

Confidential

AND

INTERCONNECT AGREEMENT

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THIS AGREEMENT is made

BETWEEN:

AND:

RECITALS

- A. provides in Hong Kong pursuant to a under the Ordinance whereas provides public internal fixed telecommunications services and public external fixed telecommunications services in Hong Kong pursuant to a under the Ordinance.
- B. The Parties agree to interconnect their respective telecommunications Networks and convey Designated Communications in accordance with this Agreement.

AGREEMENT

1. DEFINITIONS AND INTERPRETATIONS

1.1 In this Agreement the following words and expressions have the following meanings, unless the contrary intention appears.

“**Agreed Traffic**” means the Designated Communication originated from the Network of and terminated to the Network of , as well as the Designated Communication originated from the Network of and terminated to the Network of

“**Agreement**” means these terms and conditions (including the Schedules and any Annexes attached hereto) as may be amended by the Parties from time to time.

“**Business Day**” means a day on which trading banks are open for business in Hong Kong (excluding Saturdays).

“**CA**” or “**Communications Authority**” means the Communications Authority of Hong Kong (and includes its predecessor or successor).

“**Call Delivery Service**” means the call delivery services described in Schedule 2 provided in relation to Designated Communications and any other call delivery services agreed in writing from time to time between the Parties.

“**Called Party**” means the device, customer equipment or person, to which or to whom a Designated Communication from a Calling Party is conveyed for final termination.

“**Calling Party**” means a device, customer equipment or person from which or from whom a Designated Communication is originated for transmission to a Called Party.

“**Charges**” means the amounts set out in Schedule 3 payable by each Party to the other Party under this Agreement in accordance with clause 4 for the supply of Services, as amended from time to time under this Agreement or as lawfully determined by the CA under section 36A of the Ordinance.

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“**CLI**” or “**Calling Line Identification**” means the information identifying the number of the telephone line or apparatus from which a communication originates that is generated or transmitted by the Network or Third Party Network to which that line or apparatus is connected.

“**CLI Code of Practice**” means the Code of Practice in relation to Calling Line Identification and Other Calling Line Identification Related Services issued by the CA.

“**CLI Regulatory Guide**” means HKCA 3101 – Regulatory Guide for Calling Line Identification (CLI) Format.

“**Commencement Date**” means the date of this Agreement.

“**Confidential Information**” means any proprietary and confidential information (whether disclosed before or after the Commencement Date) provided by one Party to the other Party including trade secrets, technical knowledge, technical information including data, findings, know-how, plan, software, and all secret processes, technology, machines, computer programs, manuals, components, products, inventions, systems, designs, assembly techniques, pending patent applications; business, financial, marketing and accounting information whether related to present or prospective business activities, operations, management, policies and strategies, including market intelligence, data base information, customer lists, information relating to a Party’s customers, project records, strategic and development plans, co-developer identities, data, or any other information of a Party acquired in pursuance of or during the existence of this Agreement whether such information is in written or oral form, electronically stored or in any other medium.

“**Connection Customer**” of a Party or of a Third Party Operator means a Calling Party or Called Party that subscribes to that Party’s or Third Party Operator’s telecommunications service and therefore transmits and/or receives communications through the Network operated by that Party or Third Party Operator.

“**Designated Communication**” means a communication comprised of voice and/or data on the voiceband and any other communications agreed in writing from time to time to be exchanged between the Parties’ respective Networks.

“**ETS**” means external telecommunications services.

“**ETS Operator**” means a holder of a valid licence issued under the Ordinance for the operation and provision of ETS.

“**ICFS**” means International Call Forwarding Services.

“**International Communication**” means a Designated Communication which is to be, or has been, conveyed between a place within Hong Kong and a place outside of Hong Kong, or vice versa.

“**Licence**” means the respective _____ which has been issued to that Party pursuant to the Ordinance, each as amended from time to time.

“**Network**” of a Party means the telecommunications network owned or operated by that Party for the purpose of providing Public Internal Fixed Telecommunications Service or Public Mobile Radio Communications Services pursuant to its Licence or licensed under the Ordinance and for clarification, includes facilities of the other Party or of a third party which that Party operates in the course of conveying communications.

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“**Numbering Plan**” means the Numbering Plan for telecommunications services in Hong Kong issued by the Communications Authority, as amended from time to time.

“**Ordinance**” means the Telecommunications Ordinance (Cap. 106) of Hong Kong.

“**Party**” means a party to this Agreement and “**Parties**” means the parties to this Agreement.

“**Public Internal Fixed Telecommunications Service**” has the same meaning as given in Schedule 1 of each Party’s Licence.

“**Public Mobile Radio Communications Service**” has the same meaning as given in Schedule 1

“**Service Supplier**” means the Party which provides Public Internal Fixed Telecommunications Services or Public Mobile Radio Communications services to the Connection Customer or to the person who provides the end use telecommunications service to the Connection Customer, including through the provision of a service by the Service Supplier.

