



HOSTED SERVICES AGREEMENT

This Agreement is made on: _____ **2006**

Between

DRD Communications Limited (1)	
Registered Offices At: (the "DRD")	Connect House, 21 Willow Lane, Mitcham, Surrey, CR4 4NA
Company Registration Number:	03545257

And

Customer Name:	(2)
Registered Offices At: (the "Customer")	
Company Registration Number:	

(each being referred to in this agreement as a "party" and both being referred to in this agreement as the "parties")

Signed By		Signed By	
Full Name		Full Name	
For And On Behalf Of		For And On Behalf Of	DRD Communications Ltd
Dated		Dated	

RECITALS:

- (A) DRD provides hosted business services and other services as more particularly described in the Purchase Order and Schedule which are made up of services provided by DRD and by third parties.
- (B) The Customer would like to receive those hosted business services and other services from DRD.
- (C) The parties have agreed the following in respect of the provision of those services by DRD to the Customer.

IT IS AGREED as follows:

1 **DEFINITIONS AND INTERPRETATION**

1.1 In this Agreement, unless the context requires otherwise, the following expressions have the following meanings:

"Agreement"	this agreement, its schedules and annexes;
"Broadband Service"	the broadband, email, installation, hosting, security, domain name and broadband IP allocation service;
"Business Day"	any day which is not a Saturday, a Sunday or a bank or public holiday in England;
"Commencement Date"	means [insert date];
"Confidential Information"	means information of a confidential nature, including trade secrets and information of commercial value, concerning DRD and any part of the Services (including without limitation the terms of this Agreement, any accepted Purchase Order, the negotiations relating to this Agreement and any know how or methods disclosed to the Customer by DRD);
"DRD Demarcation Point"	means the edge of the DRD IP network that signifies the physical boundary between the DRD owned and operated IP network and the Customer owned equipment, not including the provision of any Third Party Local Access connections, where the physical boundary is a Fast Ethernet (100 Mbps) port on electrical or optical media or a Gigabit Ethernet (1000 Mbps) port on optical media which is usually presented within a customer rack if the Customer has purchased co-location services from DRD;
"DRD Equipment"	the equipment either sold or leased by DRD, or a third party, to the Customer to enable DRD to provide the Services (such as, without limitation, routers, IAD's, hard IP phones and data switches) and such other equipment provided by DRD to the Customer from time to time;
"Due Date"	is as defined in clause 8.5;
"Intellectual Property Rights"	all patents, copyrights, design rights, trade marks, service marks, trade secrets, know-how, database rights and other rights in the nature of intellectual property rights (whether registered or unregistered) and all applications for the same;
"Local Access Charges"	means the Local Access Non-Recurring and Local Access Recurring Charges as provided in the Purchase Order;
"Monthly Charge"	means both the service charges for the hosted elements (such as, without limitation Extension Licensing, Voice Mail, WAN services and E Mail, that are charge monthly (unless agreed differently) and also charges for call traffic that are charged at the agreed rate.
"Monthly Review Period"	means a period of a calendar month commencing on the 1st of each month during the term of the Agreement, over which Service Availability is calculated, except that the first such period shall commence on the Service Commencement Date;

"Moss Score"	A measure used by service providers to grade the quality of a telephone call. The Moss Scale is from 1 to 5 with 5 being the highest score. An average telephone call on the existing public network will score 4.1
"Planned Outage"	means any routine maintenance or upgrade work, which may affect the availability of Services;
"qudo"	Qudo is a trading name owned by DRD Communications Ltd;
"Service Availability"	the service availability described in Schedule 1;
"Service Credits"	the service credits described in Schedule 2;
"Service Levels"	the service levels set out in Schedule 2;
"Service Commencement Date"	means the date from which the Services shall be provided to Customer by DRD;
"Third Party Local Access"	means short haul physical connections (including any DSL local access connections), that are provided between the Customer's premises and the nearest feasible DRD point of presence, which are under the direct control and ownership of a third party;

1.2 References to clauses, schedules and annexes are to the clauses of, schedules and annexes to this Agreement.

1.3 Headings are for convenience only and shall be ignored in interpreting this Agreement.

1.4 References to the singular include the plural and vice versa and references to any gender shall include references to all other genders.

