



The New Zealand
Gazette

OF FRIDAY, 26 APRIL 1991

WELLINGTON: MONDAY, 29 APRIL 1991 — ISSUE NO. 62

TELECOMMUNICATIONS
(DISCLOSURE)
REGULATIONS 1990

This publication sets out the material required to be published by Telecom in the New Zealand Gazette by The Telecommunications (Disclosure) Regulations 1990.

The information herein describes the prices, terms and conditions of supply relating to prescribed services at the end of the quarter ending on the 31st day of March 1991. The Corporation has not published all information relating to prescribed services if the relevant prices, terms and conditions are identical in all material respects to those applying at the preceding quarter and which have already been published. The information is not intended by Telecom to constitute an offer of services to the public as the prices, terms and conditions of supply set out herein may change without notice. The information is also available on request at the following principal offices of the Corporation and its subsidiaries:

Telecom Corporation of New Zealand Limited, Telecom House, 13-27 Manners Street, P O Box 570, Wellington;

Telecom Auckland Limited, Telecom Tower, 16 Kingston Street, Private Bag, Auckland 1;

Telecom Central Limited, Regional Office, 5th Floor, Housing Corporation Building, 500 Victoria Street, Private Bag 3100, Hamilton;

Telecom South Limited, 5th Floor, NML Building, 152-156 Hereford Street, P O Box 1473, Christchurch.

Detailed information on current national call (toll) charges, incorporating amendments to the charges published at the end of the preceding quarter, may be inspected or purchased at the principal offices of the Corporation at Auckland, Hamilton, Wellington and Christchurch.

The information in this publication was prepared by Telecom Corporation of New Zealand Limited after making all reasonable inquiry and to the best of the knowledge of the Corporation complies with the requirements of Regulation 4 of The Telecommunications (Disclosure) Regulations 1990.

All charges are GST EXCLUSIVE.

CONTENTS

1. TELEPHONE SERVICE
 - 1.1. PSTN Line Rental Charges
 - 1.2. Direct-Dial-In (DDI) Monthly Rental
 - 1.3. Kapiti Trial Options
 - 1.4. Sixties Plus
 - 1.5. Promotional National Call Charges
2. INTERCONNECTION
3. DISCOUNTS
 - 3.1. Commercial Terms

1. TELEPHONE SERVICE

1.1 PSTN Line Rental Charges

Line rental is charged according to class of service and type of service.

There are two classes of service: "standard" and "non-standard".

Standard line rentals apply to most residential customers; and to business customers in areas which have local call charging.

Non-standard line rental applies to different older classes of exchange. It also applies to business customers in areas which have modern exchanges but no local call charging. The "non-standard" class is further differentiated into two types of service: individual and party-line. (There is no such differentiation for "standard" rentals).

It is Telecom's intention to progressively upgrade non-standard to standard service for all customers.

STANDARD LINE RENTAL CHARGES			
Class of Service	Type of Service	Business Rate (per month)	Residential Rate (per month)
Standard	not applicable	\$60.42	\$29.19

NON-STANDARD LINE RENTAL CHARGES				
Class of Service	Type of Service	Business Rates (per month)		Residential Rates (Includes B3) (per month)
		B 1	B 2	
Non-standard Classes 1 - 7	Individual	\$91.30	\$67.48	\$29.19
	Party	\$77.61	\$57.36	\$24.50

Note:

The party-line charges given are a maximum. The reduction for sharing a party line is at least 15% off the individual-line charge; this reduction may be greater, at the discretion of the local ROC Marketing Director.

1.2 Increase to Direct Dial In Monthly Rental

Monthly rental for each block of 10 DDI numbers is \$25.

1.3 Kapiti Trial Options

The following charges apply to the Kapiti trial area customers. The three options identified here are available to residential customers only, for the duration of the trial period. Customers who do not choose either option B or C will remain on option A.

Option A: No Change

No surcharge on line rental. Customers have free local calling in the Paekakariki, Paraparaumu, Waikanae areas, but pay Telecom national call tariffs as applicable to the Kapiti area.

Option B: Local Call Charge

A reduction on line rental of \$6.00 per month, and a charge for every call made. Local calls or calls to Otaki or Porirua will be charged at 2 cents per minute between 8 a.m. and 6 p.m. Monday to Friday; and at 0.5 cents per minute between 6 p.m. and 8 a.m. Monday to Friday, at any time during weekends, and at any time on national statutory holidays. Calls to other areas, including Wellington and the Hutt Valley, will be charged at the Telecom national call rates applicable to the Kapiti area.

Option C: Free Calling to Wellington

A surcharge on line rental of \$6.00 per month. All local calls and calls to the Wellington local calling area (Porirua, Hutt Valley and Wellington) will be free. Calls to other areas will be charged at the Telecom national call rates applicable to the Wellington area.

Option D:

Toll step A charges for calls to Wellington plus an additional \$5 per month rental.

1.4 Sixties (60's) Plus

Sixties (60's) Plus is an optional telephone service package available to customers 60 years of age and over. The package combines a reduced monthly line rental with a per minute charge for local calls. The following criteria must be met:

- a. The customer taking the package must be the householder at their place of residence.
- b. One package only per customer is allowed.
- c. The telephone must be installed at the customer's permanent place of residence.

Monthly Line Rental

• Line Rental	\$17.50
---------------------	---------

Local Call Charge

• Local call charge per minute	\$0.10
--------------------------------------	--------

Note:

- All other calls are charged at normal rates.
- There is no reduction of other charges, such as standard wiring maintenance and telephone instrument rentals.
- The Sixties Plus package will be made available progressively throughout the country. Customers should enquire at their local Telecom ROC Office for availability in their area.

1.5 Promotional National Call Charges

Telecom may from time to time reduce the rate per minute for certain national call charging steps, for customers with Telecom Residential and Non-Residential contracts, for promotional purposes.

telecommunication services more particularly described in the Terms and Conditions of Interconnection annexed as Schedule B subject always to those Terms and Conditions of Interconnection.

3. THE parties agree that the agreement between them is evidenced by this Agreement and the several Schedules specified in Schedule L all of which are incorporated in this Agreement and are construed as part of this Agreement.

4. SUBJECT to Clause 5 of this Agreement, it is acknowledged by All ROCs that where this Agreement provides that the Principal ROC shall perform an act under this Agreement or that an act shall be performed on the Principal ROC, the Principal ROC is acting for and on behalf of All ROCs and shall bind All ROCs.

5. IF at any time, the Service Operator decides that it would prefer to deal in all matters directly on a separate basis with each Telecom ROC, the Service Operator may serve notice on the Principal ROC to that effect and, notwithstanding anything in this Agreement, from the date 1 month after the date of service of such notice, all references to the Principal ROC in this

Agreement shall be read as references to "each Telecom ROC" or, where the context permits, "the respective Telecom ROC", and Clause 4 of this Agreement shall not apply.

IN WITNESS WHEREOF this Agreement is executed on the day and year first written above.

[Execution by TCNZ]

[Execution by each Telecom ROC]

[Execution by the Service Operator]

[Execution by Guarantor]

SCHEDULE A

ITEM 1 - LIST OF THE TELECOM ROCs

Column 1	Column 2
Name and registered office of Telecom ROC	Definition

ITEM 2 - NAME OF PRINCIPAL ROC

[]

SCHEDULE B

TERMS AND CONDITIONS OF INTERCONNECTION

1. INTERPRETATION

In this Agreement the following terms have the following meanings:

1.1 "Access Code" means any code (from the standard series of access codes established by TCNZ for alternative networks and STD toll by-pass) allocated to the Service Operator's Network by TCNZ in accordance with the provisions of Item 5 of Schedule C (and amended from time to time pursuant to the provisions of Clauses 8.2 and 8.4) which is used by the Service Operator's End Users to prefix Calls intended for delivery from a Telecom ROC's Network to the Service Operator's Network.