“**Services**” means the services, including the Call Delivery Services, to be provided by each Party under this Agreement.

“**Supporting Operator**” means the Party which provides Call Delivery Services to the Service Supplier.

“**Third Party Network**” means any telecommunications network lawfully owned or operated by a Third Party Operator from time to time.

“**Third Party Operator**” means a person that owns or operates a Third Party Network.

1.2 In this Agreement unless, the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this Agreement;
- (b) the singular includes the plural and vice versa;
- (c) the word person includes a body an unincorporated association or an authority;
- (d) a reference to a Party includes its successors and permitted assigns;
- (e) a reference to a document, includes any amendment, replacement or novation of it;
- (f) a reference to a statute, ordinance or by-law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (g) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (h) a reference to agreement by or between the Parties, means agreement in writing signed by each Party; and
- (i) a reference to this Agreement includes the Schedules and Exhibits hereto.

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- 1.3 The inclusion or omission of any right or obligation in this Agreement, and the consideration to include or omit any right or obligation within this Agreement, is not to be construed as an acknowledgment by a Party that:
- (a) its ability to make any representation in seeking any determination of the Party's rights or obligations under the Ordinance or under its Licence is in any way affected; or
 - (b) that right or obligation falls within or outside (as the case may be) the terms of section 36A of the Ordinance or its Licence.

2. SCOPE OF THIS AGREEMENT

- 2.1 Subject to clause 2.2, this Agreement is intended to regulate the relationship and to set out the rights and obligations as between the Parties in respect of the conveyance and exchange of Designated Communications across their respective Networks, the provision of Services and the other matters set out in this Agreement.
- 2.2 Subject to clause 2.4 if an applicable determination is made by the CA pursuant to section 36A of the Ordinance each Party will take such reasonable steps (including amending the terms of this Agreement) necessary to implement the determination and any consequential changes arising from the implementation.
- 2.3 If, within _____ of the date of the determination being made by the CA, the Parties are unable to agree upon the manner in which, or extent to which, the determination should prevail, either Party may refer the disagreement to the CA for resolution by the CA.
- 2.4 If:
- (a) a determination referred to in clause 2.2 is subject to a bona fide dispute by a Party that such a determination is unlawful, has not been lawfully made or is invalid (as a result of the determination being ultra vires, having been made contrary to any applicable law relating to due administrative process or otherwise); and
 - (b) that Party notifies the other Party of that dispute and takes steps to have that dispute determined by a court of competent jurisdiction within _____ from the date of the determination,
- then this Agreement will be amended to implement that determination when a court finally determines that dispute and finds that the determination is not unlawful, unlawfully made or invalid.
- 2.5 If the Parties implement a determination of the CA that is later determined to be invalid for any reason by a court of competent jurisdiction then the Parties will take such steps as may be necessary to put themselves in the position that each of them would have been in had that determination of the CA never been implemented.

3. NETWORK INTERCONNECT AND SERVICES

- 3.1 The Parties agree to interconnect their respective Networks on the terms and conditions set out in this Agreement. Details of the interconnection mode are described in Schedule 1. The Parties may from time to time review the interconnection mode under this Agreement and update Schedule 1 accordingly if necessary.

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3.2 The Supporting Operator must provide Call Delivery Services to the Service Supplier in accordance with this Agreement. For the avoidance of doubt, this Agreement shall cover the Call Delivery Service between

3.3 In case the agreed interconnection mode of the Parties' Networks is indirect via an agreed Third Party Network, each Party shall be responsible for procuring, at its own expense, the necessary facilities and equipment required to receive/deliver the Agreed Traffic from/to that Third Party Network to/from the Party's Network.

4. INTERCONNECTION CHARGES

4.1 Each Party must pay the other Party the Charges as specified in Schedule 3 in accordance with the billing and settlement procedures in Schedule 4. The Charges set out in Schedule 3 are subject to adjustment by reference to the relevant determination as may be issued by the CA from time to time within the industry and /or the Parties' mutual agreement to be made from time to time.

4.2 In case the agreed interconnection mode of the Parties' Networks is indirect via an agreed Third Party Network, each Party shall be responsible for paying, at its own expense, the necessary transit charges of the Third Party Operator for the Agreed Traffic which originated from the Network of the Party and terminated to the Network of the other Party. The rate of the transit charges and the billing and settlement procedure for the transit charges are to be negotiated directly between each Party and the agreed Third Party Operator and do not form part of this Agreement.

5. CLI AND PROVISION OF INFORMATION GENERALLY

5.1 Each Party must provide CLI, as far as technically practicable and in the case of Designated Communications received by that Party from a Third Party Network, where available, to the other Party as part of the call set up signal for a Designated Communication for which the other Party is the Service Supplier, except to the extent that the CLI Code of Practice or CLI Regulatory Guide provides or the CA otherwise directs. Each Party must use its reasonable efforts to ensure that it provides CLI under this clause in accordance with the signalling specifications specified by the CA.

