comms to access the System;
 - (c) to keep back-up copies of its operating systems and software;
 - (d) to keep back-up copies of its data in line with recommendations made by the relevant software providers or Lily Comms from time to time;
 - (e) to make available such personnel of the Customer with appropriate skills, knowledge and authority to assist Lily Comms in the diagnosis of faults and the implementation of reasonable instructions intended to rectify or prevent recurrence of faults;
 - (f) to promptly check that files have been restored from back-up when restoration from back-up has been tested.
- 7.8 Lily Comms shall prioritise all Support Requests based on its reasonable assessment of the severity level of the problem reported and use its reasonable endeavours to respond to all Support Requests with a break fix in accordance with the response times set out in the Service Level Agreement.
- 7.9 Lily Comms will seek to acknowledge all Support Requests within one working office hour of being logged.
- 7.10 The Customer acknowledges and agrees that:
- (a) in the event that a fault in the System is caused by an error or defect in the operating system or software, the sole responsibility of Lily Comms will be to notify the Customer of the issue and to devise (where possible) a workaround for the Customer;
 - (b) the sole responsibility of Lily Comms in respect of any hardware issues shall be to diagnose faults in the hardware. The correction of any faults in the hardware shall be undertaken in accordance with the manufacturer's warranty;

- (c) Lily Comms will not be liable for any loss of data, loss of productivity or financial losses incurred due to incomplete or corrupt back-ups of data or back-up procedures.

- 7.11 In the event that the Customer requests and Lily Comms provides IT Support Services in excess of the Customer's allocated allowance, Lily Comms shall be entitled to charge additional fees for such services in accordance with clause 9.10.
- 7.12 Lily Comms shall, at the request and cost of the Customer, provide the Customer with a report summarising the Support Requests received, the time of receipt, the time of response and the time the Support Request is cleared. Any such request must be made in writing to Lily Comms and the Customer acknowledges and agrees that reports can only be provided by Lily Comms in respect of the month or months following the receipt of the request.
- 7.13 Lily Comms warrants to the Customer that the IT Support Services will be rendered by personnel with appropriate skills and experience to provide the IT Support Services. The Customer agrees that Lily Comms cannot guarantee that the provision of the IT Support Services will cause the System to work without interruption or error. The warranties provided by Lily Comms in clause 3.4 and this clause 7.13 shall be in lieu of and shall operate to exclude any other condition or warranty whether express or implied by law as to the provision of the IT Support Services.
- 7.14 The Customer warrants to Lily Comms that it owns or has the benefit of a valid and subsisting licence to use every element of the System and it has full authority to permit Lily Comms to perform the IT Support Services hereunder.
- 7.15 The Customer will fully indemnify and hold harmless Lily Comms against all costs, expenses, liabilities, losses, damages and judgments that Lily Comms may incur or be subject to as a result of a breach of clause 7.14.

8. TERMS APPLICABLE TO MOBILE SERVICES

For the purpose of the Mobile Services, the following terms shall have the following meanings:

- 8.1 **Airtime Provider:** the relevant mobile network operator or wireless communications service provider.
- Connection:** connection to any Airtime Provider's network.
- Hardware Fund:** the fund allocated to the Customer to allow it to purchase equipment in connection with the Mobile Services.
- Retail Mobile Services:** the mobile services to be provided by Lily Comms to the Customer, where the Customer is directly contracted with an Airtime Provider.
- Support Hours:** 9 am to 5.30 pm (GMT).
- Wholesale Mobile Services:** the mobile services to be provided by Lily Comms to the Customer, where the Customer is directly contracted with Lily Comms and not an Airtime Provider.
- 8.2 Subject to clause 2.2, the supply of the Mobile Services shall commence:
 - (a) In the case of Wholesale Mobile Services on the Commencement Date and continue for the Minimum Term;
 - (b) In the case of Retail Mobile Services on the date the contract between the Customer and the Airtime Provider is signed by the Customer and processed by the Airtime

Provider and continue until it expires, is terminated by the Airtime Provider, or the Customer is otherwise released from the contract by the Airtime Provider.

- 8.3 In the case of Wholesale Mobile Services, the Mobile Services Contract shall automatically extend for three years (**Extended Term**) at the end of the Minimum Term and at the end of each Extended Term. Either party may give notice in writing to the other party no later than 90 days before the end of the Minimum Term or the relevant Extended Term, to terminate the Mobile Services Contract at the end of the Initial Period or the relevant Extended Term, as the case may be.
- 8.4 If for any reason clause 8.3 is deemed to be unreasonable and unenforceable by way of a final court judgment then this clause 8.4 shall apply. The Mobile Services Contract shall automatically extend for 12 calendar months (**Extended Term**) at the end of the Minimum Term and at the end of each Extended Term. Either party may give notice in writing to the other party no later than 90 days before the end of the Minimum Term or of the end of the relevant Extended Term, to terminate the Mobile Services Contract at the end of the Minimum Term or the relevant Extended Term, as the case may be.
- 8.5 The provision of any Mobile Services by Lily Comms under a Mobile Services Contract is conditional on:
- (a) the Customer providing to Lily Comms to its satisfaction accurate information and data to enable Lily Comms to provide Mobile Services;
 - (b) Network coverage;
 - (c) Availability of equipment.
- 8.6 Subject to the Customer's payment of the Charges, Lily Comms will provide support for the Mobile Services to the Customer as follows:
- (a) In the case of Wholesale Mobile Services, remote support during Support Hours, unless otherwise agreed between Lily Comms and the Customer with on-site support being chargeable;
 - (b) In the case of Retail Mobile Services, limited support during Support Hours in accordance with the Airtime Provider's terms with on-site support being chargeable.
- 8.7 Lily Comms shall operate and maintain a telephone helpdesk to receive and process any requests for support in respect of the Mobile Services.
- 8.8 In relation to the use of the Mobile Services the Customer agrees:
- (a) that any support for the Mobile Services shall be provided by Lily Comms remotely, unless otherwise agreed;
 - (b) to keep their data backed-up and ensure that software updates are maintained;
 - (c) to make available such personnel of the Customer with appropriate skills, knowledge and authority to assist Lily Comms in the diagnosis of faults and the implementation of reasonable instructions intended to rectify or prevent recurrence of faults.
- 8.9 The Customer acknowledges and agrees that:
- (a) Lily Comms bears no responsibility for and will not be liable for any loss suffered by the Customer as a result of any fault that is caused by an error or defect in the network or software;

- (b) the sole responsibility of Lily Comms in respect of any issues with hardware supplied under or in connection with the Mobile Services shall be to diagnose faults in the hardware. The correction of any faults in the hardware shall be undertaken in accordance with the manufacturer's warranty;
 - (c) Lily Comms will not be liable for any loss of data, loss of productivity or financial losses incurred due to incomplete or corrupt back-ups of data or back-up procedures, network outages, or errors, failures or defects in the operating system;
 - (d) in recognition of the fact that Lily Comms may be entitled to receive payments from the Airtime Provider as a result of the Customer taking up the Mobile Services, the Customer will remain liable to Lily Comms and shall not avoid liability to Lily Comms if the Airtime Provider releases the Customer from its contract for any reason, including (without limitation) if the Customer is released due to an error on the part of the Airtime Provider where the Customer has signed for two (2) years.

