

VADACOM TERMS OF BUSINESS

General Terms of Business

Vadacom Limited ("Vadacom", "we" or "us") will supply the customer ("you") with telecommunications and data services on the following terms:

1. Our Agreement with You

1.1 The following terms and conditions form the basis of the agreement between you and Vadacom ("this Agreement").

1.2 This Agreement includes:

(a) any application form you provide to us. We may accept and rely on a fax, digital image or scanned email copy of the original application form as if it were an original.

(b) our current price list. The price list may change from time to time, but we will notify you of any changes when they happen. Copies of the price lists are available from us on request.

2. Service Description

2.1 This Agreement will commence on the later of:

(a) the date the Application form is signed; or

(b) when you are first connected;

and ends on the earlier of:

(c) termination by you or us in accordance with this Agreement; or

(d) the expiry of your Commitment Period described in the Application (if any) and subsequent termination or disconnection by you.

2.2 This Agreement will automatically renew for further consecutive periods of 12 months, unless terminated three months prior to the expiry of any such period, or it is otherwise terminated in accordance with this Agreement.

2.3 We will provide the telecommunications service as indicated in the Application including our Vadacom online service ("Service") to you in New Zealand through such carrier or supplier network as we nominate from time to time (the "Carrier" or "Supplier"), in which case the quality of the carriage of the Service will be the same as that of the Carrier or Supplier. Without notice, we may at any time, change the Carrier or Supplier, or their products.

2.4 Where we provide mobile services, we will connect your mobile phone to the network as soon as reasonably practicable after acceptance of your application and its attachments ("Application"). We will use all reasonable efforts to maintain the connection while you comply with this Agreement.

2.5 Where we provide mobile services, we will provide you with a SIM card to use in relation to the Services. The SIM card remains the property of Vadacom.

2.6 Where we transfer mobile services under mobile number portability arrangements, the SIM card provided in relation to the Service will be activated on your request.

2.7 Where we provide data services, the ADSL, VDSL or UFB access component of the relevant data service and, optionally, a rented Vadacom Supplied Equipment router, are supplied to us by a third party as a wholesale supplier.

2.8 You must not re-supply the Service without our written consent.

2.9 Where we provide Next Voice™, your use of it is governed by both this Agreement and the terms and conditions in the Application for Next Voice™. This Agreement will prevail where there is any inconsistency with the Next Voice™ terms and conditions.

2.10 You may request Additional Services. Any Additional Services will be:

(a) contracted for the term from the date the Additional Services are activated;

(b) provided on a time and materials basis charged at our Standard Rates; and

(c) provided on the terms of this Agreement.

3. Use of Service

3.1 You are responsible for the use of the Service from the point on your premises at which all equipment and the communications network connect to the Service ("Premises").

3.2 You must not use the Service or allow any other person to the Service:

(a) to break any law or infringe any copyright or any person's rights;

(b) to transmit, publish or communicate material that is defamatory, offensive, abusive, indecent, menacing or unwanted; or

(c) in any way that damages or interferes with the Service of the systems that Vadacom uses to supply the Service.

3.3 Where we provide a mobile service, you must notify us immediately if there is any problem with the service or SIM card or if your mobile phone or SIM card is lost or stolen.

3.4 Where we provide fixed services, you will ensure that any equipment necessary for you to receive the services and access our network is installed and programmed, so that calls to destinations nominated by us from time to time are, as far as possible, carried by our preferred switched services network.

3.5 Where we provide data services:

(a) you will ensure that any equipment necessary for you to receive the services and access our network is installed and maintained;

(b) Vadacom supplies all modems pre-configured to work on the relevant Vadacom Data Service. Any alterations of these settings will leave you liable for charges at \$150 (plus GST) per hour for resetting or reconfiguring the modem.