5.2 Each Party must use CLI provided by the other Party in such manner as is authorised by the CLI Code of Practice and CLI Regulatory Guide and in accordance with the terms of any other relevant guideline or determination issued or made by the CA and any applicable law.

5.3 Each Party must endeavour to ensure that information provided by it to the other Party under this Agreement is correct to the best of its knowledge at the time of provision.

5.4 Notwithstanding clause 5.3, neither Party warrants that information provided by it to the other Party under this Agreement is entirely free from errors or will remain valid after its provision.

6. NUMBERING

Each Party will open up the number ranges specified in Schedule 2 or such other number ranges as may be notified to the other Party, from time to time.

7. NETWORK OPERATION AND MANAGEMENT

Each Party must comply with the provisions of Schedule 5.

8. QUALITY OF SERVICE AND FORECASTING

8.1 Each Party will use its reasonable endeavours to ensure that the conveyance and exchange of Designated Communications required to be conveyed and exchanged under this Agreement in and across their respective Networks complies with CA's related requirements.

8.2 The Parties will provide each other with reasonable forecasts of Designated Communications to be conveyed across their respective Networks. Whilst each Party shall, if possible, provide the Services with respect to Designated Communications, whether or not forecast, a Party shall not be liable to the other Party with respect to:

- (a) failure to convey Designated Communications which do not fall within an agreed forecast; or
- (b) the inferior quality of Designated Communications which do not fall within an agreed forecast;

provided that the Party otherwise relieved from liability has used reasonable endeavours to avoid the failure or inferior quality as aforesaid.

9. LIMITATION OF LIABILITY

9.1 Nothing in this Agreement in any way excludes or restricts a Party's liability for death or personal injury resulting from the negligence of that Party.

9.2 Neither Party is liable to the other for any indirect, consequential, collateral, special or incidental loss or damage, loss of revenue, profit, anticipated savings or business, loss of data or goodwill, loss of use or value of any equipment including software, claims of third parties, and all associated and incidental costs and expenses suffered or incurred by the other Party in connection with this Agreement whether during or after the term of this Agreement.

9.3 Each Party will use its reasonable endeavours to ensure that in its contracts with persons to whom it provides telecommunications services, the liability of the other Party is excluded to the fullest extent permissible by law.

9.4 The liability of each Party to the other party in contract, tort or otherwise (including any liability for negligence) arising by reason of or in connection with this Agreement is limited to _____ for any one incident or series of events arising from a single incident or common cause, and an _____ for all liability arising by reason of or in connection with this Agreement.

10. TERM AND TERMINATION

10.1 This Agreement commences on the Commencement Date and remains in force until terminated in accordance with this clause 10 or by the CA pursuant to a lawful determination under section 36A of the Ordinance.

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- 10.2 may terminate this Agreement immediately by giving notice in writing if:
- (a) breaches a material provision of this Agreement and that breach is not remedied within after receiving written notice to do so; or
 - (b) becomes subject to any form of insolvency administration or winding up, unless there is a bona dispute between and the person or persons seeking to subject to that insolvency, administration or winding up; or
 - (c) the CA validly determines and notifies in writing that it will revoke Licence, in which case this Agreement shall terminate at the date such revocation becomes effective.
- 10.3 may terminate this Agreement immediately by giving notice in writing if:
- (a) breaches a material provision of this Agreement and that breach is not remedied within after receiving written notice to do so; or
 - (b) becomes subject to any form of insolvency, administration or winding-up, unless there is a bona dispute between and the person or persons seeking to subject to that insolvency, administration or winding up; or
 - (c) the CA validly determines and notifies in writing that it will revoke Licence, in which case this Agreement shall terminate at the date such revocation becomes effective.
- 10.4 On termination of this Agreement (whether in whole or in part) each Party remains liable to the other in respect of all amounts owed to the other Party in accordance with this Agreement in respect of actions up to the date of termination.
- 10.5 If a Party (“Defaulting Party”) is in material breach of this Agreement and the other Party (“Injured Party”) notifies the Defaulting Party requesting it to rectify that breach (“Default Notice”) then within after that Default Notice is received by the Defaulting Party must notify the injured party of the action it proposes to take to remedy that material breach and must commence to take appropriate action to remedy the material breach.
- 10.6 If the Defaulting Party:
- (a) fails to commence to take appropriate action to remedy the material breach within after receiving the Default Notice; or
 - (b) having taken the appropriate action to remedy the material breach, fails to remedy the material breach as soon as possible and in any event after receiving the Default Notice,
- the Injured Party may, without prejudice to any right to damages under this Agreement, after giving notice suspend the provision of any Service of the kind in respect of which the breach has occurred until the material breach is remedied and the Defaulting Party has certified that the material breach has been so remedied.
- 10.7 After the termination of this Agreement in circumstances where there is no agreement between the Parties or lawful determination providing for the contrary, unless there is a bona dispute in relation to the validity of the termination:

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- (a) each Party must within a reasonable period (which will not be) after termination disconnect its Network from the Network of the other Party or allow the other Party to so disconnect its Network; and
- (b) each Party's right to use the other Party's Confidential Information ceases.