- 8.10 Lily Comms warrants to the Customer that the Mobile Services will be rendered by personnel with appropriate skills and experience to provide the Mobile Services. The Customer agrees that Lily Comms cannot guarantee that the Mobile Services will work without interruption or error. Any interruption, fault or error must be notified to Lily Comms using the telephone helpdesk referred to in clause 8.7. The warranties provided by Lily Comms in clause 3.4 and this clause 8.10 shall be in lieu of and shall operate to exclude any other condition or warranty whether express or implied by law as to the provision of the Mobile Services.

- 8.11 The Customer warrants to Lily Comms that, where Lily Comms provides the Mobile Services and the Customer uses equipment it owns or has the benefit of using, the Customer either owns such equipment or has a valid right to use it, and the Customer further warrants that it is the Customer's responsibility to ensure any such equipment works and is suitable as is for the Customer to receive and/or use the Mobile Services. By way of example and without limitation, the Customer must check and ensure that any handset it proposes to use is unlocked and this shall not be the responsibility of Lily Comms.

- 8.12 Notwithstanding any other provision of these Conditions, Lily Comms shall not be liable to the Customer in contract, tort (including negligence) or otherwise for any acts or omissions of the Airtime Provider that may (wholly or partially) cause, impact or result in any interruption, fault error with or withdrawal of (temporarily or permanently) the Mobile Services.

- 8.13 The Customer will fully indemnify and hold harmless Lily Comms against all costs, expenses, liabilities, losses, damages and judgments that Lily Comms may incur or be subject to as a result of a breach of clause 8.11.

- 8.14 Any equipment supplied or installed by Lily Comms to the Customer in connection with the Mobile Services (including but not limited to SIMs, handsets and any subsidised equipment) shall at all times remain the property of Lily Comms, except where the equipment has been purchased by the Customer in accordance with clause 4. Clause 4.3 shall apply to such equipment as if it were deemed to be Equipment. The Customer shall return such equipment to Lily Comms immediately on request and shall be liable for costs, losses, damages and expenses incurred by Lily Comms for the repair, recovery and replacement of such equipment.

- 8.15 Upon termination of the Mobile Services Contract (for whatever reason), the Customer shall return any handsets and SIMs installed or supplied by Lily Comms to the Customer in connection with the Mobile Services at the Customer's cost. If such handsets and SIMs are not returned within seven (7) days following the termination of the Mobile Services Contract, Lily Comms reserves the right to charge the Customer a fee in respect of each handset, such fee being the full market value of the handset(s) at the time of being supplied to the Customer.

- 8.16 In relation to any equipment that is supplied or installed by Lily Comms to the Customer in connection with the Mobile Services hereunder, except for equipment purchased by the Customer under clause 4, the following shall apply:
- (a) The Customer shall notify Lily Comms in writing within three (3) Business Days of receipt if the any of the equipment is damaged, or if the order has been incorrectly fulfilled;
 - (b) Lily Comms is not obliged to offer the Customer a refund, exchange or credit to the Hardware Fund in the event that equipment is ordered by the Customer in error;
 - (c) Lily Comms is not obliged to agree to any upgrades to the equipment it supplies to the Customer at any time, including during or after the Minimum Term (if applicable) but if it does, Lily Comms shall be entitled to extend the Minimum Term;
 - (d) The supply of equipment by Lily Comms to the Customer shall be subject to availability.
- 8.17 Any Hardware Fund and any equipment supplied that has been charged to a Hardware Fund, are supplied by Lily Comms in return that the Customer completes the Minimum Term or the minimum period of the corresponding contract with the Airtime Provider, as applicable.
- 8.18 Where the Mobile Services Contract is completed, then full title of any handsets supplied by Lily Comms shall transfer to the Customer, along with the right for the Customer to claim any outstanding amounts held by Lily Comms in the Hardware Fund.
- 8.19 At the end of the Minimum Term or the minimum period of the corresponding contract with the Airtime Provider, as applicable, should the Customer's Hardware Fund be in a negative position then the Customer acknowledges and agrees to Lily Comms invoicing the full amount, and to pay that amount in line with Lily Comms' standard payment terms.
- 8.20 Where the Customer terminates any Connection prior to the expiry of that Connection's minimum period, the Customer shall pay to Lily Comms a lump sum termination payment calculated as the total amount of the Hardware Fund initially provided to the Customer at the point of connection or renewal, as applicable, minus any unspent amount currently held by Lily Comms.
- 8.21 Where the Customer terminates any Connection prior to the expiry of that Connection's minimum period and the Hardware Fund has been fully utilised by the Customer, the Customer shall pay to Lily Comms a lump sum equal to the Hardware Fund provided for the Connection(s) in question, based on the value of the Hardware Fund provided at the commencement of the current minimum period.
- 8.22 Where the Customer terminates any Connection prior to the expiry of that Connection's minimum period and equipment has been supplied either free of charge or at a reduced rate, the Customer shall pay to Lily Comms a lump sum equal to the equipment provided for the

Connection(s) in question, based on the market value of the equipment provided at the commencement of the current minimum period.

- 8.23 The sums stipulated in clauses 8.20, 8.21 and 8.22 will be charged in addition to any contractual early termination fees imposed by either Lily Comms, or the applicable Airtime Provider in relation to the contract with said Airtime Provider.

9. CUSTOMER'S GENERAL OBLIGATIONS AND TERMS APPLICABLE TO ALL

9.1 SERVICES In relation to the Services, the Customer:

- (a) shall ensure that the terms of the Order and any information it provides in the Specification are complete and accurate;
- (b) shall co-operate with Lily Comms in all matters relating to the relevant Services;
- (c) shall provide Lily Comms, its employees, agents, consultants and subcontractors, with access to the Customer's premises, office accommodation and other facilities as reasonably required by Lily Comms;
- (d) shall provide Lily Comms with such information and materials as Lily Comms may reasonably require in order to supply the relevant Services and/or Equipment, and ensure that such information is accurate in all material respects;
- (e) shall prepare its premises for the supply of the relevant Services (where applicable);
- (f) shall obtain and maintain all necessary licences, permissions and consents which may be required before the date on which the Services are to start (where applicable);
- (g) agrees that Lily Comms may from time to time monitor or record calls made to Lily Comms or by Lily Comms to improve customer service, for training or for marketing purposes;
- (h) agrees that Lily Comms shall not be liable or responsible for any failure or delay in the Services due to or in connection with any third party infrastructure applicable to the supply of any Services;
- (i) agrees to co-operate with any criminal investigations or any investigation of any regulatory body that is applicable to the supply of any of the Services;
- (j) be responsible for ensuring the accuracy of all specifications, drawings, sketches, plans, descriptions and instructions provided to Lily Comms in connection with the supply of any Services and/or Equipment; and
- (k) shall comply with all Service Specific Conditions.

