

SCHEDULE 1E OF POI ESTABLISHMENT AGREEMENT

INTERCONNECT LINK (IN T1)

Part I: General

1.

agree that with effect from 11 September 2000 ("the Effective Date"), the POI Establishment Agreement dated 31 July 1995 ("POI Agreement") and signed by the parties shall be supplemented as set out in this Schedule 1E.

2. All terms and references used in the POI Agreement which are defined or construed in the POI Agreement but are not defined or construed in this Schedule shall have the same meaning and construction in this Schedule as in the POI Agreement. Any terms and references used in this Schedule which are defined in this Schedule and which are also defined under the POI Agreement shall, if capable, be construed in accordance with the definition under this Schedule for the purposes of this Schedule only but shall otherwise be construed in accordance with the definition in the POI Agreement.
3. Except as provided under this Part I, General, paragraph 2, in the event of conflict between the terms of the POI Agreement and the terms of this Schedule 1E, the terms of the former shall prevail.

FTNS Operator Switch Location

Interconnect Gateway Exchange

For the purposes of this Schedule 1E, the Interconnect Gateway Exchange as defined in the POI Agreement includes:

- (a) Main Exchanges:

(b) Tandem Exchanges:

Interconnect Links are to be provisioned at each of these Interconnect Gateway Exchanges in reasonably distributed quantities, unless otherwise agreed by the parties.

Minimum Service Period

- 36 months commencing from the Installation Date

Minimum Required Capacity

Minimum Required Capacity means the minimum capacity of Interconnect Link of and to be ordered by FTNS Operator in accordance with the POI Agreement and this Schedule 1E and/or Schedule 1F as follows :-

Interconnect Link	On or before 31 Dec 2000	On or before 31 Dec 2001 (excluding those installed in Year 2000)
T1	195	53

Provisioning Date

The Provisioning Date is the date which is 3 months from the Effective Date.

Growth Conditions

1. The maximum capacity may be ordered under this Schedule 1E and/or Schedule 1F is 252 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 Schedule 1E.

Increase in Charges

All charges listed under Part II are subject to clause 11 of the Agreement.

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\$994 per T1.

Recurrent Charges

2. **T1 Rental:**
HK\$1,564 per T1 per month

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 Network Charges in Part II) x (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 Schedule 1E 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.