10.8 Termination or expiry of this Agreement does not:

- (a) affect and is without prejudice to any accrued rights or remedies a Party may have under this Agreement that have accrued prior to or as a result of termination or expiry of this Agreement; or
- (b) operate as a waiver of any breach of this Agreement by a Party.

10.9 Clauses 10.7, clause 10.8, this clause 10.9 and clauses 4, 9 and 11 shall survive termination or expiry of this Agreement.

10.10 Either Party may terminate this Agreement without cause by giving the other Party ' notice in writing.

11. CONFIDENTIALITY

11.1 Each Party shall keep confidential the other Party's Confidential Information obtained under or in connection with this Agreement and shall not:

- (a) disclose the same to any third party; or
- (b) use all or any part of such information other than reasonably necessary for the purpose of this Agreement,

without the consent in writing of the other party.

11.2 The obligations of confidentiality in this clause shall not apply to:

- (a) any information which when received by the receiving party was already in the public domain otherwise than by breach of this Agreement;
- (b) information obtained from a third party who has a right to disclose the same without restriction; or
- (c) information required to be disclosed by law.

11.3 Each Party shall limit circulation and disclose of the other Party's Confidential Information only to those of its employees or representatives on a need to know basis and solely for the purpose of facilitating the Party to perform its obligations under this Agreement. Each Party shall ensure that such of its employees and representatives who have access to the other Party's Confidential Information are aware of and comply with the confidentiality obligations as set out in this Agreement. Each Party shall take all reasonable steps to protect the confidentiality of the other Party's Confidential Information. Such steps shall be no less than the degree of care and security that the Party applies to its own Confidential Information.

11.4 This clause 11 shall survive the termination or expiry of this Agreement.

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12. FORCE MAJEURE

- 12.1 A Party does not breach this Agreement and is not liable to the other Party for a delay or failure to perform an obligation under this Agreement (except an obligation to pay money) resulting from events or circumstances beyond the Party's reasonable control to the extent that the effect of those events or circumstances renders performance impossible. The Party affected by the event or circumstances will be granted a reasonable extension of time to perform the obligation, if:
- (a) it notifies the other Party as soon as reasonably practicable of the event or circumstances and of the period for which it expects performance of its obligations to be delayed or prevented; and
 - (b) it takes all reasonable steps to avoid or limit the effects of the event or circumstances.
- 12.2 If a delay or failure to perform a Party's obligations due to an event or circumstances beyond that Party's reasonable control, the other Party may immediately terminate this Agreement on notice to the first Party, but only if it has not at that time breached this Agreement in a manner which would entitle the other Party to terminate this Agreement.
- 12.3 An event or circumstances beyond a Party's reasonable control including but not limited to:- acts of God or nature, war (whether declared or not), flood, fire, explosion, storm, civil disobedience, legislation not in force at the date of this Agreement, a strike, lockout or work stoppage, labour disputes, or acts, omissions or delays of third parties, including suppliers which affect the provision of the Services, over which the Party has no control. However, the Parties agree that the failure of either Party to be granted a Licence is not an event or circumstance beyond a Party's reasonable control for the purposes of this Agreement.

13. ASSIGNMENT

Neither Party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other Party, such consent not to be unreasonably withheld or delayed.

14. NOTICES

- 14.1 A notice, consent, request or any other communication under this Agreement must be in writing and must be delivered by personal delivery to the address of the addressee, or sent by prepaid post (airmail if posted to or from a place outside Hong Kong) to the address of the addressee or sent by facsimile to the facsimile number of the addressee specified below or any other address or facsimile number the addressee requests.

If to

Address:

Attention:

Fax:

with copy to:

If to _____

Address:

Attention:

Fax:

with copy to:

14.2 A notice, consent, request or any other communication is deemed to be received:

- (a) if by personal delivery, at the time when it is delivered;
- (b) if a _____, if posted to or from a place outside Hong Kong) after posting; and
- (c) if a facsimile, at the time of dispatch if the sender receives a transmission report which confirms that the facsimile was sent in its entirety to the facsimile number of the recipient.

15. GENERAL

Cumulative rights

15.1 The rights, powers and remedies of a Party under this Agreement are cumulative with the rights, powers or remedies provided by law independently of this Agreement.

Exercise of rights

15.2 A Party may exercise a right, power or remedy at its discretion, and separately or concurrently with another right, power or remedy. A single or partial exercise of a right, power or remedy by a Party does not prevent a further exercise of that or of any other right, power or remedy.

Waiver and variation

15.3 A provision or a right under this Agreement may not be waived except in writing signed by the Party granting the waiver, or varied except in writing signed by the Parties.

Approvals and consents

15.4 A Party may give or withhold its approval or consent conditionally or unconditionally in its discretion unless this Agreement states otherwise.

No Representations or Warranties

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- 15.5 The Parties have not relied on any representations or warranties about its subject matter except as provided in this Agreement.