1.5 The words "include" and "including" shall be interpreted as meaning "including without limitation".

1.6 A party's obligation not to do something includes an obligation not to permit or authorise it.

1.7 Unless otherwise stated, references to any legislation mean that legislation as modified, consolidated or re-enacted from time to time (whether before or after the date of this Agreement) together with any orders or regulations made from time to time (whether before or after the date of this Agreement) under or pursuant to it.

2 **ORDER PROCESS**

2.1 Once this Agreement has been entered into, the Customer shall complete a Purchase Order and submit it to DRD if it wishes to receive services from DRD.

2.2 DRD is not obliged to accept any Purchase Orders submitted by the Customer and DRD shall, in its sole discretion, decide whether to accept the Customer's Purchase Order.

2.3 If DRD accepts the Purchase Order submitted by the Customer, the terms and conditions set out in this Agreement shall apply to the accepted Purchase Order and the provision of the Services.

2.4 An accepted Purchase Order together with this Agreement shall constitute one agreement and shall be deemed distinct from any other accepted Purchase Orders.

2.5 If there is any conflict between this Agreement and the Purchase Order, the Purchase Order shall prevail.

3 **SERVICES**

3.1 DRD shall provide the Customer with the Services and use reasonable endeavours to provide them in accordance with the Service Levels.

3.2 If the Services fail to meet the Service Levels, DRD shall pay the Customer the Service Credits provided that the Customer makes its claim in writing to DRD for the Service Credits within 30 days of first date on which the Service failed the Service Levels. The parties agree that the provision of Service Credits shall be the Customer's only remedy for DRD's failure to meet the Service Levels.

3.3 The Customer must:

- 3.3.1 comply with any reasonable instructions issued by DRD which concern the use of the Services;
- 3.3.2 comply promptly with any reasonable request issued by DRD if the Customer's assistance is required to enable DRD to comply with its obligations under this Agreement;
- 3.3.3 not use the Services to transmit any material which is defamatory, offensive or of an abusive or obscene or menacing nature or which is otherwise unlawful;
- 3.3.4 not cause annoyance, inconvenience or needless anxiety or make any improper use of the Services; or
- 3.3.5 not use the Services in a way that constitutes a violation or infringement of the rights of any person or which is unlawful.

4 PROVISION OF LICENCES & SERVICES

- 4.1 Licences to support the required service are provisioned to the customer on the basis of a recurring monthly fee for the duration of the contract only.

5 PROVISION OF HARDWARE

- 5.1 The Customer may lease or purchase the hardware to support the hosted services from any source as long as the equipment is on the approved list of hardware items.

6.0 FAULT REPORTING, SUPPORT AND MAINTENANCE

- 6.1 DRD shall use reasonable endeavours to provide the support services to the Customer. The Customer shall report any faults in the Services, and DRD shall respond to any reported faults, in the ways described in Schedule 1
- 6.3 If any maintenance work has to be carried out which may affect the Services, DRD shall endeavour to give the Customer at least two days' prior written notice. In the event of an emergency or a fault affecting the Services, DRD reserves the right to give less than 24 hours' notice, and the Customer shall if required provide DRD with such access to the Customer's premises or equipment as DRD requires.

6 ACCESS TO PREMISES

- 6.1 Where DRD requires access to the Customer's premises to fulfil DRD's obligations under this Agreement, the Customer shall grant DRD, its agents, sub-contractors and employees access to the Customer's premises and equipment 24 hours a day, seven days a week.
- 6.2 DRD shall use all reasonable endeavours to procure that its employees, agents and sub-contractors follow the Customer's reasonable instructions in respect of health and safety concerns while on the Customer's premises.
- 6.3 The Customer shall provide a safe and suitable working environment for DRD's employees, agents and sub-contractors at the Customer's premises.

