

**THIS MASTER AGREEMENT FOR INTERCONNECTION LINK SERVICE**  
("Agreement") is made on the 23<sup>rd</sup> day of March, 2009

**BETWEEN:**

(1)

(2)

(collectively in this Agreement called "the **Parties**" and individually "a **Party**")

**RECITALS:**

- (A) provides wireline-based fixed telecommunications services in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**") pursuant to \_\_\_\_\_ issued under the Telecommunications Ordinance, Cap 106 ("**Ordinance**") whereas provides mobile telecommunications services in Hong Kong pursuant to \_\_\_\_\_ issued under the Ordinance; and
- (B) is desirous to have certain numbers of E1 Interconnection Links (as defined below) provided by \_\_\_\_\_ on rental basis for interconnecting the networks between the Parties whereas \_\_\_\_\_ agreed to provide certain number of E1 Interconnection Links to \_\_\_\_\_ on rental basis subject to the charges set forth hereunder for interconnecting the networks between the Parties pursuant to this Agreement.

**NOW THEREFORE**, the Parties hereto agree as follows:

**1. SCOPE OF SERVICE**

- 1.1 Subject to the availability of \_\_\_\_\_ network coverage and capacity as well as compliance of this Agreement, \_\_\_\_\_ will provide, install, test, commission and maintain the E1 Interconnection Links ordered by \_\_\_\_\_ from time to time pursuant to this Agreement ("**Service**"). "**E1 Interconnection Link**" shall mean the end-to-end transmission capacity between \_\_\_\_\_ interconnect gateways at Switch (as defined in Annex 1) and the interconnection switching facilities of \_\_\_\_\_ at Switch (as defined in Annex 1), and consist of \_\_\_\_\_ network as well as the Interconnection Equipment provided by \_\_\_\_\_ . "**Interconnection Equipment**" shall mean the equipment and/or facilities having a G.703 interface, or any other standard as mutually agreed, and installed at \_\_\_\_\_ Switch for the purpose of connecting the E1 Interconnection Links and/or any other equipment as necessary for the provision of the Service.
- 1.2 \_\_\_\_\_ will provide the Service or cause the Service to be provided to \_\_\_\_\_ in accordance with the provisions of this Agreement and its prescribed order confirmation

form that \_\_\_\_\_ is required to be furnished for obtaining the Service (“**Order Form**”). For greater clarity, \_\_\_\_\_ is not required to furnish any Order Form for the Initial Order (as defined in Clause 4). Unless the Parties agree otherwise, each Order Form shall constitute a separate contract and incorporate the terms and conditions of this Agreement.

1.3 Nothing in this Agreement shall preclude \_\_\_\_\_ from engaging any third party to provide part or whole of the Service.

1.4 \_\_\_\_\_ acknowledges that \_\_\_\_\_ retains all right, title and interest to and in the E1 Interconnection Links and Interconnection Equipment where \_\_\_\_\_ shall acquire no right or title to any of such E1 Interconnection Links and Interconnection Equipment provided by \_\_\_\_\_ under this Agreement. \_\_\_\_\_ is not allowed to resell or transfer the E1 Interconnection Links as may from time to time be reconfigured or otherwise modified.

## 2. OBLIGATIONS OF THE PARTIES

2.1 \_\_\_\_\_ shall, at its own cost, provide:

2.1.1 \_\_\_\_\_ with a secure and suitable space at \_\_\_\_\_ Switch for \_\_\_\_\_ to install the Interconnection Equipment or cause such equipment to be installed for interconnecting the networks between the Parties;

2.1.2 \_\_\_\_\_ with access during normal business hours to \_\_\_\_\_ Switch upon arrangement by \_\_\_\_\_ personnel to test, inspect, repair, modify and maintain the Interconnection Equipment. In case of emergency, \_\_\_\_\_ shall use its best endeavor to grant \_\_\_\_\_ access to \_\_\_\_\_ Switch as soon as possible;

2.1.3 \_\_\_\_\_ with all necessary equipment accommodation as well as access to all utility services such as electricity (including -48 volt DC power) and air-conditioning as reasonably required; and

2.1.4 \_\_\_\_\_ with all assistance as may be reasonably requested by \_\_\_\_\_ in providing the Service.