Further Assurance

- 15.6 Each Party must do everything reasonably necessary to give full effect to its obligations under this Agreement.

Publicity

- 15.7 Neither Party shall make press or other public announcements or releases about this Agreement or the transactions related to it without the prior written approval of the other Party unless the announcement or release is required to be made by law or the rules of stock exchange or by a government agency and that Party gives the other Party the maximum practicable notice of that announcement.

Severability

- 15.8 If at any time a provision of this Agreement becomes void, voidable, unenforceable or illegal, that shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Relationship of the Parties

- 15.9 (a) The relationship of the Parties under this Agreement is one of independent contractors only. Unless otherwise expressly provided, nothing in this Agreement is to be construed as creating an agency, partnership, association, trust or joint venture between the Parties.
- (b) Neither Party nor any of its employees, agents, representatives or contractors is to be deemed an employee, agent, contractor or representative of the other Party.
- (c) Other than as expressly provided in this Agreement, neither Party has any authority to bind or oblige or incur any liability on behalf of the other Party and no such authority is to be implied.

Amendment

- 15.10 This Agreement may not be amended except by written instrument executed by the Parties.

Entire Agreement and Primacy

- 15.11 (a) Except as the Parties otherwise agree, this Agreement constitutes the entire agreement of the Parties about its subject matter and supersedes any previous understandings or agreements on that subject matter.
- (b) The Parties acknowledge that this Agreement does not alter or amend the Parties' rights under any other agreements entered into between the Parties except to the extent the Parties otherwise agree.

Counterparts

- 15.12 This Agreement may be executed in any number of counterparts and all those counterparts taken together will constitute one instrument.

16. GOVERNING LAW AND JURISDICTION

- 16.1 This Agreement is governed by the laws of Hong Kong.
- 16.2 Each Party irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of Hong Kong.

17. DISPUTE RESOLUTION

- 17.1 Disputes in relation to this Agreement will be reviewed by the working group established by the Parties that has the greatest expertise in relation to the subject matter of that dispute. Failing resolution of the dispute by this working group within _____ or such other time as may be agreed between the Parties, the dispute must be referred to the senior management of the Parties for resolution.
- 17.2 Each Party acknowledges that this Agreement will not prevent the CA exercising its powers under the Ordinance or its rights under the Licences, or other lawful rights or powers from time to time.

Executed as an agreement.

Signed for and on behalf of _____

Signed for and on behalf of _____

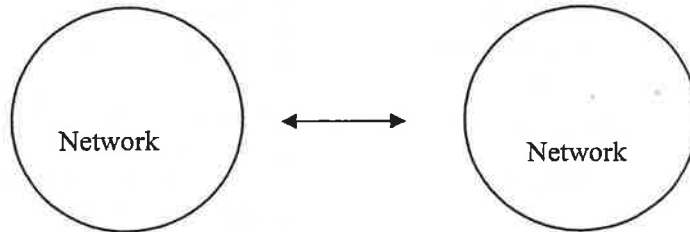
SCHEDULE 1

INTERCONNECTION MODE

1. Interconnect

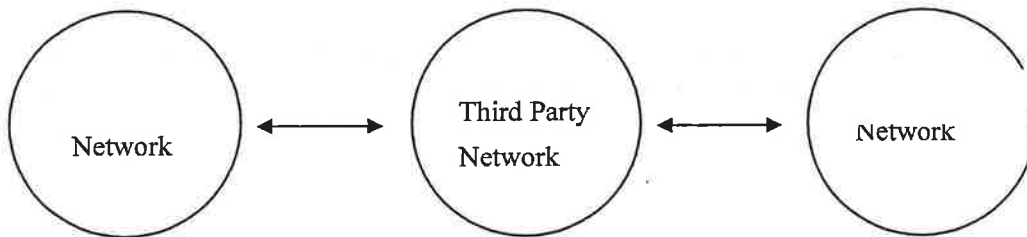
1.1 The Parties agree to deliver the traffic to each other in accordance with the Numbering Plan in Schedule 2 under the following configuration.

a) Direct Interconnection Mode



Or

b) Indirect Interconnection Mode



1.2 Each Party is responsible for individually negotiating with the agreed Third Party Operator on matters related to technical and commercial arrangements between the Party and the Third Party Operator to allow the Third Party Network to transit the Agreed Traffic to /from the Network of the Party.

2. Cost of Interconnect

2.1 Each Party shall be responsible for procuring, at its own expense, the necessary facilities and equipment required to receive/deliver the Agreed Traffic from/to that Third Party Network to/from the Party's Network.

2.2 Each Party shall be responsible for paying, at its own expense, the necessary transit charges of the Third Party Operator for the Agreed Traffic originated from the Network of the Party and terminated to the Network of the other Party.

SCHEDULE 2

CALL DELIVERY SERVICES

1. Conveyance of Agreed Traffic

The Parties agree to convey Agreed Traffic destined for the other Party, as follows:.