- 9.2 The Customer is responsible and shall be liable to Lily Comms for the use of the Services (including for any Charges incurred) by the actions of any of its employees and any other person who has been given access to use the Services by the Customer and any person who gains access to use the Services for fraudulent purposes including in each case where such use was not authorised by the Customer. The Customer is strongly advised to install robust and effective security provisions to prevent unauthorised and/or fraudulent use.

- 9.3 If Lily Comms' performance of any of its obligations under the Contract is prevented or delayed by any act or omission of the Customer or failure by the Customer to perform any relevant obligation or comply with any obligation or policy under the Conditions (**Customer Default**):

- (a) Lily Comms shall without limiting its other rights or remedies have the right to suspend performance of any Service until the Customer remedies the Customer Default, and to rely on the Customer Default to relieve it from the performance of any of its

obligations to the extent that the Customer Default prevents or delays Lily Comms' performance of any of its obligations;

- (b) Lily Comms shall not be liable for any costs or losses sustained or incurred by the Customer arising directly or indirectly from Lily Comms' failure or delay to perform any of its obligations as set out in this clause 9.3; and
 - (c) the Customer shall reimburse Lily Comms on written demand for any costs or losses sustained or incurred by Lily Comms arising directly or indirectly from the Customer Default.
- 9.4 Without prejudice to clause 9.3 or any other remedy available to Lily Comms, Lily Comms shall be entitled to suspend the performance of any Service or terminate the Contract relating to the relevant Service without further liability to the Customer in the event that Lily Comms:
- (a) is obliged to comply with any order, instruction or request of any competent governmental body;
 - (b) terminates the provision of telecommunications services;
 - (c) in its reasonable opinion, Lily Comms or the Carrier believes the Service are being used fraudulently or unlawfully; or
 - (d) in its reasonable opinion Lily Comms or the Carrier needs to carry out improvements or repairs to any networks or equipment relating to the applicable Services.
- 9.5 Lily Comms shall not be liable for any charges resulting from or in connection with fraudulent or unauthorised use of a Service and/or Equipment and the Customer shall be responsible for and pay all charges, costs, fees and expenses resulting from or in connection with any fraudulent or unauthorised use of any Service and/or Equipment.
- 10. CHARGES AND PAYMENT FOR SERVICES**
- 10.1 The Charges for the Services and/or the Equipment shall be charged to and payable by the Customer in accordance with this clause 10 and in the case of Data Services and Fixed Network Services in accordance with this clause 10 and clause 11.
- 10.2 The Charges for the Equipment and Installation Services shall be as specified in the Order Form and calculated in accordance with these Conditions. Except as otherwise specified in the Order Form, Charges for Equipment and Installation Services shall be payable on Delivery.
- 10.3 The Customer shall pay any deposit specified in the Order Form within seven days of submitting the Order Form to Lily Comms.
- 10.4 The Charges for the Maintenance Services shall be as specified in the Order Form and calculated in accordance with these Conditions. Except as otherwise specified in the Order Form, Charges for Maintenance Services shall be payable annually in advance with the first payment due on the Commencement Date, and continuing to be payable thereafter on each anniversary of the Commencement Date.
- 10.5 Where clause 4.10 applies in relation to Maintenance Services, Lily Comms shall be entitled to make such additional charges as are calculated in accordance with the Tariff.
- 10.6 Lily Comms may charge the Customer a call out fee where such a call out occurs based on incorrect information being provided to Lily Comms or where a call out occurs but the operative is unable to gain access to the premises within the times notified to the Customer for the call out.

- 10.7 The Charges for the Maintenance Services shall increase on each anniversary of the Commencement Date by 8.5%.
- 10.8 The Charges for the IT Support Services shall be as specified in the Order Form and calculated in accordance with these Conditions. Except as otherwise specified in the Order Form or these Conditions, Charges for IT Support Services shall be payable monthly in advance with the first payment due on the Commencement Date, and continuing to be payable each month thereafter on the anniversary of the Commencement Date.
- 10.9 Where IT Support Services are provided during Out of Hours or at the Customer's premises (or such location as is required by the Customer), the Charges shall be calculated by reference to the applicable hourly rates specified in the Order Form, or, if not stated in the Order Form, such hourly rates as specified in the Tariff. Lily Comms may invoice the Customer in respect of such services rendered, immediately after their provision.
- 10.10 Where clause 7.11 applies in relation to the IT Support Services, Lily Comms shall be entitled to make such additional charges as are calculated in accordance with or stipulated in the Tariff.
- 10.11 Lily Comms shall not increase the monthly charge or its hourly rates in respect of the IT Support Services unless the Customer's network or user count has increased and at which point, any increase would need to be agreed by both parties prior to any increase being applied. The Customer's network and user count will be reviewed by Lily Comms every six months from the Commencement Date.
- 10.12 The provisions of this clause apply to any proposed increase in the Charges other than those referred to in clause 10.14 below (which reflect an increase caused by regulatory changes in respect of which the provisions of clause 10.14 apply). Lily Comms reserves the right to increase its Charges for any Service (including without limitation by revising any Tariff). Lily Comms will give the Customer written notice of any such increase not less than 30 days before the proposed date of the increase. If such increase is not acceptable to the Customer, it shall notify Lily Comms in writing within 14 days of the date of Lily Comms' notice that the Client wishes to terminate the Contract, failing which the Customer shall be deemed to have accepted the changes.
- 10.13 Subject to applicable regulations, Lily Comms reserves the right to increase its Charges for any Service (including without limitation by revising any Tariff) as a result of any increase in charges made to Lily Comms by third party providers to it by a sum equal to any such increase. In such circumstances the Customer shall not have the right to cancel the Contract.
- 10.14 Where Lily Comms proposes to increase its Charges for any Service (including by revising without limitation any Tariff) as a consequence of a regulatory change and that the increase is no greater than the additional cost to Lily Comms caused by the regulatory change, it will give the Customer written notice of any such increase not less than 30 days before the proposed date of the increase. In such circumstances the Customer shall not have the right to cancel the Contract.
- 10.15 Except where otherwise specified in these Conditions or the relevant Order for any Service, the Customer shall pay each invoice submitted by Lily Comms:
- (a) within 14 days of the date of the invoice; and
 - (b) in full and in cleared funds to a bank account nominated in writing by Lily Comms.
- 10.16 Time for payment of all Charges shall be of the essence of the Contract.

