

NEW SCHEDULE 1A (LOT 5) TO THE POI AGREEMENT

and

on

Introduction

- A. This New Schedule 1A (Lot 5) of the POI Establishment Agreement between the parties dated 31 July 1995 ("the Agreement") is signed between _____ and the FTNS Operator on 4 October 1999 ("Signing Date").
- B. This New Schedule 1A (Lot 5) is supplementary to the :
- (i) New Schedule 1A which governs capacity of the first lot of 336 T1,
 - (ii) New Schedule 1A (Lot 2) which governs capacity of the second lot of 84 T1,
 - (iii) New Schedule 1A (Lot 3) which governs capacity of the third lot of 168 T1,
 - (vi) New Schedule 1A (Lot 4) which governs capacity of the fourth lot of 168 T1.
- The charges payable by the FTNS Operator for capacity provisioned under this New Schedule 1A (Lot 5) is in addition to those charges payable by the FTNS Operator for capacity provisioned under the New Schedule 1A, New Schedule 1A (Lot 2), New Schedule 1A (Lot 3) and New Schedule 1A (Lot 4).
- C. Under New Schedule 1A (Lot 5), increase in capacity ordered by the FTNS Operator may be ordered in one phase and the FTNS Operator must order any capacity to be ordered under this Schedule 1A (Lot 5) within one year period from the Signing Date.
- D. The terms and conditions for this New Schedule 1A (Lot 5) are set out below. For avoidance of doubt, this New Schedule 1A (Lot 5) is also subject to the terms and conditions contained in the body of the Agreement. Should there be any revision to the body of the Agreement and New Schedule 1A, New Schedule 1A (Lot 2), New Schedule 1A (Lot 3) and New Schedule 1A (Lot 4) as agreed between _____, or as determined by TA in future, the same revision will be applied to this New Schedule 1 A (Lot 5) retrospectively as appropriate.

E. Unless otherwise stated, the capacity of **Interconnect Link** stated in this New Schedule 1A (Lot 5) is in addition to the first lot of 336 T1 which would have already been ordered and provisioned under the New Schedule 1A, and the second lot of 84 T1 which would have already been ordered and provisioned under the New Schedule 1A (Lot 2), the third lot of 168 T1 which would have already been ordered and provisioned under the New Schedule 1A (Lot 3) and the fourth lot of 168 T1 which would have already been ordered and provisioned under the New Schedule 1A (Lot 4).

Up to 84 T1

This Schedule becomes effective only after the Signing Date and after a total of 756 T1 have been ordered under the New Schedule 1A, New Schedule 1A (Lot 2), New Schedule 1A (Lot 3) and New Schedule 1A (Lot 4) by the FTNS Operator.

Part I: General

Under this New Schedule 1A (Lot 5), the FTNS Operator may order capacity up to 84 T1.

FTNS Location

Interconnect Gateway Exchange

For the purpose of this New Schedule 1A (Lot 5), Interconnect Gateway Exchange as defined in the Agreement includes:

(a) **Main Exchanges**

(b) **Tandem Exchanges**

Provisioning Date

The Provisioning Date is the date which is 7 months from the Signing Date.

Minimum Service Period

30 months from the Installation Date in respect of the first capacity provisioned under this New Schedule 1A (Lot 5).

Minimum Required Capacity

The minimum capacity which must be ordered by the FTNS Operator under this New Schedule 1A (Lot 5) on or before the Provisioning Date in respect of Interconnect Equipment and capacity on Network is 28 T1.

Growth Conditions

1. The maximum capacity may be ordered under this New Schedule 1A (Lot 5) is 84 T1, in minimum blocks of 4 T1.
2. The FTNS Operator must give three months advance written notice of any capacity required, setting out the requested Installation Date in respect of that capacity. will provision the required capacity subject to the availability of the relevant capacity within its network and the FTNS Operator must pay in respect of that capacity in accordance with this Agreement.

Part II: Charges

Application of Charges

The Charges set out in this Part II apply in relation to T1 ordered and provisioned under this New Schedule 1A (Lot 5).

For avoidance of doubt all the charges set out in New Schedule 1A, New Schedule 1A (Lot 2), New Schedule 1A (Lot 3) and New Schedule 1A (Lot 4) continue to apply in relation to T1 ordered under those Schedules.

Increase in Charges

All charges listed under Part II are subject to the provisions on increase in charges stated in the Agreement. For the purpose of clarification, the Interconnect Equipment one off installation charge and the Redeployment Charges are also subject to this adjustment.