7 DRD EQUIPMENT

- 7.1 If DRD needs to install the DRD Equipment on the Customer's premises, the Customer shall allow DRD access to the Customer's premises to install and operate the DRD Equipment.
- 7.2 The Customer shall allow DRD access to its premises for inspecting and maintaining the DRD Equipment 24 hours a day, 7 days a week.
- 7.3 The Customer shall not, and shall procure that its employees, agents and sub-contractors do not, interfere with any DRD Equipment without DRD's prior written consent.
- 7.4 The Customer shall follow all of DRD's reasonable instructions in respect of storing and using the DRD Equipment, and shall take good care of the DRD Equipment.
- 7.5 On termination of this Agreement, the Customer shall permit DRD access, without charge, to its premises to recover the DRD Equipment if it has been leased to the Customer or if the Customer has not paid in full for the DRD Equipment.

8 PAYMENT

- 8.1 The Customer shall pay DRD the fees and charges as set out in, and in accordance with, the customer purchase order.

- 8.2 The fees, charges and prices payable under this Agreement are exclusive of Value Added Tax and any other applicable taxes which shall be paid by the Customer at the rate and in the manner for the time being prescribed by law.
- 8.3 The Customer shall pay all invoices in full within 17 days from the date of the invoice by direct debit.
- 8.4 If a Direct Debit is not in place DRD will levy an additional charge of 3% of total invoice value and or £10.00 whichever is greater.
- 8.5 If any sum payable under this Agreement is not paid by the 17th day from the date of the invoice (the "**Due Date**") then (without prejudice to DRD's other rights and remedies) DRD reserves the right to charge the Customer interest on such sum on a monthly basis at a rate of 5% of the sum due or £10, whichever is the greater, from the Due Date to the date of actual payment of the sum due together with the interest accrued (both dates inclusive and before and after any judgment).
- 8.6 The Customer shall pay all amounts due under this Agreement in full without any deduction or withholding other than as required by law and shall not be entitled to assert any credit, set-off or counterclaim against DRD to justify withholding any payment of any such amount in whole or in part.
- 8.7 DRD may conduct a fee review every 12 months. DRD shall be entitled to increase the fees every 12 months by a maximum of 3% above the Retail Prices Index without the Customer's prior written consent. If DRD wishes to increase the fees by more than 3% above the Retail Prices Index, it shall agree such fee increase in advance with the Customer and in writing. This clause 11.6 does not apply to increases in call charges which are covered in clause 11.7 below.
- 8.8 The Customer acknowledges that the call charges are imposed by third parties. If those third parties increase/decrease the call charges, DRD may increase/decrease its call charges by giving 30 days' written notice to the Customer, and the Customer shall pay DRD those increased/decreased call charges.

9 DURATION AND TERMINATION

- 9.1 This Agreement will commence on the Commencement Date and will continue for a period of 12 months after which it will continue for further periods of 12 months, unless:
- 9.1.1 a party gives the other party one months' written notice to terminate the Agreement at any time; or
- 9.1.2 the Agreement is terminated in accordance with clause 12.2 or 16.3.
- 9.2 Either party may give notice in writing to the other party to terminate this Agreement with immediate effect if:
- 9.2.1 the other party commits a material breach of any term of this Agreement which cannot be remedied, or in the case of a breach capable of being remedied, has failed to remedy the breach within 30 Business Days of notice being given by the other party requiring it to be remedied; or
- 9.2.2 the other party becomes or is declared insolvent, or convenes a meeting of its creditors, or makes or proposes to make any arrangement or composition with them, or if a liquidator, receiver, administrative receiver administrator, manager or similar office holder is appointed over any of its assets or passes a resolution for winding up or a court makes an order to that effect, or becomes or is declared bankrupt.
- 9.3 The following clauses shall survive termination: 2.4, 2.5, 7.5, 8, 9, 10, 11, 12, 13, 15, 17, 18, 19, 21, 22, 23, 25 and Schedule

10 WARRANTIES

- 10.1 DRD warrants that it:
- 10.1.1 shall provide the Services with reasonable skill and care;
- 10.1.2 has the necessary consents and licences to provide the Services in accordance with this Agreement.
- 10.2 The express terms of this Agreement are in lieu of all warranties, conditions, terms, undertakings and obligations implied by statute, common law, custom, trade usage, course of dealing or otherwise, all of which are hereby excluded to the fullest extent permitted by law.