	Calling Party	Called Party	Numbering Levels	Remarks
1				Network numbers
			5x, 6x, 9x	Mobile Services
				Mobile short codes
2				External Telecommunications
			, 2x, 3x	Fixed network number
				Network number
				Customer enquiry and hot lines or operator-assisted services

Notes:

1. For details on the numbering formats, please refer to the latest issue of “The Numbering Plan for Telecommunications Services in Hong Kong”. For those agreed call types, the numbering levels will be revised by the allocation of new numbers by CA to the relevant operators.
2. Each Party shall update the other Party by notice in writing of the list of operators behind its respective Network with the relevant routing information.

SCHEDULE 3

INTERCONNECTION CHARGES

1 All charges will be settled in accordance with the Billing and Settlement Procedure as set out in Schedule 4.

2. The Charges

The following table summarizes the charging principle for each call type according to the Numbering Plan.

Number Prefix	Call Description	Traffic Types	Charging Principle
12x	Customer Enquiry	Local	Originating Party Pays
17x	Mobile Services	Local	Originating Party Pays
18x	Volatile Traffic	Local	Originating Party Pays
2x / 3x (non 30x)	Fixed Network Numbers	Local	Originating Party Pays
300x / 301x / 302x/ 303x / 304x	PNETS	Non-ETS	Terminating Party Pays
305x – 309x / 15x / 16x	External Traffic	External/ ICFS	LAC
5x/ 6x/ 9x	Mobile Network Numbers	Local	Originating Party Pays
800x	Freephone Services	Freephone	Terminating Party Pays
8x (non 800x)	Personal Number	Local / ICFS	Non-ICFS/ICFS
900x	Information Services	VAS	Terminating Party Pays

2.1 Local Traffic

Charges applicable to Agreed Traffic between mobile Network and fixed Network

(a) The interconnection usage charges for local traffic originating from mobile Network and terminating to fixed Network shall be as follows:

Calling Party	Called Party	Numbering Levels	Charge rate (per occupancy minute) <i>Originating Party Pay</i>
		, 2x, 3x	HK 0 cent
			HK 0 cent
			HK 0 cent
			HK 0 cent

(b) The interconnection usage charges for local traffic originating from fixed Network and terminating to mobile Network shall be as follows:

Calling Party	Called Party	Numbering Levels	Charge rate (per occupancy minute) <i>Originating Party Pay</i>
			HK 0 cent
		5x, 6x, 9x	HK 0 cent
			HK 0 cent

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2.2 External Traffic

Subject to separate agreement on Local Access Charge to be mutually agreed by the parties.

2.3 International Call Forward Service

Charges payable by _____ for ICFS traffic call forward from _____ mobile Network to _____ fixed Network shall be as follows:

Number Prefix	Call Description	Charge rate (per occupancy minute)
305 - 309	ICFS	HK 10.3 cents
8x (those personal numbers that are used for ICFS)	ICFS	HK 10.3 cents

2.4 PNETS and Freephone Traffic

Charges payable by _____ for PNETS and Freephone traffic originating from mobile Network to _____ fixed Network.

Number Prefix	Call Description	Charge rate (per occupancy minute)
300x /301x / 302x / 303x /304x	PNETS	HK 2 cents
800x	Freephone services	HK 2 cents

2.5 Other Value Added Service

Other value added service calls originating from _____ Network and terminating on _____ network in respect of telephone numbers allocated by the CA to _____ for the purpose of providing value added services are payable by _____ at HK 15.86 cents per occupancy minute.

SCHEDULE 4

BILLING AND SETTLEMENT PROCEDURES

1. **BILLING PRINCIPLE**

Service charges for a call which begins at or after 00:00:00 of the first day of the calendar month will be included in the statement issued for that month. Service charge for a call that begins in one calendar month and completes in the following calendar month will be included in the statement for the first month.

2. **ISSUE OF STATEMENTS**

Issue of Statements

2.1 days after the expiration of each calendar month, or as soon as practicable thereafter, the Party to be the invoiced amount ("Recipient Party") will provide to the Party who must pay the invoiced amount ("Payment Party") a statement containing:

- (a) the amount due to be paid by the Payment Party to the Recipient Party for the services provided in that month; and
- (b) billing information for Services provided in that month including the description, unit rate, number of calls and number of minutes.

The Recipient Party must provide the Payment Party on a timely basis with all information reasonably required by the Payment Party to verify rates and charges to be billed by the Recipient Party to the Payment Party.

Accuracy of Statements

2.2 In any dispute in relation to billing and settlement a statement shall be presumed to be correct until the contrary is proved.

Correcting Errors in Statements

2.3 If after issuing the statement the Recipient Party identifies an error in the statement that involves invoicing the Payment Party for an amount less than the correct amount, the Recipient Party may issue a separate statement for the difference between the correct and incorrect amount of charges set out in the statements.

2.4 If the statement was issued for an amount less than the correct amount as a result of:

- (a) incorrect information, data or signalling, being provided by the Payment Party; or
- (b) any failure of the Payment Party to comply with this Agreement;

the Recipient Party may issue a separate Statement for the difference and overdue interest at the rate set out in section 3.3 shall be applicable to such amount as if it were set out in the original statement.