4. Communications and Content

4.1 You are responsible for the content of the messages you communicate when using the Service. You must not:

(a) send an email that may destroy or damage the recipient's computer;

(b) knowingly accept an email which is unlawful, and violates or infringes on the rights of any person or corporation;

(c) reveal confidential information about us and or our Suppliers which may result in unauthorised usage of the services by a third party;

(d) transmit information which contains viruses or other harmful components;

(e) interfere, damage or destroy computer systems operations of the Service;

(f) store or transmit any unlawful, threatening, defamatory, offensive or pornographic material that constitutes a criminal or civic offence;

(g) use a false e-mail address, impersonate any person or entity, or otherwise mislead others or us as to your identity.

We may suspend or terminate the Service in the event of a breach of this clause and you will be responsible for any costs associated with suspension or termination of the service.

4.2 Correspondence or emails from Vadacom enable you to keep up-to-date with matters regarding Internet security, viruses, useful tools, promotions, sites of interest and other related matters. The correspondence and emails do not constitute Spam as we have a continuing business relationship with you. However, if you do not want to receive such commercial communication from us, please contact us to unsubscribe; otherwise we will continue sending you relevant information until you request us to remove your email address (this does not affect other electronic communications specifically regarding the provision of the Service of your account).

5. Use of Mobile Phone Overseas (Roaming)

5.1 Where we provide mobile services, if you use a roaming service overseas in connection with your mobile phone, you must pay all

charges and taxes in connection with the use of the roaming services. We may require you to pay a \$500 security deposit prior to making roaming facilities available.

5.2 Where we provide mobile services:

(a) if you fail to comply with this Agreement, we may use the security deposit to meet any costs, loss or liability incurred as a result. If you have met the terms of the mobile services, we will return to you the outstanding balance of the security deposit, without interest;

(b) an overseas network may not provide some of the services, which may have not been advised to you or us;

(c) roaming charges are governed by the Carrier you use at the time. Roaming rates may alter without notice. You should check the roaming rates for the country you are going to.

6. Voice and Video Conferencing Service

6.1 You are responsible for maintaining the confidentiality of your owner number and any personal identification numbers and passwords ("Account") and for restricting access to your Account.

6.2 You are responsible for all activities that occur under your Account.

6.3 We do not sell products or services to children. If you are under 18, you may use our services only under the supervision of a parent or guardian.

6.4 We may refuse service, terminate accounts, remove or edit content, or cancel orders at our sole discretion.

7. Network Security

7.1 You are responsible for the security of and or access to your networks and systems. This includes ensuring that adequate security in the form of virus protection or firewalls exist to protect your electronic data against unauthorised intrusion. You will take reasonable and appropriate precautions to prevent any violations of your network and systems security.

7.2 We are not liable for any violations of your network or systems security, however caused.

8. Equipment supplied by Vadacom

8.1 Subject to the payment of the relevant fees, we will provide you with equipment necessary for your use of the Service ("NT Supplied Equipment"), and any associated documentation, to your Premises specified in the relevant Application or Order Form. We may substitute any component of the Vadacom Supplied Equipment before delivery and modify the Vadacom Supplied Equipment if the substitution or modification will not:

(a) adversely affect the performance or capacity of the Vadacom Supplied Equipment in any material respect;

(b) alter the configuration of the Vadacom Supplied Equipment in any material respect; and

(c) otherwise materially affect our obligations of us or prejudice your rights under this Agreement.

8.2 We will use all reasonable endeavours to deliver the Vadacom Supplied Equipment to the Premises by the delivery date and install it by the installation date specified in the relevant Application or Order Form (if any). You will at your own expense prepare the Premises and access to the Premises, prior to delivery and, in doing so, will comply with our reasonable directions.

8.3 If you do not own the Premises you will (if necessary) obtain the lessor's permission for us to install the Vadacom Supplied Equipment and you will indemnify us against any claim made against us, or loss incurred by any other person in connection with such installation.

8.5 Where the cost of installation exceeds any estimate for any Installation Fee quoted or agreed with you, we will not be bound to provide the installation at the Installation Fee previously agreed and we will use our reasonable endeavours to agree a new Installation Fee.

