

### Agreement Term

This Agreement shall commence on the Installation Date of your Hosted Telephone System by Sterling Business Communications Ltd or the date that has been agreed verbally, by email or any agreement form /proposal acceptance form and shall continue thereafter for a minimum period of 12 months and shall then (except as otherwise provided by this Agreement) automatically continue from year to year unless and until determined by either party giving to the other not less than 90 days' notice in writing before the anniversary of your annual maintenance cover date, served to Sterling Business Communications in writing by recorded/ registered delivery and Sterling Business Communications have confirmed receipt of receiving this. If cancellation is not received as per the above, then this agreement will continue to remain in force and any you will be charged the fee for your annual maintenance cover.

### Maintenance and Repairs

The Company will maintain the Equipment (including providing all necessary spare parts at its expense) excluding any Handsets, either by its servants or agents or contractors and the Customer will give access to the Equipment for this purpose. The Customer will promptly notify the Company when any fault in the Equipment occurs. The Customer will allow the Company access to its premises and the Equipment to enable the Company to perform its obligations under this Agreement. Refusal to allow such access will entitle the Company to levy a charge. The Customer will protect the health and safety of the Company's servants, agents and contractors whilst they are on the Customer's premises and will indemnify the Company against any claims arising out of their failure to do so.

Sterling Telecom will remotely perform up to 10 simple changes throughout the term of this agreement. Any major changes to the Auto Attendant, re design the hosted platform are not included in this agreement. These will be charged at the normal hourly engineering charge of £125.00 ex vat.

The Customer will ensure that its employees, contractors and other third parties will not attempt to maintain the Equipment, or any cabling attached thereto or to change, reconfigure, re-program, revise the size or specification of or otherwise alter the Equipment or any cabling attached thereto during the term of this Agreement

The Company shall not be obliged to provide maintenance service hereunder if any maintenance of the Equipment is necessitated as a result of any cause other than i) fair wear and tear, or ii) the Company's neglect or fault Causes other than fair wear and tear or the Company's neglect or fault shall include, without limitation, the following: i) failure or fluctuation of electrical power (power surge), air conditioning, humidity control or other environmental conditions;

or ii) accident, transportation, neglect, misuse or default of the Customer, its employees or agents or any third party (including any defect caused by BT PLC or any other operator providing telecommunications service to the public);

or iii) any fault in any attachment or associated Equipment (whether or not supplied by the Company) which does not form part of the Equipment; or iv) any act of God, inclement weather, fire, flood, war, act of violence, or any other occurrence beyond the reasonable control of the Company; or v) any attempt by any person other than the Company's personnel to change, reconfigure, re-program, revise the size or specification of or otherwise alter the Equipment or any cabling attached thereto or to maintain the Equipment or any cabling attached thereto.

Nothing in these conditions shall render the Company liable to the Customer for any resulting or consequential loss including loss of profits), damage or inconvenience caused by any defect arising howsoever to the Equipment.

The Company will (if it is able so to do) at the request and expense of the Customer repair or replace any part of the Equipment which has failed due to a cause other than fair wear or tear. The Company shall not be liable for any delay or failure in performing its obligations hereunder if any spare parts are not

available. If a Customer requests the Company's service without good reason (or in respect of any Equipment or fault not covered by the terms of this Agreement) the Customer will be liable to pay to the Company further charges in accordance with the Company's then subsisting scale of charges for such services, such charges being in addition to any other monies due under this Agreement or under any other Agreement between the Company and the Customer.

The Customer must not attempt to repair the Equipment in the event of breakdown but must notify the Company as soon as practicable after the fault comes to the Customer's notice. If any damage or breakdown has been caused by default or carelessness of the Customer or any third party or by a miss operation by the Customer or any third party, the repair will be at the expense of the Customer.

### Fault Classification

Sterling Business Communications Ltd divide faults into 4 classes; we may upgrade or downgrade the class of fault after discussion with you to ascertain the nature of the problem and the number of affected users.

Class A - Critical No incoming or outgoing telephone calls (system crashes etc).

Class B - Urgent Problems affecting over 25% of users (failed cards, frequent call cut-off etc).

Class C - Needed Problems with 1 or 2 users (failed ports, loss of voicemail or CTI etc).

Class D - Minors Administrative changes & non-critical functionality loss (minor

. The Company shall use its best endeavours to respond to a request for Maintenance within 4 hours of receipt of the same if there is a complete system failure. In all other cases the Company shall use its best endeavours to respond to a request for Maintenance within 48 hours of receipt of the same. This timescale being dependent upon the service level.

In any case other than conditions b), c), d), e), g), h) and i) above, the repair will be at the expense of the Company.

When the Customer reports a fault in the Equipment the Company will respond either by: i) Providing advice by telephone (including where appropriate advice as to checks and tests to be carried out by the Customer); or

Where possible, carrying out diagnostic checks from the Company's premises; or

when considered necessary by the Company visiting the Customer's premises where it has not been possible to diagnose or clear a fault in the Equipment using the procedures in i) and ii) above.

Where replacement parts for any of the Equipment are provided by the Company any parts removed from the Equipment shall be the property of the Company.

In rectifying a fault to the Equipment, it may be necessary for the Company to reset the Equipment software program. In such circumstances the Company will not be responsible for any resetting of the Customer's (or its employees') individual programming requirements.