Non-Availability of Recipient Party's Billing System

2.5 If the Recipient Party's billing system is not available or fails to operate to allow the Recipient Party to generate a statement at the relevant time:

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- (a) the Recipient Party may generate a provisional statement based on the traffic measured for the immediately preceding month for which data is available. If there is a reported dispute in respect of the statement for such immediately preceding month, the provisional statement must be adjusted according to the result of the dispute resolution of that previous statement;
- (b) the Recipient Party will notify the Payment Party of the system non-availability or failure and state that the statement is provisional;
- (c) all procedures relating to payment and overdue interest payable under section 3.3 are applicable to such a provisional statement as if it were a statement issued in the normal course; and
- (d) when the Recipient Party's system is fully operational again, the Recipient Party must process the records for the period during which the system was not available; and
 - (i) if there is any difference between the provisional statement and the actual amount calculated after reprocessing, the Recipient Party will adjust the invoiced amount accordingly;
 - (ii) if this reconciliation shows that there has been an overpayment, the Recipient Party must within _____ the overpaid amount to the Payment Party; and
 - (iii) if this reconciliation shows that there has been an underpayment, the Payment Party must pay the underpaid amount to the Recipient Party

If the re-processing and the issue of a revised statement cannot be completed from the issue date of the provisional statement, the Parties will negotiate in good faith to finalise the amount payable in respect to the period covered by the provisional statement.

3. PAYMENT

Timing of Payment

- 3.1 Subject to section 3.5, the Payment Party must pay each invoiced amount to the Recipient Party within _____ from the receipt of the statement ("Due Date") or the _____ if the Due Date is not a Business Day.

Method of Payment

- 3.2 All amounts payable by a Payment Party must be paid in Hong Kong dollars by bank cheque to the Recipient Party or directly by electronic transfer to a bank account which has been nominated in writing by the Recipient Party.

Interest for Overdue Payment

- 3.3 Subject to clause 3.5, if an invoiced amount is not received by the Due Date, the Payment Party shall be required to pay to the Recipient Party interest in respect of the overdue amount. Overdue interest will be calculated at the rate which is equal to 2% above the prime lending rate of The Hongkong and Shanghai Banking Corporation Limited as current from time to time. Interest will accrue daily on all outstanding amounts (including accrued overdue

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interest) from the due date until payment in full is received by Recipient Party.

- 3.4 Any amount overpaid by the Payment Party shall be refunded within upon discovery of the overpayment.

Withholding Disputed Amounts

- 3.5 If the Payment Party disputes in good faith the statement, it must pay that portion of the invoiced amount which is not disputed. Overdue interest at the rate set out in section 3.3 will accrue in respect of the non-disputed portion if it is not paid by the Due Date. The disputed portion is not payable pending resolution of the dispute provided that the Payment Party complies with the terms set out in section 4.

4. DISPUTE RESOLUTION

Notification of Dispute

- 4.1 If the Payment Party disputes in good faith a statement and the amount in dispute is more than the tolerance limit stated in section 5, it must on or before the Due Date of the statement notify the Recipient Party in writing specifying:
- (a) the statement in dispute;
 - (b) the amount in dispute;
 - (c) the reasons for dispute; and
 - (d) supporting documentation as appropriate.
- 4.2 Any dispute raised after the statement due date or which does not contain all of the information set out in section 4.1 will not be considered a disputed item and the invoiced amount must be settled by the Due Date.
- 4.3 If the Payment Party's billing system fails or is not available, the Payment Party must notify the Recipient Party of such failure and the dispute notification period referred to under section 4.1 will be extended by the lesser of:
- (a) the length of the billing system failure or non-availability; or
 - (b)

Dispute Investigation

- 4.4 Where a dispute relates to measuring devices and billing systems the Parties must use their best endeavours:
- (a) to investigate and resolve the dispute by establishing and undertaking joint testing procedures to investigate whether there is substantial discrepancy between the measuring devices and billing systems operated respectively by the Parties;
 - (b) to conclude the testing under paragraph (a) by no later than from the dispute notification date;
 - (c) to otherwise take such reasonable steps as may be necessary to resolve the dispute.

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- 4.5 Unless otherwise agreed, a dispute is not valid if the difference between the basis of calculating the amount in dispute does not differ from the results of the joint testing by more than the tolerance limit stated in section 5 in respect of the number of minutes for which the relevant Service has been provided in the month covered by the statement in dispute.
- 4.6 If as a result of an investigation process under section 4.4 the Parties find a material error in a statement, then if as a result of that error:
- (a) the Recipient Party has issued a statement for an amount which is less than the correct amount, then the Payment Party must immediately pay to the Recipient Party the amount as stated in that statement and any additional amount invoiced by the Recipient Party under section 3.3;
 - (b) part of the disputed amount is not payable by Payment Party it may retain that amount and any balance:
 - (i) if it remains in dispute, may be referred for resolution under section 4.10;
 - (ii) which is an undisputed amount, must be within fifteen (15) Business Days paid to the Recipient Party;
 - (c) an amount has been overpaid to the Recipient Party, section 3.4 shall apply.