8.6 You will obtain and maintain, at your expense, all permits, licences, approvals, authorisations required to install and operate the Vadacom Supplied Equipment;

8.7 If you relocate your Premises, we will allow you to move the Vadacom Supplied Equipment to new Premises so that you can continue using the Service, subject to:

(a) our being able to provide the Service at the new Premises;

(b) this Agreement continuing to apply to the Service at the new Premises; and,

(c) you paying all costs incurred by us as a result of the Vadacom Supplied Equipment being moved.

8.8 Title in the Vadacom Supplied Equipment will not pass to you until all monies owing by you in relation to the Vadacom Supplied Equipment have been paid in full. However:

(a) title in all intellectual property rights in manuals or user documentation supplied with the Vadacom Supplied Equipment will at all times remain our property; and

(b) risk of loss or damage to the Vadacom Supplied Equipment passes to you on delivery to your Premises.

8.9 You will immediately return the Vadacom Supplied Equipment to us on demand before payment of the monies owing to us in full and may enter your Premises to retake the Vadacom Supplied Equipment.

8.10 We warrant that the Vadacom Supplied Equipment is new and at the time of delivery is free from defects in materials and workmanship.

8.11 You may during the Warranty Period (as specified in the relevant Application or Order Form) notify us in writing of any defect in the Vadacom Supplied Equipment. We will inspect, replace or repair the Vadacom Supplied Equipment at no charge as soon as practicable. If our inspection of the Vadacom Supplied Equipment reveals no defect, we may charge you the costs of the inspection.

8.12 We will not be liable under clause 8.11 if the defect is the result of:

(a) improper use of the Vadacom Supplied Equipment by you;

(b) operation of the Vadacom Supplied Equipment other than in accordance with our instructions;

(c) unauthorised modification of the Vadacom Supplied Equipment;

(d) subjecting the Vadacom Supplied Equipment to unusual or not recommended physical, environmental or electrical stress;

(e) unauthorised reinstallation or moving of the Vadacom Supplied Equipment;

(f) use of the Vadacom Supplied Equipment by a person other than you;

(g) your failure to comply with any terms of this Agreement; or

(h) your failure or refusal to install engineering changes or enhancements recommended by us.

8.13 You must:

(a) not allow any Vadacom Equipment to be altered, repaired, serviced or moved except by personnel approved by Vadacom;

(b) ensure, at your own cost, that:

(i) the Vadacom Equipment is protected from power surges and is located in a suitable physical operating environment,

(ii) you have all other equipment and software necessary to protect from any external attack the security and integrity of the configuration of the Vadacom Equipment;

(c) assist Vadacom in any investigation by any government body or regulator where your use of the Service is relevant to the investigation;

(d) if, when Vadacom's employees, agents or contractors attend by arrangement at your Premises to:

(i) inspect your Premises to establish the method or location of installation of the Vadacom Equipment or the Network Access Line, or

(ii) install the Vadacom Equipment or the Network Access Line, no provision has been made by you for that inspection or installation

and that inspection or installation has to be rescheduled, pay to Vadacom all costs associated with cancelling, postponing or rescheduling that inspection or installation.

8.14 Any service levels for the data service do not apply where you are unable to access the data service due to any interference that prevents the Vadacom Supplied Equipment from working as a result of any changes to the environment following installation of the Vadacom Supplied Equipment. In that case you must either:

(a) take all steps reasonably necessary to remove the interference; or

(b) where it is not possible to remove the interference, engage us to relocate the Vadacom Supplied Equipment at your cost.

9. Fault Reporting and complaints

9.1 You may report a fault with the Service in accordance with this clause 9.

9.2 Before reporting a fault, you must investigate for yourself the cause of the fault and provide any further information we may require in relation to the fault.