11 SUSPENSION OR ALTERATION OF THE SERVICES

- 11.1 DRD may suspend or alter the Services, or any part of them, at any time without liability to the Customer if:

- 11.1.1 DRD has to do so to comply with an order, instruction or request of a court, government, agency, emergency organisation or other competent administrative or regulatory authority; or
- 11.1.2 the Customer's use of the Services may damage or disrupt the proper functioning of DRD's, or a third party's, network.
- 11.2 DRD may suspend the Services, or any part of them, at any time without liability to the Customer if:
 - 11.2.1 DRD has reasonable grounds to believe that the Customer is using the Services for improper or unlawful purposes;
 - 11.2.2 the Customer has not paid any fees due by the 17th day after the Due Date;
 - 11.2.3 the Customer is in breach of this Agreement; or

12 **LIABILITY**

- 12.1 Subject to clause 12.2, DRD's total aggregate liability for the Services provided under each Purchase Order and any other liability arising under or in connection with that Purchase Order shall not exceed an amount equal to the total amount of fees that DRD has received in respect of that Purchase Order.
- 12.2 Nothing in this Agreement excludes or limits DRD's liability in any way for death or personal injury caused by negligence, or for fraud.
- 12.3 DRD shall not be liable for:
 - 12.3.1 any loss of revenue, profit, anticipated savings, goodwill or reputation (whether direct or indirect);
 - 12.3.2 deletion or loss of files, defects or delays in transmission or any failure of any servers or the internet;
 - 12.3.3 the transmission or receipt of infringing information of whatever nature transmitted via the Services;
 - 12.3.4 loss, destruction or damage to data stored, transmitted or used through the Services or on the network through which the Services are made available to the Customer;
 - 12.3.5 loss or damage suffered by the Customer (whether direct or indirect) where the loss has been suffered as a result of any virus or other hostile computer program being introduced through the use of the Services; or
 - 12.3.6 any indirect or consequential loss.
- 12.4 The Customer acknowledges that DRD is unable to exercise control over the information transmitted through the Services, the connection or the network and DRD excludes all liability of all kinds for the transmission or reception of infringing information of whatever nature.
- 12.5 The Customer shall indemnify DRD in full against any liabilities incurred by DRD as a result of the Customer breaching this Agreement or any law from time to time in force.

13 **CONFIDENTIALITY**

- 13.1 The Customer agrees that it shall at all times (both during the term of this Agreement and after its termination) keep confidential, and shall not use (other than strictly for the purposes of this Agreement) and shall not, without the prior written consent of DRD, disclose to any third party any Confidential Information, unless the information:
 - 13.1.1 was public knowledge or already known to the Customer at the time of disclosure;
 - 13.1.2 subsequently becomes public knowledge other than by breach of this Agreement; or
 - 13.1.3 subsequently comes lawfully into the possession of the Customer from a third party.
- 13.2 To the extent necessary (but not further or otherwise), the Customer may disclose the Confidential Information to any employees of the Customer provided that before any such disclosure the Customer shall make those persons aware of its obligations of confidentiality under this Agreement and shall obtain a binding undertaking as to confidentiality from all such persons.

- 13.3 The Customer shall return all documents and other records (in whatever form) containing Confidential Information supplied to or acquired by the Customer from DRD to DRD on termination of this Agreement, and the Customer shall keep no copies of the Confidential Information.

14 **COMPLIANCE WITH LAWS**

- 14.1 DRD shall obtain all necessary consents, licences, approvals and permits required by any applicable governmental or regulatory body for DRD to provide the Services to the Customer.
- 14.2 The Customer shall obtain all necessary consents, licences, approvals and permits required by any applicable governmental or regulatory body for the Customer to use the Services and ensure that the use of the Services by the Customer shall not lead to any breach of any telecommunications licence held by DRD or its third party suppliers.
- 14.3 The Customer must not use the Services for any improper or unlawful purposes, nor allow a third party to do so.

15 **PUBLICITY**

- 15.1 The Customer agrees that DRD may:
- 15.1.1 disclose to third parties that DRD has provided, or is providing, the Services to the Customer; and
- 15.1.2 use the Customer's name, trade marks, logo and testimonial (if a testimonial is provided) in promotional material and communications including, but not limited to, proposals, press releases, trade magazines, presentations, website and corporate brochure, provided that DRD obtains the Customer's prior written approval, such approval not to be unreasonably withheld or delayed.