2.2 The Parties shall arrange (a) joint site visit(s) prior to the installation of the Interconnection Equipment for the provision of the Service.

2.3 In relation to the interconnection between the networks of the Parties, the Parties shall comply with the latest issue of HKTA 2202 issued by the Office of the Telecommunications Authority (“**OFTA**”), “Network Connection Specification for Network-to-Network Connection of the Public Telecommunications Network (PTN) in Hong Kong based on ITU-T Signaling System Number 7”.

2.4 Subject to Clauses 2.6 and 2.7, the Parties agree that the E1 Interconnection Link shall only be used for interconnect traffic types as defined according to the relevant Telecommunications Authority (“**TA**”) instruments as issued by the TA from time to

time and/or that the traffic shall conform to the "The Numbering Plan for Telecommunications Services in Hong Kong" as updated by the TA from time to time.

- 2.5 The Parties shall comply with the latest issue of HKTA 3101 issued by OFTA, "Regulatory Guide for Calling Line Identity (CLI) Format".
- 2.6 Unless otherwise stated or agreed by the Parties, the use of E1 Interconnection Links is restricted to conveyance of local traffic to be terminated at the Parties' respective networks. For the avoidance of doubt, international traffic is excluded unless otherwise agreed between the Parties.
- 2.7 Each Party shall ensure that the traffic conveyed from it via the E1 Interconnection Links is to be terminated to the other Party's network. Either Party has no obligation to transit the traffic conveyed from the other Party via the E1 Interconnection Links to a third party network in the event that the traffic is not designated to be terminated at the Parties' respective networks.

### **3. INTERCONNECT SWITCH LOCATION**

- 3.1 The E1 Interconnection Links as may be provisioned between the networks of the Parties at respective switch locations as set out in Annex 1 as annexed hereto.
- 3.2 If either Party intends to close, replace or relocate their respective interconnect switch to which an E1 Interconnection Link is connected, and where such change is not contemplated in Clause 6.3.1, the Parties shall negotiate in good faith the commercial and technical arrangements that will apply to that closure, replacement or relocation.
- 3.3 After the termination of this Agreement, each Party shall at its own cost, within a reasonable period disconnect its network from the other Party's network and remove from the other Party's Switch all Interconnection Equipment and other facilities of that Party connected to the other Party's network for the purpose of this Agreement. Each Party shall render assistance to the other Party as reasonably required for the purposes of such disconnection works.

### **4. MINIMUM REQUIRED CAPACITY**

- 4.1 An initial order of forty (40) numbers of E1 Interconnection Links is placed by ("**Initial Order**"), which shall be implemented in two phases comprising of new installation and reconfiguration at the Parties' respective switch location (as defined in Annex 1), as follows:

#### **4.1.1 Phase 1 (to be implemented upon signing of this Agreement)**

- i) New installation of sixteen (16) x E1 Interconnection Links between  
Switch and Switch at (as defined in  
Annex 1); and
- ii) New installation of nineteen (19) x E1 Interconnection Links between  
Switch and Switch at ;

4.1.2 Phase 2 (to be implemented within year 2009)

- i) New installation of five (5) x E1 Interconnection Links between Switch and Switch at ; and
- ii) Subject to Clause 6.3 below, reconfiguration of the sixteen (16) x E1 Interconnection Links as described in Clause 4.1.1 i) above within Switch at .;

4.2 The Parties agree that any additional E1 Interconnection Link other than the Initial Order to be ordered by in accordance with this Agreement shall be at a minimum number of four (4) in quantity, or in multiple of four (4).

## 5. MINIMUM SERVICE PERIOD

Each E1 Interconnection Link ordered by shall be subject to a minimum service period of thirty (30) months commencing from the actual ready for use date of each E1 Interconnection Link ("**Minimum Service Period**").

## 6. CHARGES

### 6.1 One-Off Set Up Charge

6.1.1 The one-off set up charge for each E1 Interconnection Link ("**One-Off Set Up Charge**") is HK\$2,400.00.

6.1.2 shall pay 100% of the One-Off Set Up Charge to for each E1 Interconnection Link that ordered in accordance with the Billing and Settlement Procedures as set out in Annex 2 as annexed hereto.