9.3 On being notified of a fault, we will immediately assign a reference number to the fault and will issue that reference number to you. You must use and quote that reference number in relation to any dealings with us in respect of that fault.

9.4 We will use all reasonable endeavours to rectify the fault within the timelines set out in any Service Level Agreement.

9.5 When we have remedied the fault, we will notify you that the fault ticket is "closed".

9.6 If we determine that:

(a) a fault arises out of or in connection with any equipment, facilities, networks or systems of yours; or

(b) there is or was no fault, we may require you to pay our reasonable costs and expenses (based on our standard rates) in dealing with or resolving a fault.

9.7 On receipt of a complaint we will register the complaint in our CRM. Acknowledgement of the complaint will be advised in writing within two working days. We will endeavour to resolve a complaint on the first contact, but where additional information is required from a third party, we will notify you should the complaint not be able to be resolved within 15 working days.

11. Charges and payment

11.1 Charges for the Service are determined in accordance with the Rate Plan or other manner specified in the Application. You will be invoiced for all calls, services, usage or other charges on a monthly basis and must pay all invoiced amounts by the date specified on the relevant invoice. Charges that do not appear on your monthly invoice may appear on future accounts due to processing procedures.

11.2 Where we provide mobile services monthly, you must also pay us:

(a) charges for calls you have made to the extent those charges exceed the Minimum Monthly Spend as set out in the Application; and

(b) charges for value added services you have used.

11.3 Any charges billed to you after the cancellation date from your previous service provider will be due and payable by you to that provider.

11.4 Our charges to you may involve fees for connection, initiation or cancellation of any services.

11.5 In relation to Mobile Services, you are responsible for all calls made from your handset, including any calls made in error. Most mobile phone handsets have a keypad lock function to prevent accidental use. It is your responsibility to take adequate precautions to avoid accidental use.

11.6 Accounts overdue may incur interest on the overdue amounts and an initial \$15 (plus GST) late payment will be applied to your account.

11.7 We may, on reasonable notice, deactivate or cancel all or part of the Service if any amount is not paid by its due date. We may restrict any Service if your account has gone over its credit limit or the Service appears fraudulent. Discounts may also be revoked during the overdue period. Pricing may revert to the Vadacom Standard rates. If any amount has not been paid by the due date we may deduct any unpaid amount (or part thereof) from your credit card or charge card nominated on the application form. If you have nominated automatic direct debit, your bank account or credit card will be charged 14 days from the invoice date.

11.8 Delivery of archived invoices in PDF format is available on request.

11.9 If you default under this Agreement we may use or disclose any personal information collected and recorded in relation to you to assist us in the process of debt recovery. "Personal information" includes personal identifying details such as your name, address, date of birth, employers and driver's license details and status of any of your accounts or related bodies corporate, your credit history, and information about your credit worthiness or capacity.

11.10 If you do not pay your account by the due date we may place the outstanding amount due in the hands of a debt collection agency for debt recovery. At this time they will assume the responsibility for collection of the outstanding amount and such amount owing will be liable to a 20% surcharge or actual legal costs to cover recovery charges

11.11 All payments made using either an American Express or Diners Club credit card will be subject to a 2.75% surcharge.

11.12 All payments made using a Visa, MasterCard or Bankcard will be subject to a 1.65% surcharge.

11.13 Unless expressly stated otherwise, the charges payable for the Service exclude GST. You must pay the GST to Vadacom in addition to the charges when the charges for the Service are payable. Vadacom will issue a tax invoice to you for the supply of those Service at or before that time.

11.14 If you dispute an invoice, the disputed amount will be set aside until an investigation has been completed and all parties are satisfied that all charges are correct. If a charge is found to be incorrect, a credit for that charge will be applied to your account. The disputed amount will not be part of the collection process.

11.15 In consideration of us having agreed to supply the Service to you, the person signing this agreement on your behalf ("the signatories") guarantees the payment on demand of all monies due to us by you. This guarantee will be a continuing guarantee and will not be affected by us giving time or any other indulgence to you, nor will any of our rights to sue or report your details to a credit reporting agency be affected.