10.17 All amounts payable by the Customer under the Contract are exclusive of amounts in respect of value added tax chargeable for the time being (**VAT**). The Customer shall pay to Lily Comms such additional amounts in respect of VAT as are chargeable on the supply of the Services at the same time as payment is due for the supply of the Services.

10.18 Invoices shall be deemed to have been accepted if the Customer does not present a written objection, identifying clearly the disputed invoice and the reasons why it is challenged, to Lily Comms within 30 days of the date of the invoice.

10.19 If the Customer fails to make any payment due to Lily Comms under the Contract by the due date for payment, then the Customer shall pay interest on the overdue amount at the rate of 4% per cent per annum above HSBC Bank plc's base rate from time to time. Such interest shall accrue on a daily basis from the due date until actual payment of the overdue amount, whether before or after judgment. The Customer shall pay the interest together with the overdue amount.

10.20 The Customer shall pay all amounts due under the Contract in full without any set-off, counterclaim, deduction or withholding (except for any deduction or withholding required by law). Lily Comms may at any time, without limiting its other rights or remedies, set off any amount owing to it by the Customer against any amount payable by Lily Comms to the Customer.

10.21 Lily Comms may exercise a lien over any equipment or goods in Lily Comms' possession belonging to the Customer, for all monies payable by the Customer to Lily Comms.

10.22 Any delay in Lily Comms raising an invoice for any Charges shall not prohibit Lily Comms from raising an invoice for the applicable Charges at a later date and the Customer shall pay such Charges.

10.23 Lily Comms reserves the right to make additional charges for paper billing, late payment, reconnection, non-direct debit payment methods and incorrect fault reporting by the Customer. Such charges are as published by Lily Comms from time to time and are published at <http://www.lilycomms.co.uk/legal/>

11. ADDITIONAL TERMS RELATING TO CHARGES FOR DATA SERVICES AND FIXED NETWORK SERVICES

11.1 The Charges for the Fixed Network Services and the Data Services shall be as detailed in the Order Form (subject always to clause 10.7) and as otherwise determined in accordance with the Contract.

11.2 Charges for line rental are payable from the Handover Date monthly in advance by direct debit, or such other method as is specified in the Order.

11.3 The Customer shall pay for all Charges for calls whether made by the Customer or any third party. Subject to clause 11.4, Lily Comms shall invoice the Customer monthly in arrears for all call Charges and the Customer shall pay such invoice within 14 days of the date of the relevant invoice by direct debit.

11.4 Notwithstanding clause 11.2 and clause 11.3, Lily Comms reserves the right to invoice the customer for Charges at any time.

11.5 If Lily Comms supplies the Customer with any temporary Data Services and/or Fixed Network Services, it may charge the Customer in advance for the whole period during which the temporary services are to be provided.

11.6 Lily Comms shall have the right to charge a minimum fee for calls of not less than £7.50 per month in the event that the Customer's call charges do not exceed this sum in any month.

12. ADDITIONAL TERMS RELATING TO CHARGES FOR MOBILE SERVICES

12.1 In respect of Wholesale Mobile Services the Customer acknowledges and agrees that Lily Comms may at its discretion increase the Charges for line rental provided that Lily Comms gives the Customer not less than 30 days' written notice prior to the increase, such increase to be capped at 5% in any one year.

12.2 Charges in respect of calls are subject to fluctuation or change by Lily Comms without notice to the Customer.

13. CANCELLATION CHARGE

If the Customer cancels a Service, Lily Comms may charge and the Customer shall pay a fee in respect of each such cancellation (**Cancellation Fee**).

14. TERMS APPLICABLE TO THE HIRE OF EQUIPMENT

The terms in this clause 14 shall apply only where the Customer enters into a Hire Agreement.

TERM OF EQUIPMENT HIRE

14.1 The Customer agrees to hire from Lily Comms the Equipment on the terms set out in this clause 14. The Hire Agreement shall come into effect on the date it is signed by Lily Comms and will, subject to clause 14.33, continue for the Minimum Hire Period and will continue thereafter until it is terminated in accordance with clause 14.2.

14.2 The Customer may terminate the Hire Agreement at the end of the Minimum Hire Period by giving one (1) month's written notice to expire at the end of the Minimum Hire Period, or at any time thereafter by giving Lily Comms three (3) months' written notice. On termination of the Hire Agreement, the Customer shall return the Equipment to Lily Comms in accordance with clause 14.37 below.

DELIVERY OF EQUIPMENT AND INSPECTION

14.3 Unless otherwise agreed, Lily Comms shall deliver the Equipment to the installation address as specified in the Hire Agreement. The Customer is responsible for taking delivery of the

Equipment and checking that all the details specified in the Hire Agreement are correct. The Customer shall inspect the Equipment on delivery and shall notify Lily Comms in writing of any defect within five (5) Business Days of delivery, failing which, the Customer will be deemed to have accepted the Equipment as satisfactory and fit in all respects whether or not the Customer has signed for the Equipment. Any dates stipulated for delivery of the Equipment are estimates and time shall not be of the essence.

RENTAL PAYMENTS

- 14.4 The Customer will pay the first Rental Payment, the subsequent Rental Payments, the Administration Fee and the Annual Service Fee at the times specified in the Hire Agreement.
- 14.5 Punctual payments in full is a condition of and is essential to the Hire Agreement. It is an essential condition of the Hire Agreement that all Rental Payments be paid by direct debit. If the Customer stops paying by direct debit and pays by some other method, Lily Comms shall be entitled to increase each Rental Payment by 3% to cover its additional administration costs.
- 14.6 All payments to be made by the Customer under or in connection with the Hire Agreement shall be made without demand and shall be paid without deduction, set-off, counterclaim or withholding whatsoever.
- 14.7 It is a condition of the Hire Agreement that all Rental Payments be paid, including during any period in which the Equipment is not working, is not in the Customer's possession, is unserviceable or is unusable, and regardless of any problems or disputes relating to any Services or consumables or failure by Lily Comms to supply them.
- 14.8 The Customer shall pay interest on all sums payable under or in connection with the Hire Agreement which are overdue at a maximum rate of 5% above HSBC Bank plc's base rate from time to time or £40 plus VAT, whichever is higher, with such interest being payable monthly and accruing from the due date until actual payment of the overdue amount, whether before or after judgment.
- 14.9 The Customer shall pay VAT on all amounts due under or in connection with the Hire Agreement at the rate which applies on the date such payment is due.
- 14.10 Lily Comms is entitled to charge the Customer for the costs and expenses Lily Comms may incur in enforcing the Hire Agreement following a breach by the Customer and such charges must be paid by the Customer on demand.