16 **FORCE MAJEURE**

- 16.1 Except in respect of the Customer's obligations to pay the fees and charges, neither party shall be in breach of this Agreement, or liable to the other in any way whatsoever, for any failure to perform, or delay in performing, its obligations under this Agreement, to the extent that such failure or delay is the result of a cause beyond that party's reasonable control.
- 16.2 Clause 16.1 shall not apply in respect of any failure or delay unless the party affected by such a cause gives notice to the other of that failure or delay and the cause within ten Business Days of becoming aware of the cause and its impact on that party.
- 16.3 If a party is prevented from performing any obligations it has under this Agreement for more than eight weeks, the other party is entitled to terminate this Agreement by giving written notice to the other party, such notice to have immediate effect.

17 **NOTICES**

Any notice required to be given pursuant to this Agreement shall be in writing and shall be given by delivering the notice by hand at, or by sending the same by prepaid first class post (airmail if to an address outside the country of posting) to, the address of the relevant party set out in this Agreement, or such other address as either party notifies to the other from time to time. Any notice given according to the above procedure shall be deemed to have been given at the time of delivery if delivered by hand or if sent by post, two clear Business Days after the notice is posted.

18 **ASSIGNMENT**

- 18.1 The Customer shall not without the prior written consent of DRD assign, transfer, charge or deal in any other manner with this Agreement or its rights under it or part of it, or purport to do any of the same.
- 18.2 DRD may assign, transfer, charge or deal in any other manner with this Agreement or its rights under it or part of it provided that no such assignment, transfer or charge shall relieve DRD of its obligations under this Agreement.

19 **ENTIRE AGREEMENT**

Each accepted Purchase Order together with this Agreement constitutes the entire understanding between the parties with respect to the subject matter of the accepted Purchase Order and this Agreement and supersede all prior agreements, negotiations, representations and discussions between the parties relating to it. Each party acknowledges and agrees that in agreeing to each Purchase Order and in entering into this Agreement it has not relied on any undertaking, promise, assurance, statement, representation, warranty or understanding (whether or not in writing) other than those expressly set out in this Agreement or the relevant Purchase Order. This does not affect either party's liabilities or remedies for fraud.

20 **AMENDMENTS**

Save as expressly provided in this Agreement, no amendment or variation of this Agreement shall be effective unless in writing and signed by a duly authorised representative of each of the parties to it.

21 **WAIVER**

The failure or delay of a party to exercise or enforce any right under this Agreement shall not be deemed to be a waiver of that right, nor operate to bar the exercise or enforcement of it at any time or times thereafter.

22 **SEVERABILITY**

Notwithstanding that this whole, or any part of provision of this, Agreement may prove to be illegal or unenforceable the other provisions of this Agreement and the remainder of the provision in question shall remain in full force and effect.

23 **RIGHTS OF THIRD PARTIES**

23.1 Notwithstanding the Contract (Rights of Third Parties) Act 1999, this Agreement does not, subject to clause 23.2, confer on any third party any right to enforce any term of this Agreement and the parties are entitled to exercise their rights (if any) to rescind, terminate or vary this Agreement without the consent of any third party and without informing any third party.

23.2 Notwithstanding clause 23.1, the Customer acknowledges and agrees that BroadSoft, is a third party beneficiary of this Agreement and BroadSoft may enforce any term of this Agreement directly with the Customer.

24 **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which, when executed and delivered shall be an original, and all the counterparts together shall constitute one and the same instrument.

25 **GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by and construed in accordance with English law and each party hereby irrevocably submits to the exclusive jurisdiction of the English Courts, provided always that DRD shall be entitled to take action in any other jurisdiction to protect its Intellectual Property Rights, or those of its third party suppliers, or its Confidential Information.

Schedule 1

The Services and Service Levels

1. THE SERVICES

The DRD Service consists of the provision and supply of connectivity to hosted services.