1.2 "Agreement" means this agreement entitled "Interconnection Agreement" as amended from time to time.

1.3 "All ROCs" shall be read as referring collectively to all companies listed in Item 1 of Schedule A.

1.4 "ANI Charge" means the charge calculated in accordance with Item 3 of Schedule J as amended from time to time.

1.5 "Bill Rate" means the average 3 month bank bill mid rate as quoted on Reuters Screen page BKBM (known as at the date of this Agreement as the "FRA" rate) at or about 10.45 a.m. as at the relevant date PROVIDED THAT if on or about that time for any reason the Reuters Screen page BKBM is not then available then the appropriate rate shall be the average of the rates (determined after excluding the highest and lowest rates) for funding for a tenor of 3 months quoted to the party entitled to receive interest for the purposes of which the Bill Rate is to be calculated, at or about 11.00 a.m. on that day by ANZ Banking Group (New Zealand) Limited, Bank of New Zealand, National Australia Bank (NZ) Limited, The National Bank of New Zealand Limited and Westpac Banking Corporation ("the Banks") and if less than four of the Banks shall quote rates, then:

1.5.1 in the case where a Telecom ROC is entitled to receive the interest, such rate as TCNZ may reasonably determine to be the nearest practicable equivalent; or

1.5.2 in the case where the Service Operator is entitled to receive the interest, such rate as the Service Operator may reasonably determine to be the nearest practicable equivalent.

1.6 "Call" means a signal or series of signals intended by the Service Operator's End User to be conveyed from a Telecom ROC's Network to the Service Operator's Network or from the Service Operator's Network to a Telecom ROC's Network whether or not that signal or series of signals is so conveyed to effect actual communication between the Service Operator's End User and the intended recipient of the signal or signals; but does not include line signals including (without limitation) any seize and release signal or signals, or information signals including (without limitation) any number identification information.

1.7 "Call Charges" means the charges calculated in accordance with Item 2 of Schedule J as amended from time to time.

1.8 "Chargeable Call" means any Call:

1.8.1 delivered or (in a case where no free Link in the Service Operator's Network is available) offered to be delivered from a Telecom ROC's Network to the Service Operator's Network; or

1.8.2 delivered from the Service Operator's Network to a Telecom ROC's Network which gives rise to the transmission of an answer line signal (as referred to in Item 3 of Schedule E) from the Telecom ROC's Network;

whether or not actual communication takes place between the originator of the Call and the intended recipient of the Call. For the purposes of Clause 1.8.1, a Call is "delivered" where there is a seizure of a free Link terminating in the Service Operator's Network.

1.9 "CCITT" means the International Telegraph and Telephone Consultative Committee.

1.10 "Confidential Information" means in relation to any party, all information which is confidential to or the property of that party (or, in the case of any Telecom ROC or TCNZ, Telecom Group), and/or which is confidential to or the property of a third party and used or disclosed pursuant to or in connection with this Agreement by that party under licence from such third party, and includes the contents of any Materials, information concerning any customer of any other party to this Agreement or usage by such customer of any Telecom ROC's Network or the Service Operator's Network (as the case may be), and all information referred to in Clause 4.6.

1.11 "Connect" includes "allow to be connected", "leave connected" and the connection of anything through anything else. "Connecting", "Connected" and "Connection" have a corresponding meaning.

1.12 "Delayed Installation Date" means, in relation to an Interconnect Link, the date on which the Principal ROC has served a notice on the Service Operator under Clause 2.5 relating to that Interconnect Link, in circumstances where the Telecom ROC has failed to provide, install and Pre-test that Interconnect Link on or before the Installation Date for that Interconnect Link.

1.13 "Due Date" means the date 21 days after the date of an invoice provided by a Telecom ROC to the Service Operator in respect of the services provided by that Telecom ROC to the Service Operator under this Agreement.

1.14 "End Date" means in relation to a Service Delivery Point or an Interconnect Link, the End Date specified in Item 2 or Item 3 of Schedule C for that Service Delivery Point or Interconnect Link, being the date on or before which the Service Delivery Point or Interconnect Link shall not (unless otherwise agreed between the Service Operator and the Principal ROC) be decommissioned pursuant to any agreement under Clause 16.11.

1.15 "Force Majeure" means any Force Majeure event set out in Clause 25.2.

1.16 "Guarantor" means the person(s) named in Item 1 of Schedule K.

1.17 "Installation Date" means, in relation to an Interconnect Link, the Installation Date referred to in Item 3 of Schedule C for that Interconnect Link.

1.18 "Intellectual Property" includes trade marks, service marks, inventions, patents, designs, copyrights, know how and trade secrets and all rights and interests therein or licences to use any thereof.

1.19 "Interconnect Link" means a circuit or group of circuits which Connects a Service Delivery Point to a Telecom ROC's Telephone Exchange and which is specified in Item 3 of Schedule C.

1.20 "Interconnect Link Charges" means the charges for an Interconnect Link calculated in accordance with Item 1 of Schedule J as amended from time to time.

1.21 "Link" means any circuit provided by any means forming part of a Telecom ROC's Network or the Service Operator's Network, as the case may be.

1.22 "Manifest Error" means:

1.22.1 any erroneous duplication of the items charged in; or

1.22.2 any error in a calculation shown on; or

1.22.3 any error in the total of the amounts shown on; or

1.22.4 any erroneous calculation of the GST shown on;

an invoice rendered by a Telecom ROC, which is apparent on the face of the invoice.

1.23 "Materials" means:

1.23.1 in relation to a Telecom ROC or TCNZ, all documents, instructional material, charts, design drawings and manuals, developed by Telecom Group or its officers, employees, contractors or agents in connection with this Agreement and provided to the Service Operator by that Telecom ROC or TCNZ (as the case may be); and

1.23.2 in relation to the Service Operator, all documents, instructional material, charts, design drawings and manuals, developed by the Service Operator or its officers, employees, contractors or agents in connection with this Agreement and provided to a Telecom ROC or TCNZ by the Service Operator.

1.24 "Network Operator" means any network operator as defined in the Telecommunications Act 1987 except any member of the Telecom Group.

1.25 "Other ROC" in relation to a Telecom ROC, shall be read as referring to each Telecom ROC other than that Telecom ROC.

1.26 "Other ROC's Equipment" means, in relation to an Other ROC, any and all equipment, apparatus and materials (including but not limited to any Link or combination of Links) or part thereof which comprises that Other ROC's Network or which is otherwise used directly or indirectly by that Other ROC to enable that Other ROC to provide that Other ROC's Network Service to the Service Operator.

1.27 "Other ROC's Network" means, in relation to an Other ROC, the system of that Other ROC comprising Links and equipment Connected together by which that Other ROC's Network Service is made available to the Service Operator, and includes (without limitation) the Service Delivery Points and the Interconnect Links of that Other ROC.

1.28 "Other ROC's Network Service" means, in relation to an Other ROC, the telecommunication services of that Other ROC as more particularly described in Item 1 of Schedule C.

1.29 "Other ROC's Telephone Exchange" in relation to an Other ROC, shall be read as referring to a telephone exchange (which is selected by that Other ROC and which forms part of that Other ROC's Network), which serves a Point of Interconnection.

1.30 "Partial Termination" means partial termination of this Agreement, insofar as it relates to a Telecom ROC, under Clause 25.