USE OF EQUIPMENT

- 14.11 The Customer shall keep the Equipment maintained in good repair and safely at the location specified in the Hire Agreement and may not move it elsewhere without obtaining Lily Comms'

prior written consent. The Customer shall notify Lily Comms immediately if the Customer changes its address.

- 14.12 The Customer will ensure that the Equipment is used in accordance with the manufacturer's operating instructions and in accordance with all applicable laws, statutes and regulations in a safe and proper manner.
- 14.13 The Customer is responsible for any loss or damage to the Equipment (except fair wear and tear) even if caused by acts or events outside the Customer's control, from delivery of the Equipment until it is recovered by Lily Comms. The Customer shall give Lily Comms prompt written notice of any loss or damage to the Equipment.
- 14.14 The Customer shall indemnify and keep indemnified Lily Comms, its agents and its contractors against all claims, damage, loss, costs and expenses (including legal expenses on a full indemnity basis) arising directly or indirectly from the Customer's possession or use of the Equipment except for injury or death caused by the negligence of Lily Comms, its agents or its contractors. This indemnity will survive and remain in full force and effect should the Hire Agreement be terminated.
- 14.15 The Customer shall permit Lily Comms or its authorised representatives at all reasonable times to access or enter the premises in order to inspect and test the Equipment.
- 14.16 The Customer shall not alter or make additions or replacements to the Equipment without prior written consent from Lily Comms. The Customer will not allow the Equipment to become annexed or connected to any other equipment or to become affixed to any land, building or heritage so as to become a fixture or fitting.
- 14.17 The Customer shall at all times during the Hire Period, maintain, pay or otherwise be responsible for any and all licence fees, fines, duties, permits, insurance premiums or other payment that is required for the Equipment and which are not included in the Hire Agreement.
- 14.18 The Customer will not sub-hire, sell, lend, assign, mortgage, charge, pledge or otherwise deal with the Equipment.

INSURANCE

- 14.19 The Customer shall keep the Equipment continuously insured with a reputable insurer under a full comprehensive policy of insurance, covering the Equipment against all insurable risks (including third party and public liability claims) to an amount the greater of the full replacement value of the Equipment and the amount that would be payable under clause 14.24 (b) to settle the Hire Agreement. The Customer must arrange for Lily Comms to be noted on the insurance policy and be named as loss payee. Upon request, the Customer must produce acceptable

evidence of the insurance policy. The Customer must comply in all respects with the terms and conditions of the relevant insurance policy or policies.

14.20 If satisfactory evidence of insurance is not provided to Lily Comms, Lily Comms has the right (but not the obligation) to either:

- (a) arrange insurance of the Equipment for the Customer; or
- (b) insure the Equipment for a suitable period at the Customer's expense. For the avoidance of doubt, the Customer acknowledges and agrees that if Lily Comms insures the Equipment, the Customer shall have no rights under such insurance policy and Lily Comms may increase the Rental Payments accordingly.

14.21 In the event that Lily Comms insures the Equipment, Lily Comms may charge the Customer a fee to cover the costs of Lily Comms doing so (**Fee**), which shall be subject to VAT. Such Fee shall be collected from the Customer by instalments at the same time as the Rental Payments become due. The payment of the Fee shall be subject to Lily Comms giving prior written notice of the amount of the Fee, the VAT thereon and the frequency of payments that shall be required to be made by the Customer. The Customer must promptly provide to Lily Comms all information that Lily Comms may reasonably require in connection with such insurance including for the avoidance of doubt all information required to effect such policy and to enable Lily Comms to make a claim under it. In the event that Lily Comms makes a claim, you must make every reasonable effort to protect the Equipment from further loss.

14.22 Notwithstanding the foregoing, the Customer may arrange its own insurance at any time.

14.23 If the Customer makes an insurance claim it shall notify Lily Comms immediately, and shall not settle any claims without Lily Comms' prior written consent. The Customer shall hold on trust for Lily Comms any money paid to the Customer under any insurance policy relating to the Equipment and hereby irrevocably authorises Lily Comms to receive such money from any insurance company and to agree the amount of any claim with the insurance company or any other person and receive payment from them.

14.24 If the Equipment is damaged, stolen or cannot be economically rectified and there is a total loss claim, the Customer shall notify Lily Comms immediately and shall either:

- (a) with Lily Comms' prior written permission, replace the Equipment at the Customer's own expense and continue with the Hire Agreement and Lily Comms will give the Customer any relevant insurance monies it receives; or
- (b) settle the Hire Agreement by paying Lily Comms an amount equal to the sum calculated under clause 14.35 plus an amount which Lily Comms anticipated the Equipment would be worth on expiry of the Minimum Hire Period (the **Residual Value**). Lily Comms will deduct the amount received from insurers in respect of any relevant insurance settlement, from the amount the Customer owes to Lily Comms.

WARRANTIES AND LIABILITY

- 14.25 The Customer acknowledges and agrees that the essential function of Lily Comms is to provide Equipment selected by the Customer from a manufacturer chosen by the Customer. The Customer further acknowledges and agrees that, where Lily Comms is not the supplier, the supplier and any of its sales force are not agents of Lily Comms and are in no way authorised to give warranties or make promises or representations binding on Lily Comms.
- 14.26 The Customer acknowledges and accepts that there is a risk that the Equipment may not be of satisfactory quality. Where Lily Comms has financed the Equipment, the risk of the Equipment not being of satisfactory quality may be borne by Lily Comms, by the Customer, by an intermediary or by an insurer. The parties confirm that the allocation of risk is a matter of agreement and that they have agreed that it shall be borne by the Customer, save to the extent that Lily Comms has been able to obtain a right of recourse against the supplier and have been able to pass that right to the Customer via an assignment or under the Contracts (Rights of Third Parties) Act 1999.
- 14.27 It is the Customer's responsibility to obtain the benefit of all warranties given by the manufacturer of the Equipment (which may be subject to the limitations and exclusions contained in the manufacturer's standard terms), insofar as such benefit is capable of being transferred to the Customer. If the Customer fails to obtain from the manufacturer of the Equipment express warranties about the Equipment, Lily Comms will endeavour, at the Customer's request and cost, to transfer to the Customer the benefits of any manufacturer's express warranties given to Lily Comms in respect of the Equipment.
- 14.28 Both parties agree that, subject as expressly provided in the Hire Agreement, all warranties, conditions and other terms implied by statute or common law are excluded to the fullest extent permitted by law.
- 14.29 If the law requires a term to be implied into the Hire Agreement, both parties acknowledge and agree that Lily Comms shall not be liable for any breach of such implied term, because:
- (a) if the risk of breach of any such terms had been allocated to Lily Comms, a higher Rental Payment would have been charged;
 - (b) Lily Comms is not in a position to evaluate and therefore insure against the risk of such a breach, whereas the Customer is in a better position to do so; and
 - (c) because the Customer has selected and chosen the Equipment and the manufacturer.
- 14.30 Lily Comms shall not be liable to the Customer:
- (a) in contract, tort or otherwise for loss, injury or damage arising by reason of any defects in the Equipment, whether such defects are latent or apparent on examination (other than liability for death or personal injury arising from Lily Comms' negligence);

