

MOBILE EQUIPMENT TERMS

The following additional terms and conditions apply to the provision by the Company of Mobile Equipment.

1. DEFINITIONS

In these Mobile Equipment Terms, in addition to those terms set out in the General Conditions, the following terms and expressions apply:

| TERM/EXPRESSION | MEANING |
|---------------------------------|---|
| Mobile Equipment | means any wireless devices, handsets and related items or other equipment provided by the Company to the Customer under the Agreement for use in connection with the Mobile Services; |
| Mobile Equipment Account | means a notional account set up by the Company to accrue credits owing to the Customer from which Mobile Equipment can be purchased from Company by the Customer; and |
| Mobile Equipment Terms | means this document entitled "Mobile Equipment Terms". |

SALE, PURCHASE AND LEASING OF MOBILE EQUIPMENT

- (a) The following additional terms and conditions shall apply to either the sale by the Company and purchase by the Customer of Mobile Equipment specified in the Commercial Schedule, the leasing by the Company to the Customer of Mobile Equipment specified in the Commercial Schedule as well as any Mobile Equipment ordered pursuant to an order placed pursuant to the Agreement or otherwise in the provision of Mobile Equipment from time to time by the Company to the Customer.
- (b) In the event that the Mobile Equipment is subject to a lease, the terms of that lease shall, in the event of conflict with these terms, prevail, provided always that should such Lease become void or unenforceable for whatever reason, these terms shall remain in full force and effect.

ORDERS

- (a) The Customer shall be entitled to place with Company an order for any Mobile Equipment identified by Company from time to time.
- (b) Company's acceptance of an order is subject to availability and Company may reject any order without any liability to the Customer. In the event that Company accepts an order, that order will be processed accordingly. Any order, once accepted by Company, may not be revoked by the Customer.
- (c) Company reserves the right to add to, substitute, or to discontinue any item of Mobile Equipment at any time. Company does not guarantee the continuing availability of any particular item of Mobile Equipment.

DELIVERY, ACCEPTANCE AND RISK

- (a) The Company will deliver the Mobile Equipment to the address specified on the completed order provided that address is within the United Kingdom.
- (b) The Customer shall be deemed to have accepted an item of Mobile Equipment:
 - i) when that item of Mobile Equipment has been delivered, if the Company is to deliver the item of Mobile Equipment; or
 - ii) if the item of Mobile Equipment is to be collected by the Customer, when the Customer takes possession of that item of Mobile Equipment.
- (c) Risk in an item of Mobile Equipment will pass to the Customer when the item of Mobile Equipment is accepted by the Customer. The Customer shall not be liable for any loss or damage to the item of Mobile Equipment to the extent that such loss or damage is caused by the negligence of the Company or its suppliers.

TITLE IN THE MOBILE EQUIPMENT

- (a) Title to an item of Mobile Equipment shall not pass to the Customer, except that title to accessory items shall pass to the Customer upon payment in full for such accessory items. Where the Company is providing any Mobile Equipment without charge to a Customer as part of the Mobile Services or in the event of a leasing arrangement then title in all such Mobile Equipment shall not at any time pass to the Customer and shall remain with the Company.
- (b) The Customer undertakes in respect of Mobile Equipment in which the Company retains title pursuant to clause (a) of these Mobile Equipment Terms not to sell, transfer, lease, charge, assign by way of security or otherwise deal in or encumber the same in any way and that it shall keep such Mobile Equipment fully insured and in good working order allowing for fair wear and tear during the period of use by the Customer.
- (c) Following any:
 - i) upgrade or replacement of Mobile Equipment or
 - ii) disconnection of Mobile Equipment from the Mobile Services; or
 - iii) the termination of the Mobile Services for any reason whatsoever prior to the expiration of the Minimum Term or Renewal Period relevant for the Mobile Services (where the Mobile Equipment is being provided to the Customer without charge by the Company as part of the agreed Mobile Services)
 - iv) then Company reserves the right to either charge the Customer for any such Mobile Equipment in which Company retains title pursuant to clause 5.1 or request the safe return of any such Mobile Equipment in which Company retains title pursuant to clause (a) of these Mobile Equipment Terms from the Customer at the Customer's expense.
- (d) The Company reserves the right to charge the Customer for any Mobile Equipment that is not returned to Company in accordance with the provisions of clause (c) of these Mobile Equipment Terms or where the Customer fails to fulfil its obligations under clause (b) of these Mobile Equipment Terms.
- (e) Without prejudice to the remainder of clause 5 of these Mobile Equipment Terms, in the event that the Customer sells any Mobile Equipment in breach of clause (b) of these Mobile Equipment Terms, the Customer agrees that liquidated damages equal to the price set out by the Company for such Mobile Equipment on the date on which the Company invokes its right to recover liquidated damages, shall immediately be due and payable from the Customer to the Company.