6.1.3 Withdrawal or cancellation of any confirmed order shall not relieve obligation to pay the 100% of the One-Off Set Up Charge due or incurred under the relevant confirmed order.

### 6.2 Recurrent Monthly Charge

6.2.1 The recurrent monthly charge for each E1 Interconnection Link under this Agreement is HK\$2,400.00.

6.2.2 During the continuance of this Agreement, agrees to offer with a special 50% discount on the recurrent monthly charge. shall pay 50% of the recurrent monthly charge ("**Recurrent Monthly Charge**") to for each E1 Interconnection Link that ordered in accordance with the Billing and Settlement Procedures as set out in Annex 2 as annexed hereto.

### 6.3 Reconfiguration Charge

6.3.1 Reconfiguration of each E1 Interconnection Link within Switch is allowed subject to the followings:

- i) Reconfiguration work to be carried out by shall include only remote software-based configuration within Switch and shall not include any on site engineering work, such as wiring, installation, equipment relocation, etc. at Switch;
- ii) Reconfiguration be made within the respective Switch as stated in Annex 1;
- iii) The technical feasibility and the availability of network coverage, resource and capacity as well as compliance of this Agreement; and,
- iv) Each reconfigured E1 Interconnection Link will be subject to a further six (6) months minimum service period in addition to the Minimum Service Period under the relevant Order Form (“**Extended Minimum Service Period**”) if the remainder of the Minimum Service Period is less than six (6) months from the day on which reconfiguration is completed,

together with a payment of Reconfiguration Charge (as defined in Clause 6.3.2) payable by to .

6.3.2 The reconfiguration charge per each E1 Interconnection Link under this Agreement (“**Reconfiguration Charge**”) per each order is as follows:

Quantity	Reconfiguration Charge
For the 1 <sup>st</sup> to 10 <sup>th</sup> E1 Interconnection Links	HK\$2,400.00 per E1 Interconnection Links
For the 11 <sup>th</sup> E1 Interconnection Links onwards	HK\$1,920.00 per E1 Interconnection Links

6.3.3 The minimum Reconfiguration Charge per each order shall be charged at the sum equivalent to reconfiguration of the 1<sup>st</sup> to 4<sup>th</sup> E1 Interconnection Links.

6.3.4 shall pay 100% of the Reconfiguration Charge to for each E1 Interconnection Link upon reconfiguration order confirmed by .

6.3.5 Withdrawal or cancellation of any confirmed reconfiguration order shall not relieve obligation to pay the Reconfiguration Charge due or incurred under the relevant confirmed reconfiguration order.

#### 6.4 Relocation Charge

6.4.1 Relocation of each E1 Interconnection Link within Switch is allowed subject to the followings:

- i) Relocation either be made within the same Switch or be made between as stated in Annex 1;
- ii) The technical feasibility and the availability of network coverage, resource and capacity as well as compliance of this Agreement; and,
- iii) Each relocated E1 Interconnection Link will be subject to a further six (6) months Extended Minimum Service Period if the remainder of the Minimum Service Period is less than six (6) months from the day on which reconfiguration is completed,

together with a payment of Relocation Charge (as defined in Clause 6.4.2) payable by

6.4.2 The relocation charge per each E1 Interconnection Link under this Agreement (“**Relocation Charge**”) shall be quoted by on a case-by-case basis.

6.4.3 shall pay 100% of the Relocation Charge to for each E1 Interconnection Link upon relocation order confirmed by

6.4.4 Withdrawal or cancellation of any confirmed relocation order shall not relieve obligation to pay the Relocation Charge due or incurred under the relevant confirmed relocation order.