1.31 "Person Authorised" means, in relation to a Telecom ROC, any person appointed by that Telecom ROC as an authorised officer, employee, contractor or agent of that Telecom ROC for the purposes of this Agreement and whose appointment to such position is to be evidenced by a means of identification which shall be mutually agreed between the Principal ROC and the Service Operator.

1.32 "Points of Interconnection" means the areas outlined on the maps set out in Item 4 of Schedule C, as amended from time to time in accordance with Clause 20.1.

1.33 "Pre-testing" means testing (including continuity checks, signalling checks and bit error rate tests) by a Telecom ROC of an Interconnect Link from the Service Delivery Point into that Telecom ROC's Network, in readiness for joint testing of that Interconnect Link involving the Telecom ROC and the Service Operator; and "Pre-test" and "Pre-tested" shall have a corresponding meaning.

1.34 "Principal ROC" means the Telecom ROC named in Item 2 of Schedule A or such other Principal ROC appointed under Clause 25.7.

1.35 "Principle of Call Hand-over" means the principle set out in Clause 3.1.

1.36 "Project" means the provision or use of Telecom ROC's Network Service and the Connection of the Service Operator's Network to and with each Telecom ROC's Network pursuant to this Agreement.

1.37 "PTC Specifications" means those applicable specifications issued by TCNZ which are described in Schedule E (as amended from time to time pursuant to Clauses 20.1 to 20.4 (inclusive)).

1.38 "Schedules" means the schedules to this Agreement listed in Schedule L.

1.39 "Service Delivery Points" means the electrical interface points to and from which a Telecom ROC may:

1.39.1 deliver Calls from that Telecom ROC's Network to the Service Operator's Network;

1.39.2 accept Calls from the Service Operator's Network;

which are situated at the locations set out in Item 2 of Schedule C.

1.40 "Service Operator" means the Service Operator named on the first page of this Agreement.

1.41 "Service Operator's Customer" means a person having a contractual relationship with the Service Operator for the use of Service Operator's Network Service by that person but does not include a Telecom ROC or TCNZ or any other member of the Telecom Group.

1.42 "Service Operator's End User" means any person who originates a Call, whether within a Telecom ROC's Network or any other network of any kind or description whatsoever, but does not include a Telecom ROC or TCNZ.

1.43 "Service Operator's Equipment" means any and all equipment, apparatus or materials (including but not limited to any Link or combination of Links) or part thereof which comprises the Service Operator's Network or which is otherwise used directly or indirectly by the Service Operator to enable the Service Operator to provide the Service Operator's Network Service, but, for the avoidance of doubt, does not include a Telecom ROC's Equipment.

1.44 "Service Operator's Network" means the system comprising Links and equipment Connected together by which the Service Operator's Network Service is made available to the Service Operator's End Users, but does not include a Telecom ROC's Network, or any network of any third party of any kind or description.

1.45 "Service Operator's Network Service" means the telecommunication services set out in Schedule D.

1.46 "Service Operator's Premises" means any premises owned or leased by the Service Operator described in Clause 14.1.1 and the services and facilities of or relating to such premises referred to in Clause 14.1.2.

1.47 "The Telecom List of Charges" in relation to a Telecom ROC, means the list of charges as determined by TCNZ from time to time in respect of services provided by Telecom Group, the authoritative version of which is held at the registered office of TCNZ.

1.48 "Telecom" shall be read as referring collectively to All ROCs and TCNZ.

1.49 "Telecom Group" means, jointly and severally, TCNZ and each and all of its subsidiaries now or from time to time (within the meaning of section 158 of the Companies Act 1955) and includes any member of the Telecom Group including each Telecom ROC.

1.50 "Telecom ROC" shall be read as referring to any of the companies listed in Item 1 of Schedule A.

1.51 "Telecom ROC's Equipment" means, in relation to a Telecom ROC, any and all equipment, apparatus or materials (including but not limited to any Link or combination of Links) or part thereof which comprises that Telecom ROC's Network or which is otherwise used directly or indirectly by that Telecom ROC to enable that Telecom ROC to provide that Telecom ROC's Network Service to the Service Operator.

1.52 "Telecom ROC's Network" means, in relation to a Telecom ROC, the system of that Telecom ROC comprising Links and equipment Connected together by which that Telecom ROC's Network Service is made available to the Service Operator, and includes (without limitation) the Service Delivery Points and the Interconnect Links of that Telecom ROC.

1.53 "Telecom ROC's Network Service" means, in relation to a Telecom ROC, the telecommunication services of that Telecom ROC as more particularly described in Item 1 of Schedule C.

1.54 "Telecom ROC's Telephone Exchange", in relation to a Telecom ROC, shall be read as referring to a telephone exchange (which is selected by that Telecom ROC and which forms part of that Telecom ROC's Network), which serves a Point of Interconnection.

1.55 "Working Day" means a day other than a Saturday, a Sunday or a statutory holiday.

In this Agreement:

1.56 The singular includes the plural and vice versa.

1.57 The headings to the clauses are included for convenience only and do not constitute a part of this Agreement.

1.58 Any reference in this Agreement to "month" shall mean calendar month.

1.59 Words denoting natural persons only shall include corporations and vice versa and words denoting one gender shall include every other gender.

1.60 Except as specifically provided in this Agreement, all references to clause numbers shall be read as references to clauses of these Terms and Conditions of Interconnection set out in this Schedule B.

1.61 Where there is a conflict between the PTC Specifications and the other terms and conditions of this Agreement, the other terms and conditions of this Agreement shall prevail.

1.62 Any reference to any statute or regulation shall be deemed to be a reference to that statute or regulation as it may from time to time be amended or re-enacted.

1.63 References to monetary amounts are to New Zealand currency.

1.64 The rule of interpretation known as the contra proferentem rule shall not apply in interpretation of this Agreement.

2. INTERCONNECTION

2.1 Subject to the terms and conditions hereinafter contained, each respective Telecom ROC shall:

2.1.1 permit the Service Operator's Network to be Connected to and with that Telecom ROC's Network at trunkside (inter-exchange) level at the Service Delivery Points;

2.1.2 make available that Telecom ROC's Network Service to the Service Operator, and where the Service Operator has provided, installed, tested and made the Service Operator's Equipment operational in terms of Clause 2.10, provide that Telecom ROC's Network Service to the Service Operator.

2.2 Subject to the provisions of this Agreement, All ROCs and the Service Operator agree that they will each use reasonable endeavours to and will co-operate with each other in managing their respective networks in a manner that minimises disruptions to the services being provided by each Telecom ROC to the Service Operator. In particular they will abide by and comply with the standards set out in Clause 13.

2.3 Each respective Telecom ROC shall be responsible for providing, installing, Pre-testing and maintaining that Telecom ROC's Equipment. In particular each respective Telecom ROC shall:

2.3.1 provide and install Service Delivery Points in such numbers and such locations as are specified from time to time for that Telecom ROC in Item 2 of Schedule C;

2.3.2 provide, install and Pre-test Interconnect Links in such numbers and such locations as are specified from time to time for that Telecom ROC in Item 3 of Schedule C.

2.4 Each Telecom ROC shall use reasonable endeavours to provide, install and Pre-test the Interconnect Links (which are to form part of that Telecom ROC's Network) before the relevant Installation Date.

2.5 The Principal ROC shall forthwith serve notice on the Service Operator each time an Interconnect Link is provided, installed and Pre-tested to enable joint testing (by the Telecom ROC and the Service Operator) of the Interconnect Link to commence.

2.6 Where it appears to a Telecom ROC that an Interconnect Link will not be provided, installed and Pre-tested by the Installation Date, the Principal ROC will, as soon as possible, give notice to the Service Operator:

2.6.1 identifying the Interconnect Link which cannot be provided, installed and Pre-tested by the Installation Date; and

2.6.2 specifying the date by which that Telecom ROC considers that it is practicable to provide, install and Pre-test the Interconnect Link; and

2.6.3 giving the reasons why that Telecom ROC considers that it is impracticable to provide, install and Pre-test the Interconnect Link by the Installation Date.