The hosted service is duplicated with the hardware and software being located over two independent data centres. Both data centres have fully independent power supplies and operate a high level of security and access.

In the event of a failure of a hardware item the system is designed to switch between the faulty hardware and the redundant hardware automatically, in some instances due to the type of fault it may be necessary for a manual switch to be undertaken. The Class 5 softswitch interconnects to the UK public network via multiple interconnects and IP Transit links to ensure a high degree of redundancy. All data switches, servers and routers are automatically monitored on a 24/7 basis and faults are automatically reported to the CSG service centre and on call engineer. We have an engineer on call at all times, out of normal working hours they are to deal with Priority 1 type faults only unless otherwise agreed. The system is designed to give 99.999% reliability and carrier grade serviceability.

DRD undertakes that 90% of all telephone calls will have a Moss Score Of 3.9 or more.

Telephone number allocation

DRD shall allocate geographic and non geographic numbers to the Customer, if requested.

Numbers can be ported onto the DRD network as long as DRD or its agents have a porting agreement in place with the relevant carrier.

If the Customer requests to port any DRD allocated numbers to another carrier DRD may permit this if there are no outstanding balances on the account and all Purchase Orders have expired or been terminated and we have a porting agreement in place with the relevant carrier

2. THE SERVICE LEVELS

Service Installation

DRD shall provide the Customer with an agreed delivery date for the Services. If DRD fails to meet the agreed delivery date, DRD shall pay the Customer the Service Credits.

If only part of a Purchase Order is not delivered by the agreed delivery date, DRD shall pay Service Credits only in respect of those parts that have not been delivered by the agreed delivery date.

Service Availability

Target service availability is 99.999%. This is calculated over a rolling 3 month period and includes any servicing affecting faults that effects at least 50% of all users on the system. Types of faults would include no inbound or outbound service, badly distorted call quality and total failure.

In calculating target service availability, the parties agree that Planned Outage on the DRD hosted network shall not be taken into account.

The hosted service is defined as "available" when 80% of users have access to all services that they subscribe to.

Where the service is unavailable during any Monthly Review Period, the Customer shall be entitled to receive Service Credits from DRD.

DRD cannot be held responsible for failures in WAN connectivity using either xDSL, LES or any other form of connectivity whether supplied directly or indirectly.

SCHEDULE 2

The Service Credits

DRD shall provide the Customer with Service Credits if it fails to meet the following targets:

- (a) Service Installation; or
- (b) Service Availability,

provided that the Customer has made a claim in writing to DRD for the Service Credits within 30 days from the first date on which the Service failed the Service Levels.

Service Installation

The service credits for failure to meet the Service Levels for service installation shall be calculated as follows:

Number of full Business Days by which DRD fails to meet the agreed delivery date for Service	Service credits as % of Monthly Charge incurred over the first full month of the Service
1 to 5 days	10%
> 6 days	25%

Service Availability

The service credits for unavailability of service will be calculated as follows:

Con-Current Unavailability Duration in any month.	Service credits as % of Monthly Charge
Greater than 30 minutes up to 1 hours	5%
Greater than 1 hours up to 4 hours	10%
Greater than 4 hours up to 8 hours	15%
Greater than 8 hours	25%

Calculation of Service Credits

In the first and last Monthly Review Period, the service credit shall where appropriate be calculated on the basis of a pro-rated Monthly Charge.

In any other Monthly Review Period, the service credits will be calculated on the basis of the total Monthly Charge for that Monthly Review Period.

Service credits will be calculated monthly, aggregated and credited to the Customer on a monthly basis.

Exclusions to payment of Service Credits and liability

Service credits shall not be payable by DRD to the Customer, and DRD shall in any event have no liability in respect of the Services, for faults, delay or disruptions to the Service caused by any of the following:

- The fault (whether an act or omission) or negligence of the Customer, its employees, agents or contractors;
- The Customer failing to comply with the relevant terms and conditions of this Agreement;
- A relevant fault in, or any other problem associated with, equipment or software connected on the Customer's side of the DRD Demarcation Point;
- The performance of third party networks including (without limitation) Third Party Local Access circuits; traffic exchange points including networks, transit and peering connections provided and controlled by other companies;
- Faults or other problems affecting the Internet and networks comprising it;
- Any event described in Clause 19 of this Agreement (Force Majeure);

- Any outages or degradation to existing Service that may be the result of Customer requested Service changes or upgrades;
- A failure by the Customer to give DRD access to any equipment after being requested to do so by DRD during any Planned Outage.