#### 6.4 Adjustments of Charges

6.4.1 Each of the above One-off Set Up Charge, Recurrent Monthly Charge and Reconfiguration Charge set out in Clauses 6.1, 6.2 and 6.3 shall be subject to an annual increase on and from each Review Date (as defined in Clause 6.4.2 below) until the next Review Date based on the formula described below:

$$A = B \times C/D$$

6.4.2 For the purpose of the above Clause 6.4.1, the following shall apply:

A is the post-adjustment amount which applies on and from the Review Date;

B is the amount of the relevant charge as at the Base Date (as defined below);

C is the 12-month average figure of Consumer Price Index (A)(“**CPI (A)**”) for Hong Kong as published by Census and Statistics Department, or any other department, of the Government of the Hong Kong from time to time before the Review Date. For greater clarity, the twelfth (12th) month for calculating the said 12-month average figure shall be February;

D is the 12-month average figure of CPI (A) for Hong Kong as published by Census and Statistics Department, or any other department, of the Government of the Hong Kong from time to time before the Base Date. For greater clarity,

the twelfth (12th) month for calculating the said 12-month average figure shall be February;

The Base Date is 1<sup>st</sup> March 2009 and for each subsequent annual review after the first review, is the anniversary of that date immediately prior to that Review Date; and

The Review Date is 1<sup>st</sup> March of each calendar year from 2010 onwards.

- 6.4.3 If any adjustments are made in accordance with this Clause, and the adjustment commences on a date other than the first day of a calendar month, the charges due for that month should be the pro-rata calculated on a 30-day month basis.
- 6.4.4 For the reason that the 12-month average figure of CPI (A) shall remain likely not available prior to the Review Date, shall continue to pay the charges at the rate payable during the preceding period and as soon as the post-adjustment amount (as defined as "A" in Clause 6.4.2) has been determined an adjustment shall be payable by retrospectively.
- 6.4.5 No adjustment shall be made under 6.4.1 if the resulted One-Off Set Up Charge and Recurrent Monthly Charge after making an adjustment would be lower than the amount payable without making that adjustment.
- 6.5 Unless otherwise specified in this Agreement, all charges stated herein are only applicable to the provision of E1 Interconnection Link to Switch as stated in Annex 1. Any order made by for the provision of E1 Interconnection Link to other switch locations not specified in this Agreement shall be subject to the Parties' separate negotiation.
- 6.6 All charges referred to in this Clause shall be exclusive of any applicable taxes, rates, government rent arising from the provision of the E1 Interconnection Links under this Agreement.
- 6.7 The Parties acknowledge that fixed/mobile interconnection charges and other applicable interconnection charges for call delivery across the networks between the Parties do not fall within the scope of this Agreement and shall be subject to the relevant TA instruments and the Parties' separate negotiation.

## **7. RENEWAL AND TERMINATION**

- 7.1 Following expiration of the Minimum Service Period (or the Extended Minimum Service Period, as the case may be) and the Renewal Term (as defined below), the Service shall be automatically renewed for fixed terms each of twelve (12) months (each a "Renewal Term") on the same terms and conditions unless or until three (3) months' written notice of termination has been received before the end of the relevant Renewal Term by either Party from the other to terminate the Service on a date specified in such written notice provided that the notice period shall only commence on the day after the expiration of the relevant Renewal Term.

- 7.2 As an alternative to Clause 7.1, a Party may, before the end of the Minimum Service Period (or before the the end of that Extended Minimum Service Period, as the case may be), issue a not less than \_\_\_\_\_ written notice to terminate the Service on a date specified in such written notice provided that the notice period shall only commence on the day after the expiration of the Minimum Service Period (or the Extended Minimum Service Period, as the case may be).
- 7.3 In the event that an Order Form is terminated by \_\_\_\_\_ for whatsoever reason except with due written notice given to \_\_\_\_\_ as referred to in Clause 7.1 above or by either Party pursuant to Clause 8.3 below, \_\_\_\_\_ shall be required to pay to \_\_\_\_\_ a liquidated damages for either of the following amount (whichever higher):
- 7.3.1 an amount equal to the total Recurrent Monthly Charges for the remaining unexpired term of the Minimum Service Period (or the Extended Minimum Service Period, as the case may be) in accordance with Clause 6.2.2 above; or
- 7.3.2 an amount equal to \_\_\_\_\_ months' Recurrent Monthly Charge in lieu of the notice period referred to in Clause 7.1 above.