Resolution

- 4.7 Following the dispute investigation, the Payment Party must pay the amount assessed to be payable within _____ from completion of the dispute resolution investigation.
- 4.8 Following the dispute investigation, the Recipient Party must refund any overpaid amount received from the Payment Party within _____ from completion of the dispute resolution investigation.
- 4.9 If the Party entitled to payment of an amount pursuant to clause 4.7 or clause 4.8 of this schedule does not receive the amount from the other Party within _____ from completion of the dispute resolution investigation, then overdue interest in respect of the amounts commencing from the date of dispute resolution may be included in the next statement.

Non-settlement of Dispute

- 4.10 The Parties must use their reasonable efforts to promptly resolve any dispute notified under this Schedule 4. If the Parties are unable to resolve the dispute within _____ after notification of the dispute, either Party may refer the matter to a suitable expert agreed between the Parties, or failing such agreement as appointed by the Chairman of Hong Kong Society of Accountants. The person appointed shall act as an expert and not an arbitrator.
- 4.11 The Parties must reasonably co-operate in any resolution process undertaken by the nominated expert. If, following resolution of the dispute, the Party which raised the dispute has the amount payable varied in its favour by less than 2%, that Party must pay the costs of the dispute resolution, otherwise the Party against whom that dispute was raised must pay the costs of the dispute resolution, and those costs are to be the reasonable costs of the dispute resolution as determined by the nominated expert resolving the dispute.

5. DATA DISCREPANCIES

The tolerance limit for discrepancies in respect of data measured by the Parties respectively will be for local calls and for external calls in respect of the number of call attempts and call minutes used in the month covered by a statement. This tolerance limit will be reviewed regularly, and adjusted by written agreement between the Parties.

SCHEDULE 5

OPERATIONS PROVISIONS

1. Each Party is responsible, at its own cost and expense, for the safe and efficient operation of its Network.
2. Each Party is responsible, at its own cost and expense, for the operation, maintenance, management and administration of facilities on that Party's side of the Point of Interconnect (POI).
3. Neither Party may:
 - (a) take any action which adversely affects, or is likely to affect the operation of the other Party's Network;
 - (b) cause or knowingly or recklessly permit the other Party's Network to be used for or in connection with any illegal purpose; or
 - (c) damage, interfere with, or cause any deterioration in the operation of the other Party's Network.
4. Each Party shall take such steps reasonably practicable to ensure the implementation of this Agreement will not endanger the health or safety of any persons including each other's employees.
5. Each Party will co-operate with the other Party in developing and implementing procedures regarding Network operation and interference and restoring Call Delivery Services and alternative carriage of calls during the period of a "major service affecting fault" (as defined under paragraph 6). Each Party shall manage traffic on its Network so as to avoid disruption to the other Party's Network to the extent reasonably practicable.
6. Each Party may suspend or restrict the provision of a Service to the extent necessary provided that the Party has given to the other Party the maximum period of notice practicable in the circumstances and there are no alternatives reasonably available to it which would avoid such suspension or restriction:
 - (a) to overcome a major service affecting fault in respect of that Party's Network or in respect of the Network of a Third Party Operator; or
 - (b) in such other circumstances as may be agreed by the Parties in writing acting reasonably in the circumstances in view of the respective reasonable needs of the Parties;

provided that, if possible, the Parties shall endeavour to agree in good faith on the timing of the suspension and ensure that the duration and extent of the suspension is minimised to the extent reasonably practicable in the circumstances. The following faults are classified as "major service affecting faults":

- f interconnect circuits for a particular traffic type are unavailable for services
- Complete isolation of services
- Loss of signalling relationship
- Loss of synchronization between 2 inter-connected networks
- Excessive slip / frame / multiframe error on synchronization links

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7. Each Party must comply with the emergency, security, safety and supervisory practices and procedures agreed between the Parties in writing from time to time.
8. Each Party may route calls in any particular case as it, acting reasonably, sees fit, in order to avoid or minimise the effect of a service failure or network congestion or blockage.
9. The Parties agree that they shall negotiate in good faith to agree the procedures in relation to:
 - (a) suitable forecasting, ordering and provisioning procedures in relation to the provision of conveyance of Designated Communication and other interconnect services under this Agreement;
 - (b) the provisioning, delivery and testing of Services not specified in this Agreement but which are agreed between the Parties to be supplied by one Party to the other Party;
 - (c) the management of interconnection and other Services including:
 - (i) Network operations and maintenance (including Network failure, congestion and blockage); and
 - (ii) ensuring that the Parties' respective Networks are adequately protected from harm; and
 - (d) such other matters as the Parties shall agree.

Following agreement in relation to particular procedures referred to above, each Party must comply with those procedures.