12. Transfers and relocation

12.1 In providing the Service, we need to change your arrangements with your current supplier and we will do so in accordance with this clause.

12.2 By entering into this Agreement:

(a) you authorise us to sign on your behalf and in your name, forms of authority to your current supplier of telecommunications services to transfer the Service to us;

(b) you will on request yourself give written instructions to your current supplier to transfer the services from your name to Vadacom's;

(c) you will immediately pay to your current supplier all amounts owing to it for the Service being transferred up to the time of transfer to us.

12.3 If you ask us to transfer the Service to another supplier, you remain responsible to us for the amount payable for the Service up to the time we transfer those accounts to another supplier, and you will immediately pay us that amount on receipt of our invoice.

12.4 The provision of the Service ceases when we transfer those accounts to another supplier.

12.5 We will bill you for that Service within the next normal billing

period.

12.6 If after we become aware of any other proper charges (including fees payable to any other supplier) for that Service up to the date of transfer, then you will immediately pay us all such amounts on receipt of our invoice.

12.7 If Vadacom has programmed an override code into your equipment, calls may continue to be billed by Vadacom. In this situation you are liable to Vadacom for all related call costs and it is your responsibility to remove or change the override code at your cost to allow calls to go through to your new supplier.

13. Information

13.1 You consent to us and our Carriers and Suppliers exchanging your information and details using them for our own purposes.

13.2 You authorise the Carriers and Suppliers to disclose to us all records, and in particular exchange line details, telephone accounts information, call charge records and call event records.

13.3 You will keep confidential all information supplied by the Carriers or us to you.

14. Credit Check

14.1 You will supply all the necessary information to check the worthiness of your credit rating.

14.2 If we consider it relevant to assess this application, you agree to us obtaining from a credit-reporting agency a credit report containing personal information about you.

14.3 If your organisation is a Trust or member of a Trust you may be required to complete a Trust Compliance Form.

14.4 We may give to any credit provider and/or credit-reporting agency any information contained in the Application. You also agree that we may seek from any credit provider and/or credit-reporting agency any credit report on all parties named in the Application. You acknowledge and understand that such information can include any information regarding your commercial or consumer credit worthiness, credit history or credit capacity that credit providers and/or credit reporting agencies are allowed to give or receive under the Privacy Act.

14.5 You authorise us to make independent enquiries of third parties concerning your financial standing and for this purpose, authorise and permit third parties to supply such information regardless of any confidentiality or privilege which applies to the information sought.

14.6 If the ownership of your business changes involving change of directors or owners, we may request that a new Application form be signed and the new owners be subjected to a credit check. We may withhold services to the new owners if they fail to meet our credit terms.

15. Limitation of Liability

15.1 If we fail to meet any of our service level obligations as a result of any interruption or delay to your Service, we accept liability to you, but limit our liability to the applicable service level rebates or credits. Where you are not entitled to a service level rebate or credit, we limit our liability to an amount equal to the service charges billed for the affected Service for the period of the interruption or delay. However, we will not be responsible for any loss or damage arising from circumstances outside our reasonable control.

15.2 We accept liability arising from our breach of contract or negligence for any damage to your real or tangible property resulting from the supply of the Service, but we limit our liability to our choice of repairing or replacing the property or paying the cost of repairing or replacing it.

15.3 Other than for the liability accepted under clauses 15.1 and 15.2, we exclude all liability whether to you or a third party for breach of contract, negligence or breach of any other law. For any liability which cannot lawfully be excluded under this clause 15, our liability is limited to resupplying or paying the cost of resupplying services and repairing, replacing or paying the cost of repairing or replacing goods.

15.4 Notwithstanding anything else in this clause 15, our liability will be reduced to the extent the loss or damage is caused by you, your

employees, agents or contractors.