Service credits are not payable in respect of any Planned Outage events.

Service credits are not applicable for more than one breach of any of the Service Levels outlined in this Agreement arising from the same occurrence. In respect of any Monthly Review Period the total amount of any service credit payable in relation to breach of the Service Levels shall not exceed 50% of the Monthly Charge for the affected part of the Services.

Service Cancellation

If all or part of the Services are cancelled or significantly modified by the Customer prior to the Service Commencement Date, the Customer shall pay DRD a one-off charge calculated as a percentage of the Service Installation Charge, according to the following table:

Number of Working Days Before Service Commencement Date	Customer liability as % of Monthly Charge which would have been incurred over the first full month of service
0 to 1 days	100%
2 to 5 days	90%
6 to 10 days	70%
11 to 20 days	50%
21 to 30 days	25%

Installation service credits shall not apply where access circuits needed for the Services are provided and maintained by a third party as the Service Commencement Date will be reliant on the access circuit delivery lead-times specified by the third party which DRD cannot control.

SCHEDULE 12

Support and fault reporting

Remote Access Facility

If there is a problem with the service, the Customer shall (where applicable), at no cost, provide DRD with timely and adequate access to the equipment via public or private internet access to allow DRD to provide the support services. Any delays beyond DRD's control may impact DRD's ability to respond within the resolution targets outlined below.

Facilities for On-Site Support

If the Customer requires on-site services, the Customer shall provide reasonable facilities including, but not limited to, secure storage space, designated work space with adequate temperature control and light, and use of all equipment and communication facilities, including access to a telephone line and/or a broadband connection, all at no charge to DRD.

Fault duration

All faults recorded by DRD shall be reconciled against the corresponding fault ticket raised by DRD. The exact fault duration shall be calculated as the elapsed time between the fault being reported to DRD and the time when Services are restored.

Planned Outages

Planned Outages may be required for scheduled network maintenance and upgrade activities. DRD shall endeavour to effect such outages between the hours of 00:00 GMT and 04:00 GMT on any day.

All planned outages will be notified to customers via E Mail

Fault procedure

The Customer's helpdesk shall in the first instance deal with first level support calls and go through its internal fault process to try and identify and rectify the problem.

If a fault is not resolved by the Customer's first level support staff, then the problem shall be escalated directly to DRD.

Support

The CSG is the single point of contact for all Customers, providing support. The service is fully manned on Monday to Friday between 08.45 to 17.15 outside of these hours only critical faults will be dealt with (unless otherwise agreed) by the way of the customer following the instruction message and leaving a message to which the on call engineer will respond within 4 hours.

CSG 24 Hour Phone Number From your IP Phone 3344 or 0870-7541801

Email csg@drd.co.uk

Postal Address DRD Communications Ltd, Connect House, 21 Willow Lane, Mitcham, Surrey, CR4 4NA

Placing Fault Calls

When the Customer calls the CSC to log a fault, the Customer must check its own equipment first and have the following information ready:

- Service IDs;
- The date and time at which the problem occurred;
- Any Customer test results;
- Impact of problem on live operations based on the classifications set out below;
- A detailed description of the issue, including:
- The components involved (Ethernet phones, gateways, web screens, etc.);
- The extension and phone numbers involved in the issue;
- Type of calls, actions, or user services impacted;
- Frequency of the issue;
- Any available logs and traps.

Fault classification

DRD shall classify faults according to their severity as either a Service Affecting Fault or Non-Service Affecting Fault. In the case of a Service Affecting Fault, DRD undertakes to use all reasonable endeavours to dedicate resources at all times to address the problem. Any incident, which has no adverse effect on the Client's operations, will be treated as "planned work" and repairs will be carried out by DRD during DRD's normal working hours (i.e. 08:45 to 17:15) address the problem.