## **8. TERMINATION OF THIS AGREEMENT**

- 8.1 This Agreement shall take effect on the date hereof and shall continue until terminated in accordance with this Clause 8.
- 8.2 Either Party may terminate this Agreement by giving the other \_\_\_\_\_ months written notice that the Agreement is to be terminated. Alternatively, this Agreement may be terminated upon unanimous agreement of the Parties. For greater clarity, all Order Forms in effect hereunder shall continue in full force and effect in accordance with the terms and conditions herein as incorporated into the relevant Order Form(s).
- 8.3 Without prejudice to any other rights or remedies either Party may have, either Party may terminate this Agreement immediately by serving written notice on the other if the other Party:
- 8.3.1 commits a material breach of this Agreement or Order Form, which is not capable of remedy or which is capable of remedy but is not remedied within \_\_\_\_\_ days of receipt of notice; or
- 8.3.2 makes any arrangement for the benefit of or makes any composition or arrangement with its creditors or any action or proceeding in bankruptcy or insolvency is taken including, but not limited to, the appointment of a receiver, administrator, liquidator or other trustee or if the other Party shall go into liquidation (whether voluntary or compulsory).
- 8.4 If and when this Agreement is terminated pursuant to the Clause 8.3 above, all Order Forms shall, without prejudice to the rights and remedies each Party may have, terminate forthwith.
- 8.5 Notwithstanding the foregoing, termination of this Agreement and/or Order Form(s)



shall not relieve \_\_\_\_\_ of any liability for payment and/or any liability for breach of this Agreement and/or Order Form(s). This Clause 8.5 shall survive the termination of this Agreement.

## 9. INTERCONNECTION LINKS FORECAST AND PROVISION

9.1 \_\_\_\_\_ shall quarterly provide \_\_\_\_\_ with a two-year rolling monthly forecast for capacity requirement of the E1 Interconnection Links such that \_\_\_\_\_ can plan ahead to meet \_\_\_\_\_ Interconnection Link requirement.

9.2 Subject to the availability of the E1 Interconnection Link from \_\_\_\_\_, the normal lead-time for the provision of E1 Interconnection Link by \_\_\_\_\_ upon receiving an Order Form from \_\_\_\_\_ is about \_\_\_\_\_ to \_\_\_\_\_ weeks after the confirmation of switch configuration data and all other technical requirements by the Parties. \_\_\_\_\_ shall advise \_\_\_\_\_ as soon as practicable if lead-time cannot be met and the Parties shall negotiate in good faith for a realistic provision date.

9.3 When an E1 Interconnection Link ordered by \_\_\_\_\_ under this Agreement is to be completed, \_\_\_\_\_ will inform \_\_\_\_\_ the actual ready for use date of the E1 Interconnection Links. The Minimum Service Period shall commence in accordance with Clause 5 above and the billing of the Recurrent Monthly Charge will start from the actual ready for use date.

## 10. CONFIDENTIALITY

Save as provided in this Agreement, neither Party shall at any time disclose or make public any of the terms of this Agreement save for professional advice or as required by any relevant law or authority or any governmental, quasi-governmental or judicial entity or any regulatory body established under statute, which has power to regulate or jurisdiction over the affairs and conduct of the Party or its businesses, nor disclose any secret, confidential, professional or trade information belonging to or concerning the other which it has acquired by reason of its entering into this Agreement and will not use to the detriment of the other or its business any information which it has obtained in confidence in the name of or create a liability on the part of the other. This Clause 10 shall survive the expiration or termination of this Agreement.

## 11. NOTICES

11.1 All notices given by the Parties under this Agreement shall be in writing and delivered by personal delivery or ordinary post or facsimile (with a copy posted) to the respective addresses or facsimile numbers given below (until a Party gives written notice to the other indicating otherwise) and shall be effective notwithstanding any change of address not so notified.

Telephone:  
Fax:  
Contact Person:

Telephone:  
Fax:  
Contact Person:

11.2 Proof of dispatch, posting or transmission shall constitute proof of receipt

11.2.1 by personal delivery, at the time the notice was served;

11.2.2 by ordinary post, one working day after posting; and

11.2.3 by facsimile transmission, on the day of which the facsimile was transmitted by the sender.