15.4 You are liable to us for breach of contract or negligence but you are not liable to us for any loss to the extent that it is caused by us.

16. Termination and suspension

16.1 We may terminate this Agreement if you breach any term of this Agreement or if a receiver or liquidator is appointed to you or if you enter into any arrangement with your creditors or assign your rights under this Agreement without our prior written consent or, in the case of an individual, you die.

16.2 We may suspend the Service:

(a) following due notice of reason and not less than 5 working days prior to a suspension taking place;

(b) If we assess that the you or the account status presents an unacceptably high credit risk to us;

(c) If we reasonably suspect fraud or attempted fraud

(d) If we are unable, for any reason including the default of a carrier, to provide the whole or part of the service;

(e) if you become subject to any form of insolvency administration.

16.3 If you request reactivation of the Service that has been suspended due to lack of payment, we may request a bond of up to \$1,000, which is to be applied to the first account issued following reactivation and payable by the due date of that invoice. This will be held until the conclusion of the Agreement period or 12 months, whichever is the longer.

16.4 If you churn your Service to another Carrier, all bond monies will be refunded within 14 days of the account being finalised.

16.5 If we suspend the Service, you will still remain liable for all monies due to us under this Agreement, during the period of such suspension.

16.6 If the Service has been suspended because of your breach of this Agreement, a fee of \$75 (plus GST) is payable to reactivate the Service.

16.7 On termination of this Agreement:

(a) you must pay all amounts due at the time the Agreement ends;

(b) where we provide mobile services:

(i) your rights to receive those services from us will end and you must return to us the SIM card that we provided to you;

(ii) If we are supplying a SIM only service and you terminate the service before this Agreement ends an early termination fee of \$500 per service is payable.

(c) where we provide fixed wire services, if you terminate those services before this Agreement ends, you will pay us an early termination fee based on a genuine estimate of the loss ("Early Termination Fee") we will incur from the early termination of this Agreement. The Early Termination Fee will be the amount of services and equipment charges billed per month for all the months up to the end of the originally agreed term.

(d) Where you have purchased two or more of the following products from us: Mobile GSM, Fixed Line (Inbound, Long Distance and Local), Next Voice™, Video and Voice Conferencing or Data, and during the term of this Agreement you cancel the supply of one of the aforementioned products, the pricing of the remaining product or service will revert to the non-bundled (or non-discounted) rate, for the remainder of the term of this Agreement.

(e) Where we provide data services, the Carrier may arrange for you to be supplied directly by the Carrier but the Carrier may not be able to make those arrangements immediately. Once the Carrier makes those arrangements, the Carrier's then current tariff and terms will apply.

16.8 If a variation results from an amendment to our agreement with a Supplier or Carrier, we will notify you of the variation. We will also offer you the right to terminate this Agreement within 42 days following the date of the notice without incurring charges other than: usage or network access charges to the date your Agreement would have ended; and outstanding amounts for installation of Vadacom

Supplied Equipment.

16.9 If we provide a Service at a discount on payment over a set term and you terminate this Agreement before that term ends, you will be liable to pay the for the Service billed at our standard rates for the period prior to termination.

17. Miscellaneous provisions

17.1 We will not be liable for any delay in the connection of or failure in the operation of the Services due to anything beyond our control.

17.2 This Agreement contains the entire understanding to the exclusion of all prior agreements or understandings relating to the Services. You acknowledge that you have not entered into this Agreement in reliance on any statement made by us, other than as expressly contained in this Agreement.

17.3 This Agreement may be altered, replaced or revoked by our

giving at least 30 days' notice to you by email, mail or as an amendment detailed on the monthly invoice to you.

17.4 If any part of this Agreement is found to be invalid this Agreement will be construed as though such part had not been inserted and the remainder of the Agreement will retain its full force and effect.

17.5 We may assign the benefit of this Agreement and the assignee will deal directly with you for the purposes associated with the provision of Service under this Agreement.

17.6 This Agreement is governed by New Zealand law.