OBLIGATIONS OF THE CUSTOMER

- (a) The Customer will, and shall take all reasonable steps to ensure that its employees will:
 - i) pay the standard charges levied by the Company from time to time applicable to repair work on Mobile Equipment which is outside (in scope or time) the warranty provided under the Agreement; and
 - ii) use the Mobile Equipment and any End-User Licensed Software in accordance with any user guide or other reasonable instruction of any manufacturer or supplier of the same or reasonable instruction of the Company and not copy, reverse engineer or modify any Software or End-User Licensed Software in any way save as permitted by law.
- (b) The Company reserves the right to bar service to any Mobile Equipment supplied under the Agreement to which the Company retains title pursuant to clause (a) of these Mobile Equipment Terms where in the Company's reasonable opinion that Mobile Equipment is not being used in a manner which the Company would expect including but not limited to where the Mobile Equipment is:
 - i) used in conjunction with a SIM Card connected to a tariff other than one which the Customer has ordered under the Agreement;
 - ii) used in conjunction with a SIM Card allocated to any other Company customer's account; used solely or predominantly on a roaming basis; or
 - iii) (or the SIM Card supplied in conjunction with such Mobile Equipment is) not used on the Network within 45 days from the date of despatch by the Company, or during any other period of 30 consecutive days;

unless the Company and the Customer have agreed otherwise.

- (c) The Customer, at the Customer's expense, shall return to the Company any Mobile Equipment supplied by the Company to which the Company retains title pursuant to clause (a) of these Mobile Equipment Terms, which Mobile Equipment has been barred pursuant to clause (b) of these Mobile Equipment Terms and in the event that the Customer fails to return any such Mobile Equipment within two (2) weeks of written notice from the Company to do so, then the Customer agrees to pay the Company the price set out by Company from time to time for such Mobile Equipment.

WARRANTIES

- (a) The Company warrants that each item of Mobile Equipment will conform in all material respects to the manufacturer's specification for a period of 12 months from the date on which each item of Mobile Equipment is despatched to the Customer by the Company (a "Warranty Period") unless special conditions associated with certain Mobile Equipment apply.
- (b) The Company warrants that any Software will conform in all material respects to the manufacturer's specification for a period of three months from the date on such Software is despatched to the Customer by the Company (a "Warranty Period") unless special conditions associated with certain Software apply.
- (c) Upon request the Company shall provide the Customer with an option to take out insurance (at such cost as will be advised by the Company) extending the Warranty Period in respect of such Mobile Equipment.
- (d) If, within the relevant Warranty Period the Customer notifies the Company of any defect or fault in the Mobile Equipment or Software arising under normal use in consequence of which it fails to conform in any material respect with the manufacturer's specification the Company shall, at Company's option either: repair the faulty Mobile Equipment or Software; or, replace the faulty Mobile Equipment or Software with the same or an equivalent item of Mobile Equipment or Software which may be a new or refurbished item. In the event that Mobile Equipment or Software is provided to replace Mobile Equipment or Software which has failed during its Warranty Period, the replacement Mobile Equipment or Software will be provided with its own Warranty Period which shall last for the greater of: (a) three months from the date on which the replacement Mobile Equipment or Software is despatched to the Customer; or (b) the outstanding period of the original Warranty Period.
- (e) The warranty obligations set out in clause (d) of these Mobile Equipment Terms shall not apply in the event that a person has amended or damaged the Mobile Equipment or Software, or used it for a purpose or in a context, other than in accordance with the Company's or Third Party or the manufacturer's instructions and advice.

CREDITS

- (a) Where applicable any credits accrued in the Mobile Equipment Account may be used solely for the purposes of offsetting Charges for Mobile Equipment. Credits do not have any monetary value and the Customer is not entitled to:
 - i) use any credits accrued in the Mobile Equipment Account to offset Charges for Mobile Services or vice versa;
 - ii) offset any credits accrued in the Mobile Equipment Account against any outstanding debt;
 - iii) any payments from any credits accrued in the Mobile Equipment Account; or
 - iv) any future use of credits accrued in the Mobile Equipment Account upon termination of the Agreement.

REPOSSESSION

- 1.1 The Company reserves the right to repossess any Mobile Equipment for which payment is overdue. For this purpose the Customer hereby grants the Company the right of access to its servants and agents to enter upon all or any of the Customer's premises with or without vehicles during normal business hours. The right shall continue to subsist notwithstanding the termination of this Agreement for any reason and is without prejudice to any of the Company's accrued rights hereunder or otherwise.