2.7 No later than 2 Working Days after a notice is served by the Principal ROC on the Service Operator under Clause 2.5 in respect of an Interconnect Link, the Telecom ROC (of whose network the Interconnect Link forms part) and the Service Operator shall commence joint testing of the Interconnect Link. This joint testing shall comprise the establishment of required data about the Interconnect Link (including in particular information about the switching activity at the relevant Telecom ROC's Telephone Exchange which is required to be undertaken in order to serve the Interconnect Link) and functional testing of the Interconnect Link.

2.8 The Telecom ROC and the Service Operator shall use reasonable endeavours to complete such joint testing on or before the fifth Working Day after the commencement of such joint testing. If at the expiry of such 5 Working Day period, no notice of acceptance or non-acceptance by the Service Operator is served on the Principal ROC, then the relevant Interconnect Link shall be deemed to be commissioned on the day following the date of expiry of the 5 Working Day period and the Telecom ROC shall make available that Telecom ROC's Network Service using that Interconnect Link from that day. If, before the expiry of the 5 Working Day period, the Service Operator serves on the Principal ROC a notice of acceptance of the Interconnect Link, then the relevant Interconnect Link shall be deemed to be commissioned on the Working Day following the date of service of such notice, and the Telecom ROC shall make available that Telecom ROC's Network Service using that Interconnect Link from that day. If, before the expiry of the 5 Working Day period, the Service Operator serves on the Principal ROC notice of non- acceptance of the Interconnect Link (such notice to include details of the functional testing results relating to the Interconnect Link itself, which give rise to the non- acceptance), the Service Operator and the Telecom ROC shall forthwith use their reasonable endeavours to work co- operatively to remedy the difficulty with the Interconnect Link set out in such notice. Following remedy of such difficulty to the reasonable satisfaction of the relevant Telecom ROC, the Telecom ROC and the Service Operator shall recommence the joint testing procedures described in Clause 2.7 and this Clause 2.8.

2.9 The Service Operator acknowledges that each Telecom ROC's Equipment may include any type of equipment, apparatus and materials and that each respective Telecom ROC may use any method of providing that Telecom ROC's Network Service.

2.10 Subject to Clauses 12 and 13, the Service Operator shall be responsible for providing, installing, testing, making operational and maintaining the Service Operator's Equipment.

2.11 The Service Operator shall ensure that for the term of this Agreement it retains its status as a network operator for the purposes of the Telecommunications Act 1987.

3. PRINCIPLE OF CALL HAND-OVER

3.1 The Principle of Call Hand-over shall be as follows:

3.1.1 subject to Clauses 3.1.2 and 3.1.3, in the case of a Call from a Telecom ROC's Network to the Service Operator's Network, the Call shall be handed over by a Telecom ROC to the Service Operator at the Service Delivery Point Connected to a Telecom ROC's Telephone Exchange serving the Point of Interconnection which serves the area from which the Service Operator's End User originated the Call;

3.1.2 where a Call intended for delivery to the Service Operator's Network is delivered to a Telecom ROC's Network from another network specified in Clauses 1.1 and 1.2 of Item 6 of Schedule C, the Call shall be handed over to the Service Operator at the Service Delivery Point Connected to a Telecom ROC's Telephone Exchange serving the appropriate Point of Interconnection as specified in Clauses 1.1 and 1.2 of Item 6 of Schedule C;

3.1.3 where a Call intended for delivery to the Service Operator's Network is delivered to a Telecom ROC's Network from a network other than those specified in Clauses 1.1 and 1.2 of Item 6 of Schedule C, the Call shall be handed over to the Service Operator at the Service Delivery Point which has been agreed between the parties under Clause 1.3 of Item 6 of Schedule C;

3.1.4 subject to Clauses 3.1.5 and 3.1.6, in the case of a Call from the Service Operator's Network to a Telecom ROC's Network, the Call shall be handed over by the Service Operator at a Service Delivery Point selected by the Service Operator;

3.1.5 where a Call from the Service Operator's Network is intended for delivery by a Telecom ROC's Network to Telecom Group's international network, the Call shall be handed over by the Service Operator at a Service Delivery Point selected by Telecom;

3.1.6 where a Call from the Service Operator's Network is intended for delivery by a Telecom ROC's Network to a network other than Telecom Group's international network, the Telecom Cellular Limited network, the Telecom Paging Limited network, or an Other ROC's Network, the Call shall be handed over by the Service Operator at a Service Delivery Point agreed between the parties under Clause 1.4 of Item 6 of Schedule C.

3.2 For the purposes of Clause 3.1.1, the areas served by a Point of Interconnection shall be such local calling areas which are listed as being so served in Schedule I. The parties acknowledge that where an amendment is made to Item 4 of Schedule C, required amendments will also be made to Schedule I.

3.3 The boundaries of the local calling areas described in Schedule I are the boundaries which have been determined by Telecom Group as at the date of the commencement of this Agreement set out in Clause 18.1. The Service Operator acknowledges that such boundaries are subject to change from time to time by Telecom Group, but where such boundaries are changed, the Service Operator may amend the list of local calling areas served by any of the Points of Interconnection set out in Schedule I.

3.4 Where a charging step applying between relative exchanges is changed by TCNZ, or where there is an increase in the toll call tariffs (referred to in Item 2 of Schedule J) which apply to the Service Operator, the Service Operator may amend the list of local calling areas served by any of the Points of Interconnection set out in Schedule I.

3.5 Any amendment to Schedule I under Clause 3.3 or Clause 3.4 shall be effected by the Service Operator serving a notice on the Principal ROC setting out the required amendment, and such amendment shall take effect 1 month after the date of service of such notice.

4. TELECOM ROC'S NETWORK SERVICE

4.1 Each respective Telecom ROC will use reasonable endeavours to make available and provide to the Service Operator that Telecom ROC's Network Service, to the intent that as far as reasonably practicable that Telecom ROC's Network Service will be continuously available or continuous (as the case may be), and fault-free. However, the Service Operator acknowledges that:

4.1.1 each Telecom ROC does not guarantee that that Telecom ROC's Network Service will be continuously available or continuous (as the case may be) or fault-free; and

4.1.2 each Telecom ROC has the right to suspend or restrict that Telecom ROC's Network Service under Clause 4.2; and

4.1.3 the Principal ROC has the right to terminate this Agreement in terms of Clause 18.

4.2 Subject to Clauses 4.3 and 4.4, a Telecom ROC may suspend or restrict that Telecom ROC's Network Service where:

4.2.1 changes are made to that Telecom ROC's Network; or

4.2.2 testing, repair or maintenance of that Telecom ROC's Network is carried out; or

4.2.3 the Service Operator undertakes testing, repair or maintenance of the Service Operator's Network which gives rise to interference or an outage in that Telecom ROC's Network; or

4.2.4 there is distortion of normal traffic patterns (as described in Item 3 of Schedule F) in that Telecom ROC's Network in circumstances where attempts by that Telecom ROC to eliminate the effects of such distortion by using call management procedures such as call gapping or selective make-busy, have failed; or

4.2.5 the Service Operator commits any breach of any of its obligations under Clauses 12.2 or 14.3; or

4.2.6 the Service Operator commits any breach of any of its obligations under Clauses 13.6, 13.8 or 13.9 and that Telecom ROC has reasonable cause to believe that such breaches may recur or may not be promptly remedied; or

4.2.7 the Service Operator fails to ensure that the numbering system of the Service Operator's Network is technically compatible with the numbering system of each Telecom ROC's Network, or fails to provide geographical information relating to the Service Operator's numbering plan requested by the Principal ROC under Clause 13.10; or

4.2.8 any other circumstances arise which in that Telecom ROC's reasonable opinion require the suspension or restriction of that Telecom ROC's Network Service to protect that Telecom ROC's Network; or

4.2.9 Clause 6.16 applies; or

4.2.10 the Service Operator commits a breach of any of its obligations under this Agreement (other than those referred to in or covered by the foregoing provisions of this Clause 4.2), and the breach continues unremedied at the expiry of 30 days from the date upon which the Principal ROC has given the Service Operator notice of a breach under this Clause 4.2.10.