- (b) for any statement, term, condition, warranty or representation made by any dealer, agent, broker or other person through whom this transaction may have been introduced, negotiated or conducted and persons other than those employed by Lily Comms have no authority, express or implied, to act as Lily Comms' agent;
 - (c) either for any loss whatever suffered by the Customer as a result of the Equipment or any part of the Equipment being unusable or to supply any replacement equipment during any period when the Equipment or part of it is unusable;
 - (d) for any loss or damage incurred or sustained by the Customer in consequence of Lily Comms terminating the hiring under clause 14.33 or in re-taking possession of the Equipment.
- 14.31 The provisions of clauses 16.1 and 16.2 shall apply in respect of Lily Comms' liability to the Customer under or in connection with the Hire Agreement, with any references to "Contract" within said clauses being replaced with "Hire Agreement".
- 14.32 Subject to clause 14.31, Lily Comms' total aggregate liability to the Customer under the Hire Agreement shall not exceed a sum equivalent to the total Rental Payments paid by the Customer at the time such liability arises.

TERMINATION OF HIRE AGREEMENT

- 14.33 Lily Comms may terminate the Hire Agreement and the hiring of the Equipment thereunder immediately on giving written notice to the Customer and Lily Comms may repossess the Equipment if:
- (a) the Customer fails to pay any amount due under the Hire Agreement or any other agreement with Lily Comms or any other company in our group of companies within seven (7) days of it becoming due;
 - (b) the Customer fails to perform any other obligations under the Hire Agreement or any other agreement with Lily Comms or any other company in Lily Comms' group of companies and if remediable, fails to remedy it within seven (7) days of Lily Comms giving written notice specifying the breach;
 - (c) the Customer ceases or threatens to cease trading, enters into a voluntary arrangement, has a bankruptcy petition presented against it or makes any arrangement with its creditors;
 - (d) the Customer ceases or threatens to cease trading, has an administrator or receiver appointed or enters into any form of liquidation;
 - (e) the Customer allows a judgment to remain unsatisfied for seven (7) days or allows its assets to be seized under a court judgment;
 - (f) the Customer undergoes a change in control (whether direct or indirect) or the Customer's present holding company ceases to be the legal and beneficial owner

(free from encumbrances) of the whole or any part of your issued share capital from time to time or the Customer's assets are transferred to another party; or

- (g) the Customer, being an individual, has a petition for a bankruptcy order or sequestration made against him, dies, is subject to an order for the administration of his estate, grants a trust deed for the benefit of his creditors or enters into any composition contract with his creditors; or
- (h) the Customer, being a partnership, is dissolved or has a judicial factor appointed to it or becomes subject to any of the events set out above in clause 14.33 (g);
- (i) any event occurs which has or is likely to have in Lily Comms' sole opinion a material adverse effect on the Customer's business, properties or condition, financial or otherwise, or on the Customer's ability to duly perform and observe any of its obligations under the Hire Agreement;
- (j) the Customer makes any statement, representation or warranty under or in relation to the Hire Agreement or any other agreement with Lily Comms which is or becomes materially incorrect; or
- (k) the Customer or any of the Customer's partners or anyone who guaranteed the Customer's obligations under the Hire Agreement or any other company in the Customer's group of companies commits or suffers any of the events specified in 14.33(a) to (j) above.

CONSEQUENCES OF TERMINATION

14.34 If the Customer terminates the Hire Agreement in accordance with clause 14.2, in addition to providing the stipulated written notice, the Customer shall pay to Lily Comms the amounts stipulated in clauses 14.35(a) and 14.35(b) without deduction.

14.35 If the Hire Agreement is terminated in accordance with either of clause 14.24(b), 14.33 or 14.34, the Customer shall pay to Lily Comms as a debt:

- (a) any Rental Payments and other charges already due at the date of termination;
- (b) all remaining Rental Payments (excluding future Charges for Maintenance Services, where applicable) which would have become due for the full Hire Period less a discount of 3% per annum on the amount of all such Rental Payments as a credit to the Customer to reflect the fact that Lily Comms has become entitled to receive payment early;
- (c) all other losses, costs, charges and expenses Lily Comms incurs in connection with the premature termination of any funding commitments related to the Hire Agreement; less
- (d) in the event of termination under clause 14.33 only and when the Equipment is returned to Lily Comms and the Residual Value is zero, the net proceeds of any sale of the Equipment by Lily Comms after deduction of Lily Comms' expenses.

14.36 Upon termination of the Hire Agreement (other than upon the occurrence of a total loss), the Customer agrees to return the Equipment to Lily Comms in accordance with clause 14.37.

RETURN OF EQUIPMENT

14.37 Upon termination of the Hire Agreement (other than upon the occurrence of a total loss), the Customer shall at its expense, de-install and return the Equipment in its original condition and working order (except fair wear and tear) to Lily Comms, having cleared it of all data or other personal information, no later than five (5) Business Days following termination to such UK address as specified by Lily Comms.

14.38 If the Customer fails to return the Equipment in accordance with clause 14.37:

- (a) Lily Comms may enter any premises where it reasonably believes the Equipment to be located and remove it. The Customer shall reimburse Lily Comms for all costs and expenses incurred in doing so.
- (b) The Customer will pay to Lily Comms on demand an amount equal to the Rental Payments (excluding any Charges for Maintenance Services) until the Customer complies with clause 14.37.

MAINTENANCE

14.39 Where the Customer has indicated in the Hire Agreement that it requires Lily Comms to provide Maintenance Services, the Maintenance Services shall be provided by Lily Comms pursuant to the terms and conditions set out in clause 4.

NON-REGULATED AGREEMENT

14.40 If the Customer is a body corporate or a partnership of more than 3 persons, or if the Customer enters the Hire Agreement wholly or predominantly for business purposes and the total (including VAT) of the payments the Customer must make thereunder exceeds £25,000 (or such other limit as may from time to time be prescribed by the regulations made under the provisions of the Consumer Credit Act 1974 (**Act**)) then, any statement or notice in the Hire Agreement is not regulated by the Act and shall **not** apply to the Customer.