## 12. OTHER TERMS AND CONDITIONS

12.1 This Agreement and any Order Form made pursuant to this Agreement are subject to the applicable General Terms and Conditions

as set out in Annex 4

as annexed hereto. In the event of inconsistency among them, then that inconsistency will be resolved in the following order of precedence: (i) The Order Form; (ii) This Agreement; (iii) the General Terms and Conditions

12.2 Signing of this Agreement by the Parties constitutes acceptance of placing the Initial Order. will proceed to make all preparatory work for interconnection as contemplated in this Agreement, and for the avoidance of doubt the provision of forty (40) numbers of E1 Interconnection Links in the Initial Order in two phases in accordance with Clauses 4.1 and 4.2 above.

12.3 This Agreement shall not be deemed to constitute an agency, partnership or joint venture between the Parties.

12.4 If any provision of this Agreement is held to be illegal, invalid, void or otherwise unenforceable, they shall not affect the legality, validity and enforceability of the remaining provisions of this Agreement.

12.5 Neither Party shall be entitled to assign nor transfer or otherwise deal with any of its rights obligations under this Agreement to any third party without the prior written consent of the other Party save and except to holding company, subsidiary or associated companies from

12.6 This Agreement contains the entire agreement between the Parties in respect to its subject matter and supersedes and cancels all previous agreements and understandings, if any, between the Parties on this subject matter.

12.7 This Agreement may not be amended except an instrument executed by the Parties.

12.8 Annex 3 as annexed hereto shows the Service Level Guideline and Outage Credit that offers to for the provision of the Service.

**13. GOVERNING LAW**

This Agreement is governed by and construed in accordance with the laws of Hong Kong and the Parties irrevocably agree to submit to the non-exclusive jurisdiction of the courts of Hong Kong.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed by their respective duly authorized officers or representatives on the date indicated below.

**SIGNED** for and on behalf of )  
)  
)  
By: )  
)  
In the presence of: )  
)  
)  
)  
)  
)

**SIGNED** for and on behalf of )  
)  
)  
By: )  
)  
In the presence of: )  
)  
)  
)  
)  
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## **Annex 1**

### **Interconnect Switch Location**

The location of the Parties' respective switch locations is defined as follows:

1. Switch Location



2. Switch Location



~ End of Annex 1 ~

## Annex 2

### Billing and Settlement Procedures

#### 1. Billing

1.1 will issue and send invoices to on a monthly basis in accordance with the terms set out in this Annex 2. Each invoice should include the following details:

- (a) invoice issue date and invoice number;
- (b) invoice due date;
- (c) any brought forward amount of previous invoices;
- (d) amount payable for each category of charges in respect of the month covered by invoice;
- (e) interests on any overdue amounts; and
- (f) total amount payable.

1.2 The following billing principles are applicable to this Agreement:

- (a) The One-Off Set Up Charge is payable on the actual ready for use date of the respective E1 Interconnection Link ordered by under this Agreement.
- (b) The Recurrent Monthly Charge is payable one month in advance and shall be billed on a monthly basis. For example, Recurrent Monthly Charge for the period 1<sup>st</sup> to 31<sup>st</sup> of March 2009 shall be invoiced on 1<sup>st</sup> March 2009 and so on. The first payment of such charge in respect of the Initial Order shall be calculated from the actual ready for use date.
- (c) Invoice for all charges (other than the Recurrent Monthly Charge) payable in respect of any calendar month shall be issued within the immediate following month, or as soon as practicable thereafter.
- (d) Invoices shall be either delivered by hand or by mail. Invoices shall be sent to the relevant persons notified by (or such other duly authorized person) at the address of referred to in Clause 11 (Notices) of this Agreement and will be deemed to have been received as set out in that Clause.

#### 2. Settlement

2.1 Unless otherwise agreed between the Parties, all invoices shall be settled in Hong Kong dollars by company cheque made payable to or by electronic transfer to the nominated bank account of . Payment shall be credited to on or before the invoice due date.

2.2 Subject to Clause 2.5 of this Annex 2, all payments of invoices shall be without set off or counterclaim and free and clear of any withholding or deduction (including but not limited to a withholding or deduction in respect of any taxes).

2.3 Invoices amounts are due in full within calendar days from the date of issue

of the invoice or next working day if it is a holiday. Overdue interests are due immediately.