The Company may (where repairs cannot be effected by component replacement) provide replacement Equipment (including, without limitation, assemblies and sub-assemblies, excluding telephones and handsets) PROVIDED THAT all details are recorded on the Company's engineer's service report and acknowledged at the time of replacement by the signature thereon of the Customer or its representative, that any replacement by the signature thereon of the Customer or its representative, that any replacement Equipment shall be agreed by the Customer as a permanent replacement for the Equipment removed.

### Maintenance Charges

Subject as hereinafter mentioned all charges shall be payable in advance, the first annual maintenance charge to be made upon the Installation Date and subsequent annual maintenance

charges to be made in advance on each anniversary of the Installation Date.

All VAT payable on the charges under this Agreement shall be paid by the Customer at the time of payment of such charges. The Company reserves the right to adjust the Company's annual maintenance charges for payments falling due on or after the expiry of the first anniversary of the Installation Date by notification of the increase by invoice to the Customer at least one month before the adjustment is to take effect.

No work or maintenance shall be undertaken by the Company if at the time such work is requested the Customer has failed to pay any outstanding monies due to the Company.

All charges not paid within seven days of the due date shall bear interest from the due date at a rate of 15% per annum.

The Company shall be entitled to exercise a lien over any Equipment or other goods belonging to the Customer in the Company's power, possession, custody or control as security for any charges or other monies due from the Customer to the Company whether or not invoiced.

#### **Miscellaneous**

This Agreement may not be assigned by the Customer to any third party without the consent of the Company. Such permission is not to be unreasonably withheld and the assigning Customer hereby agrees to pay to the Company an assignment fee of £100.00 in respect of any such assignment. Upon assignment, this Agreement is deemed to cover the person taking the assignment from the Customer for the Minimum Period.

The Company shall not be liable for any delays to or failure to execute any work, or repair, replacement, alteration to, or removal of the Equipment due to any circumstances beyond the control of the Company and the Company's obligations in that behalf shall be suspended during any period of any such delay or failure beyond its control.

The Company may assign the benefit of or its rights under this Agreement.

Otherwise that where this Agreement covers Equipment covered by BSI regulations the Company may subcontract any or all its obligations covered by this contract to a third party without notifying the Customer.

All consumables required to enable the Company to rectify any defects in the Equipment including. Without limitation, cassette tapes, print ribbons, toner, developer, paper and paper rolls will be provided by the Company or its approved supplier at the expense of the Customer unless specified in this Agreement.

The Customer will promptly notify the Company of its intention to change the address at which the Equipment is installed. If the Equipment is removed to another address the Company shall be relieved of its obligations under this Agreement whereupon any outstanding liabilities of the Customer will become immediately payable to the Company PROVIDED THAT the Company shall be entitled to elect to continue to provide maintenance services in respect of such Equipment on the terms specified in condition g) below. If the Equipment is moved to other premises and the Company elects to continue to provide maintenance services, the Company will be entitled to increase the maintenance charge payable under this Agreement, to cover any additional costs to the Company in providing maintenance services at the new location. The Company shall be entitled to inspect the Equipment before accepting any request to undertake any maintenance obligations in respect of such Equipment.

Any amendment to the terms of this Agreement will not be binding unless confirmed in writing by the Company Secretary of the Company prior to the Installation Date.

If any provision of this Agreement is held by any competent authority to be invalid or unenforceable in whole or part the validity of the other provisions of this Agreement and the remainder of the provisions in question shall not be affected thereby.

#### **Termination**

Notwithstanding anything else contained herein this Agreement may be terminated:

By the Company forthwith on giving notice in writing to the Customer if the Customer shall fail to pay any sum due under the terms of this Agreement or any other Agreement between the Company and the Customer

(otherwise than as a consequence of any default on the part of the Company) and such sum remains unpaid for 14 days after written notice from the Company that such sum has not been paid (such notice to contain a warning of the Company's intention to terminate); or

By either party forthwith on giving notice in writing to the other if the other commits any material breach of any term of this Agreement (other than any failure by the Customer to make any payment hereunder in which event the provisions of paragraph i) above shall apply) and (in the case of a breach capable of being remedied) shall have failed within 30 days after the receipt of a request in writing from the other party so to do to remedy the breach (such request to contain a warning of such party's intention to terminate); or

By either party forthwith on giving notice in writing to the other if the other party shall have a receiver or administrative receiver appointed of it or over any part of its undertaking or assets or shall pass a resolution for winding up otherwise than for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); a court of competent jurisdiction shall make an order to the effect or if the other party shall become subject to an administration order or shall enter into any voluntary arrangement with his creditors or shall become bankrupt or shall cease or threaten to cease to carry on business.

Any termination of this Agreement howsoever occasioned shall not affect any accrued rights or liabilities of either party nor shall it affect the coming into force or the continuance in force of any provision hereof which is expressly or by implication intended to come into or continue in force on or after such termination.

Upon the termination of this Agreement, for any reason otherwise than by the Customer in accordance with Clause 5 a) ii) above the Customer shall not be entitled to reimbursement of any pro rata part (calculated on a time basis) at any maintenance charge paid in advance.

Any notice required to be given hereunder shall be served by posting the same by first class recorded delivery post to the registered office of the party to be served (in the case of a Company) or to the installation address specified overleaf (in the case of an individual firm or partnership). Any notice served hereunder shall be deemed to have been received 48 hours after posting, in proving service by post it shall only be necessary to prove that the communication was contained in an envelope which was duly addressed and posted in accordance with this Clause.

With Effect from 04/01/2011