Interconnect Equipment Charges

One Off Charges

- 1a. **Interconnect Equipment One Off Installation Charge** (which includes charges for relevant labour, equipment and other costs and charges reasonably incurred by in relation to the planning, provisioning, installing and testing the required capacity and equipment):

HK\$113,024 for up to 84 T1.

- 1b. **One Off Charge Reduction** (This amount will be used in the calculation of the Payment Reduction and does not represent an additional payment by the FTNS Operator):

HK\$ 1,345 per T1.

Recurrent Charges

- 2a. **Interconnect Equipment Rental:**

HK\$23,569 per month for up to 84 T1.

- 2b. **Recurrent Charge Reduction** (This amount will be used in the calculation of the Payment Reduction and does not represent an additional payment by the FTNS Operator) :

HK\$281 per T1 per month.

Network Charges

One Off Charges

1. **T1 One Off Installation Charge** (which includes charges for relevant labour, equipment and other costs and charges reasonably incurred by in relation to the planning, provisioning, installing and testing the required capacity and equipment):

HK\$791 per T1.

Recurrent Charges

2. T1 Rental:

HK\$1,244 per T1 per month

Redeployment Charges

Agreed Pre-estimate of Redeployment Charges for termination prior to the beginning of :

third quarter but after the beginning of second quarter following the second anniversary of the Installation Date: HK\$ 437,419.

fourth quarter but after the beginning of third quarter following the second anniversary of the Installation Date: HK\$ 405,815.

first quarter following the third anniversary but after the beginning of fourth quarter following the second anniversary of the Installation Date: HK\$ 374,211.

second quarter but after the beginning of the first quarter following the third anniversary of the Installation Date: HK\$ 342,607.

third quarter but after the beginning of the second quarter following the third anniversary of the Installation Date: HK\$ 311,539.

fourth quarter but after the beginning of third quarter following the third anniversary of the Installation Date: HK\$ 279,399.

first quarter following the fourth anniversary but after the beginning of fourth quarter following the third anniversary of the Installation Date: HK\$ 247,796.

second quarter but after the beginning of first quarter following the fourth anniversary of the Installation Date: HK\$ 216,192.

Part III: Payment Reduction

The Payment Reduction is to be calculated as follows.

In respect of the one off charges, the sum of :

(One off charges specified within Network Charges in Part II) x (Agreed Allocation for Network), and
(Interconnect Equipment One Off Installation Charge Reduction in Part II) x (Agreed Allocation for Interconnect Equipment).

In respect of the recurrent charges, for each month the sum of:

(Recurrent charges specified within Part II) x (Network Charges in Agreed Allocation for Network), and

(Recurrent charge reduction per T1 specified within Interconnect Equipment Charges in Part II) x (Agreed Allocation for Interconnect Equipment).

Agreed Allocation

1. For Network

For the confirmed orders in respect of each Provisioning Date set out in this Schedule, Agreed Allocation is 50% of the relevant confirmed order.

As a clarification, Agreed Allocation does not include capacity in relation to the interconnection between the FTNS Operator and

2. For Interconnect Equipment

For the confirmed orders in respect of each Provisioning Date set out in this Schedule, Agreed Allocation is :

50% of 84 T1 (excluded capacity in relation to the interconnection between the FTNS Operator and . This Agreed Allocation shall be in accordance with the following principles ("the Interconnect Equipment Agreed Allocation").

If the FTNS Operator initially only orders Interconnect Links for interconnection with Network, the Interconnect Equipment Agreed Allocation will be 42 T1.

However if FTNS Operator subsequently orders say, an additional 10 T1 Interconnect Links consisting of Interconnect Equipment for interconnection with the Interconnect Equipment Agreed Allocation will be reduced from 42 T1 to only $(84 - 10) / 2 = 37$ T1 ("the Reduction"). The Interconnect Equipment Agreed Allocation shall therefore be decreased proportionally such that the FTNS Operator will be charged an additional One Off Installation Charge and a new Recurrent Charge in respect of the difference between the Interconnect Equipment Agreed Allocation and the Reduction (ie. $42 \text{ T1} - 37 \text{ T1} = 5 \text{ T1}$).

Part IV: Provision of "FTNS facility link" for interconnection between the FTNS Operator and

For the purpose of completing the Interconnect Link, a "FTNS facility link" (as defined in Schedule 1B) is required between the FTNS Location and the relevant buildings in which the Interconnect Gateway Exchanges stipulated in Part I are located. The parties agree that the above terms and conditions set out for this New Schedule 1A (Lot 5) are applicable to the "FTNS facility link", save and except for the Provisioning Dates set out in Part I and the entire Part III on Payment Reduction.

Signed for and on behalf of

Name :

Title :

Signed for and on behalf of

Name :

Title :