USE OF YOUR INFORMATION

14.41 Lily Comms shall use information collected about the Customer, which may include Personal Data, to process the Hire Agreement and also for any ongoing maintenance and administrative purposes related to the hiring of equipment by the Customer, including (without limitation) account management and debt recovery (**Purposes**). Information collected will be held in accordance with the Data Protection Act 1998 and Lily Comms will only disclose it to the principal lessor, Tower Leasing Limited, as well as to any other company in any corporate group

of which Lily Comms is a member, to any company, business or intermediary associated with Lily Comms and to any third party to whom Lily Comms may assign or transfer any of the rights under the Hire Agreement, for use in connection with the Purposes. Lily Comms may also disclose the information to third party service providers engaged by Lily Comms from time to time.

- 14.42 Unless otherwise indicated in the Hire Agreement, Lily Comms and any company within its corporate group shall use the information to contact the Customer to provide details of similar products and services.
- 14.43 The provisions of clause 15.3 shall apply to the Hire Agreement.

GENERAL

- 14.44 No failure or delay by Lily Comms to exercise any right or remedy under the Hire Agreement constitute a waiver of that or any other right or remedy.
- 14.45 Any notice required under the Hire Agreement must be in writing and delivered by hand or sent by post to the relevant address stated in the Hire Agreement or such other address as is notified by either party to the other. Any notice is deemed served on the same day if it is delivered by hand or two days after the date it was posted.
- 14.46 If the Customer consists of two or more parties, each shall be responsible for the whole obligations of the Hire Agreement as if the same had been entered into separately between Lily Comms and each of them. Any notice given by Lily Comms to any one of such persons shall suffice as being good notice given by Lily Comms to all such persons.
- 14.47 Lily Comms shall be entitled to assign or transfer all or any of its rights and duties under the Hire Agreement. The Customer shall not assign, transfer, hold on trust or otherwise dispose of any of the Customer's rights and/or obligations under the Hire Agreement, without the prior written consent of Lily Comms.
- 14.48 The Hire Agreement (including the terms and conditions set out in this clause 14) is the whole agreement regulating the rights and liabilities between Lily Comms and the Customer, in relation to the Equipment and its hiring. Any other statement or matter will only be binding if it is in writing and has been signed by an authorised representative of Lily Comms and the Customer.
- 14.49 The Customer acknowledges and agrees that any person who is not a party to the Hire Agreement (other than an assignee of Lily Comms) shall have no right to enforce any of its terms under the Contracts (Right of Third Parties) Act 1999.

14.50 The Hire Agreement and all claims and disputes between the parties arising out of or in connection with the Hire Agreement (whether or not contractual in nature) shall be governed by and construed in accordance with English law and the parties submit to the exclusive jurisdiction of the English courts.

15. **CONFIDENTIALITY AND DATA PROTECTION**

15.1 A party (**receiving party**) shall keep in strict confidence all technical or commercial know-how, specifications, or initiatives which are of a confidential nature and have been disclosed to the receiving party by the other party (**disclosing party**), its employees, agents or subcontractors, and any other confidential information concerning the disclosing party's business, its products and services which the receiving party may obtain. The receiving party may disclose such of the disclosing party's confidential information as is required to be disclosed by law, any governmental or regulatory authority or by a court of competent jurisdiction. This clause 15 shall survive termination of the Contract.

15.2 The Customer agrees that Lily Comms may use the Personal Data provided to Lily Comms to:

- (a) provide any Services;
- (b) process payment for such Services; and
- (c) inform the Customer about similar products or services that Lily Comms or other members of its group provide.

15.3 The Customer agrees that Lily Comms may pass its Personal Data and other information about the Customer to credit reference agencies and that Lily Comms may keep a record of any search obtained in respect of a Customer from a credit reference agency.

16. **LIMITATION OF LIABILITY**

16.1 Nothing in the Contract shall limit or exclude Lily Comms' liability for:

- (a) death or personal injury caused by its negligence, or the negligence of its employees, agents or subcontractors;
- (b) fraud or fraudulent misrepresentation by Lily Comms; or
- (c) breach of the terms implied by section 2 of the Supply of Goods and Services Act 1982 (title and quiet possession).

16.2 Subject to clause 16.1, Lily Comms shall not be liable to the Customer, whether in contract, tort (including negligence), for breach of statutory duty, or otherwise, arising under or in connection with the Contract for:

- (a) loss of profits;
- (b) loss of sales or business;
- (c) loss of agreements or contracts;
- (d) loss of anticipated savings;
- (e) loss of or damage to goodwill;
- (f) loss of use or corruption of software, data or information;
- (g) any indirect or consequential loss.

- 16.3 Subject to clause 16.1 and clause 16.2, Lily Comms' total liability to the Customer, whether in contract, tort (including negligence), for breach of statutory duty, or otherwise, arising under or in connection with this agreement shall, in respect of all claims (connected or unconnected) in any consecutive 12 (twelve) month period, be limited to the equivalent of the total Charges paid by the Customer in that period for the Equipment and/or the relevant Service in respect of which the claim arose.
- 16.4 The terms implied by sections 3 to 5 of the Supply of Goods and Services Act 1982 are, to the fullest extent permitted by law, excluded from this agreement.
- 16.5 If the Customer is a consumer, nothing in these Conditions shall prejudice its statutory rights.
- 16.6 This clause 16 shall survive termination of the Contract.

17. **TERMINATION**

- 17.1 Without limiting its other rights or remedies, Lily Comms may terminate the Contract (in whole or in part) without further liability to the Customer by giving the Customer not less than 30 days written notice.
- 17.2 Without limiting its other rights or remedies, Lily Comms may terminate the Contract (in whole or in part) with immediate effect by giving written notice to the Customer if:
- (a) the Customer commits a material breach of any term of the Contract and (if such a breach is remediable) fails to remedy that breach within 10 Business Days of the Customer being notified in writing to do so;
 - (b) the Customer suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or (being a company or limited liability partnership) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or (being an individual) is deemed either unable to pay its debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 268 of the Insolvency Act 1986 or (being a partnership) has any partner to whom any of the foregoing apply;
 - (c) the Customer commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors other than (where a company) for the sole purpose of a scheme for a solvent amalgamation of the Customer with one or more other companies or the solvent reconstruction of the Customer;
 - (d) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the Customer (being a company) other than for the sole purpose of a scheme for a solvent amalgamation of the Customer with one or more other companies or the solvent reconstruction of the Customer;
 - (e) the Customer (being an individual) is the subject of a bankruptcy petition or order;
 - (f) a creditor or encumbrancer of the Customer attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of its assets and such attachment or process is not discharged within 10 Business Days;
 - (g) an application is made to court, or an order is made, for the appointment of an administrator or if a notice of intention to appoint an administrator is given or if an administrator is appointed over the Customer (being a company);
 - (h) the holder of a qualifying floating charge over the assets of the Customer (being a company) has become entitled to appoint or has appointed an administrative receiver;

- (i) a person becomes entitled to appoint a receiver over the assets of the Customer or a receiver is appointed over the assets of the Customer;
- (j) any event occurs or a proceedings are taken with respect to the Customer in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in clause 17.2(b) to clause 17.2(i) (inclusive);
- (k) the Customer suspends or ceases, or threatens to suspend or cease, to carry on all or a substantial part of its business;
- (l) the Customer's financial position deteriorates to such an extent that in Lily Comms' opinion the Customer's capability to adequately fulfil its obligations under the Contract has been placed in jeopardy; or
- (m) the Customer (being an individual) dies or, by reason of illness or incapacity (whether mental or physical), is incapable of managing his own affairs or becomes a patient under any mental health legislation.