4.3 In all circumstances except those described in Clauses 4.2.9 and 4.2.10, no suspension or restriction of a Telecom ROC's Network Service shall take place until that Telecom ROC has consulted with the Service Operator PROVIDED THAT in the case of

emergency, no consultation will be required (but in that event the Telecom ROC will notify the Service Operator as soon as possible after the suspension or restriction has been implemented).

4.4 In all circumstances except those described in Clauses 4.2.5, 4.2.6, 4.2.9 and 4.2.10, the suspension or restriction of that Telecom ROC's Network Service will be to the minimum extent practicable so as to limit disruption to Service Operator's Network Service.

4.5 Each respective Telecom ROC shall provide to the Service Operator that Telecom ROC's Network Service of a quality comparable to the network service provided by that Telecom ROC to its other customers (including any other member of the Telecom Group). Each respective Telecom ROC may withdraw as part of that Telecom ROC's Network Service the delivery, offer of delivery and acceptance of a particular type of Call, or the provision of a particular type of service on giving the Service Operator no less than 3 months' notice (or such lesser notice period as is given in respect of the withdrawal of that particular type of call (or service, as the case may be) for that Telecom ROC's other customers) PROVIDED THAT no such Telecom ROC's Network Service shall be withdrawn unless that Telecom ROC is withdrawing that particular type of call or service from all of its customers (including any other member of the Telecom Group).

4.6 It is acknowledged by the parties that in recognition of the necessity to preserve privacy of persons who are both Service Operator's End Users and end users of network services of Telecom Group, the provision of any automatic number identification information as part of a Telecom ROC's Network Service is made by that Telecom ROC subject to the following conditions:

4.6.1 the Service Operator, its officers, employees, contractors and agents will not use the automatic number identification information except for the purpose of charging the Service Operator's Customers and carrying out the Service Operator's internal telecommunications operator services;

4.6.2 notwithstanding the provisions of Clause 22.2.3, the Service Operator will not disclose the automatic number identification information to any person or persons other than those officers or employees of the Service Operator directly concerned in:

4.6.2.1 the process of charging of the Service Operator's Customers; or

4.6.2.2 the Service Operator's internal telecommunications operator services;

4.6.3 the Service Operator will use its best efforts to cause compliance with the provisions of Clauses 4.6.1 and 4.6.2 by its officers, employees, contractors and agents.

4.7 The parties agree that access to 111 service will be agreed between the parties and will be on the basis of line-side access.

5. CHARGES

5.1 Except where they are recovered by Telecom Group from the Service Operator under any other agreement, and subject to Clause 16.6, the Service Operator shall pay all charges of a Telecom ROC (whether they accrue before or after the date of commencement of this Agreement set out in Clause 18.1) for and in respect of providing, installing, testing and making operational any of that Telecom ROC's Equipment which is required in connection with providing that Telecom ROC's Network Service. Such charges shall cover without limitation:

5.1.1 all rental, hire or purchase of any additional equipment (including parts), apparatus and materials which must be obtained by that Telecom ROC principally for use in installing, testing and making operational any of that Telecom ROC's Equipment, which is required in connection with providing that Telecom ROC's Network Service to the Service Operator;

5.1.2 all labour of that Telecom ROC's employees, employed in installing, testing and making operational any of that Telecom ROC's Equipment which is required in connection with providing that Telecom ROC's Network Service to the Service Operator, such employees

to be charged out at their hourly rates as determined from time to time by that Telecom ROC, which rates shall be the rates charged by that Telecom ROC to its other customers;

5.1.3 all charges of that Telecom ROC's agents or contractors contracted to assist that Telecom ROC in installing, testing and making operational any of that Telecom ROC's Equipment which is required in connection with providing that Telecom ROC's Network Service to the Service Operator;

5.1.4 all consumable materials used in installing, testing and making operational that Telecom ROC's Equipment which is required in connection with providing that Telecom ROC's Network Service to the Service Operator;

5.1.5 reasonable amounts to cover that Telecom ROC's overhead expenses in installing, testing and making operational any of that Telecom ROC's Equipment which is required in connection with providing that Telecom ROC's Network Service to the Service Operator.

Where such charges are specifically set out in The Telecom List of Charges the charges in the Telecom List of Charges shall apply.

5.2 Subject to Clause 16.6 the Service Operator shall pay all charges of a Telecom ROC for and in respect of disconnection and removal of that Telecom ROC's Equipment under Clauses 16.13 and 18.4. Such charges shall cover without limitation:

5.2.1 all labour of that Telecom ROC's employees employed in disconnecting and removing any of that Telecom ROC's Equipment (and, in the case of disconnection, reprogramming software of any part of that Telecom ROC's Equipment to effect such disconnection), such employees to be charged out at their hourly rates as determined from time to time by that Telecom ROC, which rates shall be the rates charged from time to time by that Telecom ROC to its other customers;

5.2.2 all charges of that Telecom ROC's agents or contractors contracted to assist that Telecom ROC in disconnecting and removing any of that Telecom ROC's Equipment;

5.2.3 all consumable materials used in effecting disconnection of that Telecom ROC's Equipment;

5.2.4 reasonable amounts to cover that Telecom ROC's overhead expenses arising from such disconnection or removal.

Where such charges are specifically set out in The Telecom List of Charges, the charges in The Telecom List of Charges shall apply.

5.3 The Service Operator shall pay to a Telecom ROC in accordance with the provisions of Clause 6 for each Interconnect Link provided for any of that Telecom ROC's Telephone Exchanges:

5.3.1 the Interconnect Link Charges (plus GST);

and the following charges in respect of traffic routed through a Telecom ROC's Telephone Exchange:

5.3.2 subject to Clauses 5.3.3, 5.3.4 and 5.3.5, the Call Charges (plus GST) for each Chargeable Call;

5.3.3 the charges set out in Clause 5.4 in respect of Calls to or from Telecom Group's international network, such charges to be in lieu of the Call Charges for those Calls referred to in Clause 5.3.2;

5.3.4 the charges set out in Clause 5.5 in respect of Calls to and from the Telecom Cellular Limited network, such charges to be in lieu of Call Charges for those Calls referred to in Clause 5.3.2;

5.3.5 the charges set out in Clause 5.6 in respect of Calls to the Telecom Paging Limited network, such charges to be in lieu of the Call Charges for those Calls referred to in Clause 5.3.2;

5.3.6 the ANI Charge (plus GST) for each Call delivered to the Service Operator where ANI is supplied in accordance with an ANI request as described in the PTC Specifications;

5.3.7 any other charges (plus GST) for additional services in respect of such traffic at the standard charges as set out in The Telecom List of Charges;

and any other charges (plus GST) for services which are provided in terms of this Agreement (other than those services referred to in Clauses 5.3.1 to 5.3.7 (inclusive), 5.7 and 5.8) at the standard charges as set out in The Telecom List of Charges.