#### 2.4 Late Payment of Invoice

If an invoice is not paid by the invoice due date, shall pay interest on the amount from time to time outstanding in respect of that overdue sum for the period beginning on its due date and ending on the date before the date of its actual receipt by (both before and after judgment) at the annual rate of 2% over and above the best lending rate for Hong Kong dollars loan from time to time quoted by the Hong Kong and Shanghai Banking Corporation Limited. Such interest shall be calculated on the basis of the actual number of days elapsed and a 365-day year and shall be paid on demand and if not paid when due shall itself bear interest at the aforesaid rate compounded on a daily basis. calculation of the amount of interest due and payable by under this sub-clause shall (save for manifest error) be conclusive and binding on .

#### 2.5 Non-payment

All disputes concerning invoices which remain outstanding and unpaid shall be settled in accordance with the dispute resolution procedures set out in Clauses 3 and 4 of this Annex 2.

#### 2.6 Payment of Disputed Items

If bona fide disputes the whole or part of an invoice, it shall pay that portion of the invoiced amount which is not in dispute. Overdue interest will accrue in respect of the non-disputed portion if it is not paid by the invoice due date. The disputed portion is not payable pending resolution of the dispute provided that complies with the terms set out in Clauses 3 and 4 of this Annex 2.

### 3. Dispute Resolution

#### 3.1 Notification of Dispute

If disputes an invoice, it shall notify in writing specifying:

- (a) the invoice in dispute;
- (b) the amount in dispute;
- (c) reasons for dispute; and
- (d) supporting documentation as appropriate.

Notification of dispute must be delivered by hand or by post or by facsimile (as permitted and in accordance with Clause 11 of this Agreement) and shall reach before the invoice due date.

#### 3.2 Late Notification

Any dispute raised after the invoice due date will not be considered as a dispute item, and the invoice shall be settled in full by the invoice due date

### 3.3 Dispute Investigation

- (a) In respect of any dispute, the Parties shall investigate any discrepancy that may have occurred in relation to the disputed items. Alternatively, the Parties will arrange for joint investigation whether there is substantial discrepancy between the records maintained by the Parties. Such joint investigation is expected to be completed within \_\_\_\_\_ Business Days from the dispute notification date. "Business Day" shall mean a day other than a Saturday or Sunday or a public holiday in Hong Kong.
- (b) Subject to the provisions in this Clause 3, a dispute is deemed to be invalid if there is no substantial error found in respect of the invoice in dispute within \_\_\_\_\_ Business Days from the dispute notification date. \_\_\_\_\_ shall pay overdue interest on the disputed amount commencing from the original invoice due date.

### 3.4 Non-Settlement of Dispute

The Parties shall use their reasonable efforts to promptly resolve any dispute notified under this Annex 2. If the Parties are unable to resolve any dispute in relation to the accounting process which affects the amount in dispute within \_\_\_\_\_ Business Days after notification of the dispute, either Party may refer the matter to a suitable expert agreed between the Parties, or failing such agreement, an expert as appointed by the Chairman of Hong Kong Institute of Certified Public Accountants. The person appointed shall act as the expert and not an arbitrator. Before the dispute is referred to the expert, \_\_\_\_\_ shall be informed as to the estimated cost of resolving the dispute.

## 4. Resolution

- 4.1 Following the dispute investigation, \_\_\_\_\_ shall be required to pay to \_\_\_\_\_ the amount assessed to be payable ("Resolution Amount") and overdue interest on the Resolution Amount to be calculated from the original invoice due date to the actual payment date.
- 4.2 Any Resolution Amount (including principal and interest) assessed to be payable following the dispute resolution must be settled within \_\_\_\_\_ Business Days from the date of decisions made by the expert referred to in Clause 3.4 of this Annex 2 ("Date of Decision").
- 4.3 If \_\_\_\_\_ does not receive the outstanding principal and interest within \_\_\_\_\_ Business Days from the Date of Decision, it shall be entitled to impose an overdue interest on these amounts in the next invoice to be issued to \_\_\_\_\_.