Service Affecting	A Service Affecting Fault means any fault, repair or condition affecting the Customer's service(s) as registered by Customer.
Non-Service Affecting	Non-Service Affecting Fault means any fault, repair or condition that is not a Service Affecting Fault. NSA faults raised outside normal working hours can be deferred until the following day for resolution if both parties agree.

Fault priority

DRD shall manage handling response and resolution according to the priority of the fault; the priority will be based on the impact on the Customer's business. The following table shows a definition of the priorities.

Priority 1	High	Loss of service or problems severely affecting the Services.
Priority 2	Medium	Intermittent and degraded performance which is Service Affecting.
Priority 3	Low	Faults with a minor impact but Non-Service Affecting.

The Customer Service Executive ("CSE"), receiving the call, will set the priority in consultation with the Customer. The level of priority allocated to the fault will determine subsequent updates.

Customer updates and target resolution times

The provision of Customer updates by DRD shall depend on the priority level of the fault. These response times start when a fault has been registered in the fault management system. DRD shall update the Customer with the status of the fault regularly according to the table below or as agreed with the Customer at the time of logging the fault.

DRD shall attempt to provide a temporary solution to minimise the impact on the Services or the system while a permanent solution is developed.

Consequently, Priority 1 issues may be downgraded to Priority 2, and Priority 2 issues may be downgraded to Priority 3, following application of a temporary solution.

	First update	Further Updates	Target resolution time
Priority 1	Within 30 min	Update every 2 hours	Within 4 hours
Priority 2	Within 30 min	Update every 4 hours	Within 2 days
Priority 3	Within 30 min	Update every 24 hours	Within 7 days

The target resolution times set out above are subject to the Customer providing DRD with prompt access to the Customer's premises or equipment, or remote access to the Customer's system, if required.

Where the fault arises from any Third Party Local Access, DRD shall endeavour to manage the resolution of the fault by the Third Party Local Access provider as soon as reasonably practicable, but DRD shall not be liable for the Third Party Local Access provider's delay in resolving, or failure to resolve, the fault.

If DRD requires third parties to assist in resolving any fault or problem in respect of the Services, DRD shall not be liable for that third party's delay in resolving, or failure to resolve, the fault or problem.

The CSE will monitor the progress of all faults internally, and will escalate the problem to DRD Senior Management as and when appropriate.

Fault Ticket Numbers

The CSE will advise the Customer of a Fault Ticket Number. The Customer must refer to this number in any subsequent telephone conversations or correspondence relating to the fault.

Each fault ticket will have a fault notification time and a fault resolution time, the time to fix will be a measurement between these two times. The fix time will be noted when the Customer accepts the fault resolution or a temporary fix has been implemented.

If required the Customer may provide the CSE with its Incident Report Number which will be entered on the Service Management System for cross reference in future correspondence.

Closing Tickets

Upon fault clearance, DRD shall make at least three (3) attempts to inform the Customer. DRD shall make each such notification by telephone, fax or e-mail, as requested by the Customer. After 24 hours, if there is no response, DRD may automatically close the fault ticket. DRD reserves the right to decline any direct action to rectify any fault unless the Customer has adhered to the fault reporting and escalation process.

Escalation Procedure

The parties shall use the escalation procedure when events justify the escalation of issues above the level of personnel or management involved at any particular time.

The escalation procedure begins automatically when a reported fault passes a set time and it is likely that the fault will exceed its contracted time to resolve.

An escalation can start prior to the period stated below, should the Customer require more immediate action or feels an escalation is justified. The Customer shall advise the CSE of its intent and the next manager in the escalation table below will be contacted.

Escalation Stages

The Customer may escalate any reported problems if it is not satisfied with the progress of the conclusion of the fault, or if response and resolution times have not been achieved. The 2 escalation levels and the corresponding contacts are as follows:

Escalation Level	Name	Title	Phone	Mobile	E Mail
1	Haris Qureshi	Network Engineer	020-8288-1259	07956-202320	h.qureshi@drd.co.uk
2	Colin Farrant	CSG Manager	020-8288-1246	07796-948542	c.farrant@drd.co.uk
2	Dave Dadds	MD	020-8288-1231	07831-220099	d.dadds@drd.co.uk