17.3 Without limiting its other rights or remedies, Lily Comms may terminate the Contract (in whole or in part) with immediate effect by giving written notice to the Customer if the Customer fails to pay any amount due under the Contract on the due date for payment and fails to pay all outstanding amounts within 30 Business Days after being notified in writing to do so.

17.4 Without limiting its other rights or remedies, Lily Comms may suspend provision of the Services under the Contract or any other contract between the Customer and Lily Comms if the Customer becomes subject to any of the events listed in clause 17.2(b) to clause 17.2(m), or Lily Comms reasonably believes that the Customer is about to become subject to any of them, or if the Customer fails to pay any amount due under this Contract on the due date for payment.

18. CONSEQUENCES OF TERMINATION

18.1 On termination of the Contract for any reason:

- (a) the Customer shall immediately pay to Lily Comms all of Lily Comms's outstanding unpaid invoices and interest and, in respect of Services supplied but for which no invoice has been submitted, Lily Comms shall submit an invoice, which shall be payable by the Customer immediately on receipt;
- (b) the Customer shall return any Equipment which has not been fully paid for. If the Customer fails to do so, then Lily Comms may enter the Customer's premises and take possession of the Equipment. Until it has been returned, the Customer shall be solely responsible for the safe keeping of such Equipment and will not use it for any purpose not connected with the Contract;
- (c) the accrued rights, remedies, obligations and liabilities of the parties as at expiry or termination of the Contract shall be unaffected, including the right to claim damages in respect of any breach of the Contract which existed at or before the date of termination or expiry; and
- (d) clauses which expressly or by implication survive termination shall continue in full force and effect.

18.2 Where the Customer is a Small Business Customer, the Customer may terminate a Contract for Fixed Network Services or Data Services at any time prior to commencement of the supply of such Services.

19. FORCE MAJEURE

19.1 For the purposes of this Contract, **Force Majeure Event** means an event beyond the reasonable control of Lily Comms including but not limited to strikes, lock-outs or other industrial

disputes (whether involving the workforce of Lily Comms or otherwise), failure of a utility service (including without limitation street cabling, network or infrastructure failure or fault), failure of a transport network, act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers, subcontractors or utility suppliers.

- 19.2 Lily Comms shall not be liable to the Customer as a result of any delay or failure to perform its obligations under this Contract as a result of a Force Majeure Event.
- 19.3 If the Force Majeure Event prevents Lily Comms from providing any of the Services for more than 10 Business Days, Lily Comms shall, without limiting its other rights or remedies, have the right to terminate this Contract immediately by giving written notice to the Customer.

20. GENERAL

20.1 Assignment and other dealings:

- (a) Lily Comms may at any time assign, transfer, mortgage, charge, subcontract or deal in any other manner with all or any of its rights under the Contract (in whole or in part) and may subcontract or delegate in any manner any or all of its obligations under the Contract to any third party or agent.
- (b) The Customer shall not, without the prior written consent of Lily Comms, assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any or all of its rights or obligations under the Contract.

20.2 Notices:

- (a) Any notice or other communication given to a party under or in connection with the Contract shall be in writing, addressed to that party at its registered office (if it is a company) or its principal place of business (in any other case) or such other address as that party may have specified to the other party in writing in accordance with this clause, and shall be delivered personally, sent by pre-paid first class post or other next working day delivery service, commercial courier, or e-mail. (Emails to Lily Comms must be sent to sales@LilyComms-grp.co.uk).
- (b) A notice or other communication shall be deemed to have been received:
 - (i) if delivered personally, when left at the address referred to in clause 20.2(a);
 - (ii) if sent by pre-paid first class post or other next working day delivery service, at 9.00 am on the second Business Day after posting;
 - (iii) if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed; or
 - (iv) if sent by e-mail, one Business Day after transmission.
- (c) A notice or other communication sent by email to Lily Comms must be sent to customerservices@lilycomms.co.uk and if sent to a different email address shall not be deemed to have been received.
- (d) The provisions of this clause shall not apply to the service of any proceedings or other documents in any legal action.

20.3 Severance:

- (a) If any provision or part-provision of the Contract is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion

of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of the Contract.

- (b) If any provision or part-provision of this Contract is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.
- 20.4 **Waiver:** A waiver of any right under the Contract or law is only effective if it is in writing and shall not be deemed to be a waiver of any subsequent breach or default. No failure or delay by a party in exercising any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict its further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.
- 20.5 **No partnership or agency:** Nothing in the Contract is intended to, or shall be deemed to, establish any partnership or joint venture between the parties, nor constitute either party the agent of the other for any purpose. Neither party shall have authority to act as agent for, or to bind, the other party in any way.
- 20.6 **Third parties:** A person who is not a party to the Contract shall not have any rights to enforce its terms.
- 20.7 **Variation:** Except as set out in these Conditions, no variation of the Contract, including the introduction of any additional terms and conditions, shall be effective unless it is agreed in writing and signed by Lily Comms. Lily Comms reserves the right to make changes to these Conditions from time to time.
- 20.8 **Information about Lily Comms:** Lily operates the website www.lilycomms.co.uk Lily is Lily Communications Limited registered in England and Wales with company number 07020016 of Connect House, Unit A, Millshaw Business Living, Leeds, LS118PR.. Lily Comms' VAT number is 979456254 Please refer to Lily Comms' website at www.lilycomms.co.uk. for information about how to contact us.
- 20.9 **Dispute resolution:** The Customer must notify any complaints or disputes to Lily Comms in accordance with its Complaints and Dispute Resolution Procedure available at www.lilycomms.co.uk/legal/ Lily Comms shall use reasonable endeavours to resolve any complaint or dispute. Further information concerning the Customer's rights in relation to any dispute or complaint are specified in the Complaints and Dispute Resolution Procedure.
- 20.10 **Governing law:** The Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with the law of England and Wales.
- 20.11 **Jurisdiction:** Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Contract or its subject matter or formation (including non-contractual disputes or claims).