5.4 Charges in respect of Calls to or from Telecom Group's international network shall be calculated as follows:

5.4.1 where a Call is delivered from the Service Operator's Network to Telecom Auckland's Telecom ROC's Network, and is delivered to the destination designated by the international number for that Call giving rise to the transmission of an answer line signal, a charge (plus GST) for such Call calculated in accordance with the standard international toll call tariff set out in The Telecom List of Charges;

5.4.2 where a Call from Telecom Group's international network intended for delivery to the Service Operator's Network is delivered or (in a case where no free Link in the Service Operator's Network is available) offered to be delivered, from Telecom Auckland's Telecom ROC's Network to the Service Operator's Network, in accordance with the provisions of Clause 1.1 of Item 6 of Schedule C, the charge shall be nil.

5.5 Charges in respect of Calls to or from the Telecom Cellular Limited network shall be calculated as follows:

5.5.1 where a Call is delivered from the Service Operator's Network to a Telecom ROC's Network and is delivered to the destination designated by a Telecom "025" number which gives rise to the transmission of an answer line signal, the standard charge (plus GST) for calls to the Telecom Cellular Limited network as set out in The Telecom List of Charges;

5.5.2 where a Call which originates in the Telecom Cellular Limited network is delivered or (in a case where no free Link in the Service Operator's Network is available) offered to be delivered from a Telecom ROC's Network to the Service Operator's Network in accordance with the provisions of Clause 1.2 of Item 6 of Schedule C, the charge shall be nil.

5.6 Charges in respect of Calls to the Telecom Paging Limited network shall be calculated as follows:

5.6.1 where the Call is delivered from the Service Operator's Network to a Telecom ROC's Network and is delivered or offered to be delivered to the destination designated by a Telecom "026" number which gives rise to the transmission of an answer line signal, the standard charge (plus GST) for calls to the Telecom Paging Limited network as set out in The Telecom List of Charges.

5.7 The Service Operator shall pay to a Telecom ROC charges (plus GST) for the use by the Service Operator's End Users of standard operator services (such as faults, cable location, maintenance and seven-digit numbering help desk). The charges shall be the charges (if any) set out in The Telecom List of Charges for these services and shall be free of any Call Charges on condition that the Service Operator does not charge the Service Operator's Customers any additional charge to the charge made by the Telecom ROC to the Service Operator in respect of such services.

5.8 The Service Operator shall pay to a Telecom ROC charges (plus GST) for the use of directory services by the Service Operator's End Users who originate Calls from the Service Operator's Network to Telecom Group's domestic directory services. The charges shall be the charges (if any) set out in The Telecom List of Charges, and shall be free of any Call Charges.

5.9 The Service Operator acknowledges that The Telecom List of Charges may be amended at any time by amendment to the authoritative version which is held at the registered office of TCNZ. The amendment shall take effect immediately or such later date as may be specified in the amendment.

6. PAYMENT OF CHARGES

6.1 Each Telecom ROC will be responsible for billing the Service Operator for the services provided by that Telecom ROC to the Service Operator under the Agreement. The quality of billing of such services by the Telecom ROC shall be to a standard which is comparable to the quality of the billing provided by that Telecom ROC to its other customers in respect of comparable services. Without limiting the foregoing, all charges payable by the Service Operator in terms of Clauses 5.1 and 5.2 which are not standard charges set out in The Telecom List of Charges shall, when invoiced to the Service Operator, include reasonable information in accordance with normal commercial practice to enable the Service Operator to check the accuracy of the amount charged.

6.2 No later than 14 days after the commencement date of this Agreement set out in Clause 18.1, each Telecom ROC shall serve notice on the Service Operator setting out a schedule of invoice dates for regularly billed charges. A Telecom ROC may amend its schedule at any time by notice served on the Service Operator setting out the amendments to the schedule.

6.3 The annual Interconnect Link Charges referred to in Item 1(a) of Schedule J shall be divided into 12 equal monthly instalments and (together with any monthly transmission charges payable under Item 1(b) of Schedule J) shall be payable by the Service Operator to the appropriate Telecom ROC monthly in advance PROVIDED THAT payments shall be adjusted pro rata on a daily basis to cover any period:

6.3.1 from and including the Installation Date or Delayed Installation Date (whichever is the later) of an Interconnect Link to the day before the first instalment payment date;

6.3.2 from and including the last instalment payment date to and including:

6.3.2.1 the date of termination of the Agreement; or

6.3.2.2 the date of Partial Termination of the Agreement, insofar as it relates to that Telecom ROC; or

6.3.2.3 the date of decommissioning of the Interconnect Link in accordance with any agreement under Clause 16.11;

whichever is the earlier PROVIDED THAT nothing in this Clause 6.3.2 shall be read as limiting the provisions of Clause 6.17.

6.4 Subject to Clause 6.6, all amounts invoiced by a Telecom ROC to the Service Operator under the Agreement shall be due and payable on or before the Due Date of the relevant invoice but shall accrue from the date on which the relevant service was provided.

6.5 Subject to Clauses 6.6. and 6.12, all charges and other amounts payable by the Service Operator under the Agreement (including any amount which the Service Operator disputes or intends to dispute pursuant to Clause 6.8) shall be paid by the Service Operator to the Telecom ROC in respect of which the charges and other amounts are payable, at the place or to a bank account nominated by that Telecom ROC, all payments to be in New Zealand dollars and free of any deductions, set off or withholding on account of any amount.

6.6 If the Service Operator believes that there is a Manifest Error in an invoice provided by a Telecom ROC which has resulted in that Telecom ROC overcharging the Service Operator in that invoice, and, on or before the Due Date, serves on that Telecom ROC a notice of Manifest Error, (setting out in the notice details of the relevant invoice and the bona fide grounds in support of the Service Operator's view that the Manifest Error exists), then the Service Operator shall be entitled to withhold payment to that Telecom ROC of the amount by which, in the reasonable opinion of the Service Operator, the Telecom ROC may have

overcharged the Service Operator in the invoice as a result of the Manifest Error. The remainder of the amounts charged in the invoice will be paid by the Service Operator on or before the Due Date in the normal manner. The amount withheld may be withheld until such time as the Telecom ROC and the Service Operator have settled between them in accordance with the disputes procedure set out in Clause 6.9, whether or not there is a Manifest Error in the invoice and, if there is, the amount of it. If as a result of the disputes procedure, it is found that there was a Manifest Error in the invoice, then if:

6.6.1 the amount by which the Service Operator was overcharged in the invoice as a result of the Manifest Error is less than the amount withheld by the Service Operator, the Service Operator shall forthwith refund to that Telecom ROC the amount of the difference, and shall pay to the Telecom ROC interest at the Bill Rate (as at the day after the Due Date of the invoice) plus 1 percent per annum on that refunded amount for the period from and including the day after the Due Date to and including the date of payment of the refunded amount, such interest to be paid contemporaneously with the refunded amount;

6.6.2 the amount by which the Service Operator was overcharged in the invoice as a result of the Manifest Error is equal to the amount withheld by the Service Operator, the Service Operator shall retain the amount withheld;

6.6.3 the amount by which the Service Operator was overcharged in the invoice as a result of the Manifest Error is greater than the amount withheld by the Service Operator, then that Telecom ROC shall forthwith refund to the Service Operator the amount of the difference and shall pay to the Service Operator interest at the Bill Rate (as at the date on which the overpayment was made by the Service Operator) plus 1 percent per annum on that refunded amount for the period from and including the date on which the overpayment was made by the Service Operator to and including the date of payment of the refunded amount, such interest to be paid contemporaneously with the payment of the refunded amount.