~ End of Annex 2 ~

**Annex 3**

**Service Level Guideline and Outage Credit for provision of E1 Interconnection Link**

**1. Service Level**

Network availability	99.97%
Mean time to repair	1.5 hours
Target maximum restoration time	2.5 hours (90% in office hours) 3.5 hours (90% in non-office hours)
Fault report hotline	7 x 24 operation
Target response time to call	15 minutes

**2. Escalation Procedure**

The escalation time and level after a fault report is made through fault report hotline shall be as follows: -

First level	minutes
Second level	hours
Third level	hours

Report of Restoration Progress	Every	minutes for major fault
	Every	for minor fault

The escalation contact list of network operation centre is as follows:-

Level	Person	Office Telephone	Emergency Number	E-mail
First Level				
Second Level				
Third Level				

**Remarks:**

- (1) The escalation procedure is applicable for both major and minor faults.
- (2) Major fault shall mean fault affecting the circuit volume by more than or equal to of the total circuit volume at any moment.
- (3) Minor fault shall mean fault affecting the circuit volume by less than of the total circuit volume at any moment.



**3. Others**

Mean time to report network outage                      hour  
Fault report for major fault happened                      working days  
Normal lead time of notice for planned maintenance                      working days

Remarks:

Office hours of a working day:                      for Monday to Friday  
(excluding public holidays)

**4. Diversity**

a) Route Diversity

It is agreed that                      is not obligated to provide dual lead-in to                      for the Initial Order. The Parties will discuss and negotiate the dual lead-in requirement should there be any substantial capacity expansion in future, subject but not limited to the availability of infrastructure, building management approval and installation charge.

b) Cable Diversity

The Service shall be provisioned in two fibre cable rings in two separate ducts (wherever available) for interconnection between                      Switch and                      Switch.

c) Overflow

In case of any outage of the Service, the Parties shall redirect the call traffic to alternative routes without service interruption. Neither Party shall claim against the other Party for the cost incurred for this overflow arrangement except those remedy specifically stated in this Annex 3.

d) Others

                    will provide hardware redundancy and power backup for Interconnection Equipment installed in                      Switch.

**4. Outage Credit as Remedy**

4.1 Outage period is counted from the time                      reports fault to                      as time-stamped by                      fault ticket system till the time the Service is resumed as recorded by                      monitoring system.

4.2                      is entitled to an outage credit of one thirtieth (1/30) of Recurrent Monthly Charge for a particular E1 Interconnection Link in outage if the total Service Unavailability in any single calendar day for that particular E1 Interconnection Link is more than                      consecutive hours. "Service Unavailability" is defined as the period

that the Service is unavailable due to Service outage except due to the events set forth in Clause 4.5 of this Annex 3.

- 4.3 For the avoidance of doubt, all outage credits will only be provided in the form of credit against future Recurrent Monthly Charge payable by \_\_\_\_\_ to \_\_\_\_\_ except for the last month of provision of the E1 Interconnection Link before termination of the Service.
- 4.4 The following shall not be deemed to be Service Unavailability if the same arises from or is otherwise caused wholly by: -
- (a) any scheduled Service interruption for maintenance or modifying or enhancing network solely for the purpose of providing E1 Interconnection Link under this Agreement not exceeding \_\_\_\_\_ minutes in any single day;
  - (b) failure or fault due to \_\_\_\_\_ (including but not limited to \_\_\_\_\_ obligations enumerated in Clause 2.1 of this Agreement) or any third party's equipment, facilities or power supplied to \_\_\_\_\_ Interconnection Equipment;
  - (c) any Force Majeure event;
  - (d) delay or failure of \_\_\_\_\_ or any third party including but not limited to building management entities to give \_\_\_\_\_ support, including but not limited to necessary access and necessary actions being requested to do so by \_\_\_\_\_, reasonably necessary for the purposes of investigating and rectifying any fault;
  - (e) failure of \_\_\_\_\_ to use the E1 Interconnection Link in accordance with agreed procedures or with the terms of this Agreement.
- 4.5 For the avoidance of doubt, Service is not deemed to be unavailable if the failure is only on \_\_\_\_\_ secondary backup facilities, equipment and power and there is no fault in the primary facilities, equipment and power; and the Service is considered as resumed and available if it has been switched to the secondary backup facilities, equipment and power regardless the condition in the primary facilities, equipment and power.

~ End of Annex 3 ~

## **Annex 4**

### **General Terms and Conditions**