6.7 If as a result of the disputes procedure it is found that there was not a Manifest Error in the relevant invoice, then the Service Operator shall forthwith refund in full the amount withheld and shall pay to that Telecom ROC interest at the Bill Rate (as at the date of the invoice) plus 1 percent per annum for the period from and including the date of the invoice to and including the date of payment of the refunded amount, such interest to be paid contemporaneously with the refunded amount. Nothing in this Clause 6.7 shall prevent the Service Operator from claiming an amount in accordance with Clause 6.8, if the Service Operator has reasonable cause to believe that the invoice contains a billing error which is not a Manifest Error.

6.8 If the Service Operator has a claim in respect of the accuracy or correctness of an invoice issued by a Telecom ROC (other than any claim in respect of a Manifest Error which has been made under Clause 6.6), the Service Operator shall no later than 12 months after the Due Date of the invoice which it disputes, serve notice on that Telecom ROC setting out details of the relevant invoice, the disputed amount and the grounds for the dispute together with supporting evidence. All disputes under this Clause 6.8 must be bona fide disputes for which the Service Operator has reasonable cause to believe that there has been a billing error.

6.9 The Telecom ROC and the Service Operator will use their reasonable endeavours to promptly settle any claim of a Manifest Error under Clause 6.6 and any claim of which a Telecom ROC is notified under Clause 6.8. Failing resolution:

6.9.1 in the case of claims under Clause 6.6, within 60 days from the Due Date of the invoice; and

6.9.2 in the case of claims under Clause 6.8, within 60 days of the date of the service of the notice under Clause 6.8; either party may serve notice on the other that it wishes the dispute to be arbitrated and the dispute shall be referred to arbitration in accordance with Clause 30.3 on the expiry of 10 days from the date of service of such notice. The terms of reference of such an arbitration shall be agreed between the parties but in no event shall relate to matters other than the accuracy or correctness of the invoice.

6.10 If a claim under Clause 6.8 is resolved in favour of the Service Operator, then the Telecom ROC will forthwith refund to the Service Operator:

6.10.1 the disputed amount, or so much thereof as the resolution of the dispute dictates should be refunded;

6.10.2 interest at the Bill Rate (as at the date on which the overpayment was made by the Service Operator) plus 1% per annum on the refunded amount referred to in Clause 6.10.1 for the period from and including the date on which the overpayment was made by the Service Operator to and including the date of payment of the refunded amount, such interest to be paid contemporaneously with the payment of the refunded amount.

6.11 Nothing in this Agreement or in the terms of any invoice or statement shall prejudice each Telecom ROC's right to charge the Service Operator for any services under this Agreement, the charges for which should have been included within earlier invoices or statements but which were inadvertently omitted. This right shall be limited to a period of 12 months from the date of the provision of the relevant service after which no charge may be made for that service.

6.12 A Telecom ROC may at the direction of the Service Operator apply any refunds payable under Clauses 6.6.3 and 6.10 as a credit towards other charges payable by the Service Operator under this Agreement.

6.13 Where:

6.13.1 an amount due from the Service Operator to a Telecom ROC under this Agreement remains unpaid after the Due Date of the relevant invoice; or

6.13.2 an amount due from the Service Operator to a Telecom ROC under Clauses 6.6.1 or 6.7 remains unpaid on the sixth Working Day after the date of resolution of the dispute; then, without prejudice to any of the Telecom ROC's rights of suspension or restriction of that Telecom ROC's Network Service or the rights of termination of this Agreement, the Service Operator shall be liable to pay to that Telecom ROC interest on that amount at the Bill Rate (as at the day after the Due Date or the date 6 Working Days after the date of resolution of the dispute, as the case may be) plus 5 percent per annum, such interest to be charged:

6.13.3 in the case of interest payable in respect of amounts unpaid after the Due Date of the relevant invoice and except as provided in Clause 6.14, from and including the day after the Due Date of the relevant invoice;

6.13.4 in the case of interest payable in respect of amounts unpaid on the sixth Working Day after the date of resolution of a dispute, from and including the sixth Working Day after the date of resolution of the dispute.

6.14 Where:

6.14.1 the Service Operator does not receive from a Telecom ROC an invoice (dated on a scheduled invoice date notified to the Service Operator by that Telecom ROC under Clause 6.2) before the expiry of 5 Working Days after that scheduled invoice date; and

6.14.2 the Service Operator gives notice to the Principal ROC in accordance with Clause 19.3 no later than the expiry of 1 Working Day after the expiry of the 5 Working Day period referred to in Clause 6.14.1 of failure to receive the invoice described in Clause 6.14.1 ("the late invoice"); and

6.14.3 that Telecom ROC fails to deliver the late invoice or a duplicate copy of it to the Service Operator before the expiry of 2 Working Days after the date on which the Service Operator's notice referred to under Clause 6.14.2 is served on the Principal ROC;

then notwithstanding Clause 6.13.3, in the event that the amount due from the Service Operator to the Telecom ROC under this Agreement remains unpaid after the Due Date of the late invoice, interest on that amount at the Bill Rate (as at the day after the Due Date) plus 5 percent per annum shall be charged from and including a date which occurs a number of days

after the Due Date of the late invoice, such number of days to be calculated in accordance with the following formula:

a - b

Where:

a is the number of days from and including the scheduled invoice date for the late invoice referred to in Clause 6.14.1 to and including the date of delivery of the late invoice to the Service Operator;

b is the number of days from and including the scheduled invoice date referred to in Clause 6.14.1 for the late invoice to and including the expiry of the 2 Working Day period referred to in Clause 6.14.3.

6.15 Where an amount due from a Telecom ROC to the Service Operator under Clauses 6.6.3 or 6.10 remains unpaid on the sixth Working Day after the date of resolution of the dispute, then that Telecom ROC shall be liable to pay to the Service Operator interest on that amount at the Bill Rate (as at the date 6 Working Days after the date of resolution of dispute) plus 5 percent per annum, such interest to be charged from and including the date 6 Working Days after the date of the resolution of the dispute.

6.16 Where the Service Operator fails to pay any amounts due under this Agreement on or before the date of expiry of 10 days from the date of service on the Service Operator of a notice from the Telecom ROC of its intention to suspend or restrict that Telecom ROC's Network Service, that Telecom ROC may, without terminating this Agreement, suspend or restrict the provision of all or any part of that Telecom ROC's Network Service at any time. The acceptance by a Telecom ROC of any payment of part of the amounts owing to that Telecom ROC by the Service Operator later than 10 days after the date of service of a notice under this Clause 6.16 or the continued provision of that Telecom ROC's Network Service after the date 10 days after the service of such a notice shall not constitute a waiver of that Telecom ROC's rights under this Clause 6.16. A notice served under this Clause 6.16 shall set out details of the amounts unpaid, and shall be served in accordance with the provisions of Clause 19.2, but shall not be served earlier than:

6.16.1 in the case of amounts which remain unpaid after the Due Date of the relevant invoice, the day after the Due Date;

6.16.2 in the case of amounts due from the Service Operator to the Telecom ROC under Clauses 6.6.1 or 6.7 which remain unpaid on the sixth Working Day after the date of resolution of the dispute, the day 6 Working Days after the date of resolution of the dispute.

6.17 The Service Operator shall continue to be liable to pay for any charges incurred between the time of suspension, restriction or termination of a Telecom ROC's Network Service and the actual discontinuance of that Telecom ROC's Network Service.

7. CHARGING OF SERVICE OPERATOR'S CUSTOMERS

7.1 The Service Operator shall arrange for all charging of the Service Operator's Customers.

8. ACCESS CODE

8.1 The Service Operator shall have no title or interest in any Access Code or listing associated with a Telecom ROC's Network Service.

8.2 Subject to Clauses 8.3 and 8.4, Telecom may not change an Access Code without first obtaining the prior written consent of the Service Operator to the change, such consent not to be unreasonably withheld. In the event that such consent is obtained, the Principal ROC shall give to the Service Operator reasonable notice before the implementation of the change.

8.3 The Service Operator acknowledges that a Telecom ROC may, without the prior written consent of the Service Operator, change the form into which an Access Code is translated within that Telecom ROC's Network, where such translation of the Access Code does not affect the Service Operator's End User's use of the Access Code to prefix Calls intended for delivery to the Service Operator's Network. The Principal ROC shall give to the Service Operator reasonable notice before the implementation of the change.

8.4 The Service Operator acknowledges that Telecom may change an Access Code without the prior written consent of the Service Operator where Telecom is required to do so to comply with a change in the CCITT numbering plan. In such circumstances, the Principal ROC shall serve a notice on the Service Operator as soon as it becomes aware of the likelihood of such a change.

8.5 The Service Operator and Telecom will bear their own costs which arise directly or indirectly from any change in, deletion or addition of an Access Code, or any change in the form into which an Access Code is translated.

8.6 Subject to agreement on the charges to be made to the Service Operator for the feature, each Telecom ROC will provide to the Service Operator non-code access when:

8.6.1 Telecom Group has introduced its intelligent network system and has received reasonable notice from the Service Operator to make available the non-code access feature of that system; or

8.6.2 the Service Operator or any one comparable interconnecting party offering services similar to the Service Operator's Network Service (other than any member of Telecom Group) has achieved 9% national toll market share or the Service Operator and all comparable interconnecting parties offering services similar to the Service Operator's Network Service (other than any member of Telecom Group) have achieved an aggregate 13% national toll market share and the Principal ROC has received reasonable notice from the Service Operator to introduce non-code access.

National toll market share will be calculated by reference to a formula to be agreed between the parties or failing agreement to be determined by an arbitration which shall be conducted in accordance with the provisions of Clause 30.2. The parties will thereafter make such amendments to this Agreement as are necessary to reflect the changes in access procedures.

8.7 Any notice from the Service Operator under Clauses 8.6.1 or 8.6.2 may request that non-code access be made available on a Point of Interconnection by Point of Interconnection basis, or at all Points of Interconnection at one time.

9. TELECOM ROC LIABILITY

9.1 Except as provided in Clauses 9.2 to 9.4 (inclusive) and Clause 9.10, under no circumstances will a Telecom ROC or Telecom Group, or their officers, employees, contractors or agents, be liable in contract, tort, or otherwise to compensate the Service Operator for any loss, injury, or damage arising directly or indirectly from:

9.1.1 any act, omission, error, default or delay of that Telecom ROC or Telecom Group or their officers, employees, contractors or agents; or

9.1.2 any act, omission, error, default or delay in respect of the provision, use or termination of that Telecom ROC's Network Service or any Other ROC's Network Service; or

9.1.3 the failure by that Telecom ROC or Telecom Group or their officers, employees, contractors or agents to Connect that Telecom ROC's Network or any Other ROC's Network to the Service Operator's Network or to make available or provide that Telecom ROC's Network Service or any Other ROC's Network Service; or

9.1.4 any failure of that Telecom ROC's Network Service or any Other ROC's Network Service; or

9.1.5 any failure of anything provided as part of, or in association with that Telecom ROC's Network Service or any Other ROC's Network Service; or

9.1.6 any interception, distortion or interruption of any communication or attempted communication (including but not limited to any Chargeable Call or Call) using Telecom ROC's Network Service or any Other ROC's Network Service; or

9.1.7 any act or omission of any customer of that Telecom ROC or Telecom Group and any other third party for whom that Telecom ROC or Telecom Group is not responsible;

whether the loss, injury or damage is the direct or indirect result of negligence or otherwise.

9.2 Notwithstanding Clause 9.1, but subject to all of the other provisions in Clause 9, where a Telecom ROC:

9.2.1 delays carrying out its obligations of providing, installing and Pre-testing an Interconnect Link resulting in a Delayed Installation Date; or

9.2.2 fails to make personnel available for joint testing within the 2 Working Day period specified in Clause 2.7; that Telecom ROC shall refund to the Service Operator as liquidated damages (and not as a penalty) an amount calculated in accordance with the following formula:

$$(a - (b + c + d)) \times e$$

where

a is the aggregate of the number of days from and including the Installation Date to and including the Delayed Installation Date, and the number of complete days after the expiry of the 2 Working Day period specified in Clause 2.7 during which the Telecom ROC has failed to make available personnel for joint testing;

b is the number of days where the delay or failure was caused by Force Majeure;

c is the number of days where the delay or failure arose directly or indirectly from the failure of a supplier to supply that Telecom ROC's Equipment;

d is the number of days of delay by the Service Operator in complying with its obligations under Clauses 14.1 and 14.5;

e is the charge per day for that Interconnect Link calculated in accordance with Item 1(a) of Schedule J and (if applicable) the pro rated monthly transmission charge set out in Item 1(b) of Schedule J;

PROVIDED THAT:

9.2.3 no refund shall be made in respect of the first Interconnect Link provided, tested and installed at a Point of Interconnection; and

9.2.4 where $(a - (b + c + d))$ exceeds 60, the refund shall be calculated in accordance with the following formula:

$$e \times 60.$$

Subject to Clause 9.10, a refund under this Clause 9.2 represents the sole remedy for the Service Operator against Telecom Group in the event that a Telecom ROC delays in the provision, installation, testing or commissioning of an Interconnect Link.

9.3 Notwithstanding Clause 9.1, but subject to all other provisions in Clause 9, a Telecom ROC does not by this Agreement exclude liability:

9.3.1 for physical damage to the property of the Service Operator occurring in the course of the provision, operation, servicing or termination of that Telecom ROC's Network Service that

is a direct consequence of the sole negligence of that Telecom ROC or Telecom Group or their officers, employees, contractors or agents; or

9.3.2 to indemnify the Service Operator under Clause 22.7.

9.4 Notwithstanding Clause 9.1, but subject to all other provisions of this Clause 9, where there is a total failure of a Telecom ROC's Network Service for any reason for more than 24 consecutive hours after the Service Operator serves notice of the failure on the Principal ROC in accordance with Clause 19.3, and the failure or continuation of the failure is not in any way directly or indirectly caused by the Service Operator or any person for whom the Service Operator is responsible, that Telecom ROC will, on request by the Service Operator made within 30 days after remedy of the failure, or within 30 days of termination of this Agreement or within 30 days of Partial Termination of this Agreement insofar as it relates to that Telecom ROC, (whichever is the sooner), refund to the Service Operator an amount (calculated by the formula set out below) for each period of 24 hours (or pro rata for part of such period) by which the failure continues after 24 consecutive hours after the time of service of the Service Operator's notice mentioned above:

$$\frac{1}{365} \times a$$

where a is the total annual charges calculated in accordance with Item 1(a) of Schedule J (applicable at the time of the commencement of such failure) payable by the Service Operator to that Telecom ROC.

9.5 Under no circumstances will a Telecom ROC be liable under Clause 9.4 where the total failure of that Telecom ROC's Network Service arose because that Telecom ROC's Network Service was suspended in accordance with the provisions of Clause 4.2.

9.6 In any event, under no circumstances will a Telecom ROC or Telecom Group or their officers, employees, contractors or agents be liable to the Service Operator in contract, tort (including negligence) or otherwise for loss (whether direct or indirect) of profits, business or anticipated savings or for any indirect or consequential loss whatever notwithstanding that that Telecom ROC or Telecom Group or their officers, employees, contractors or agents have been advised of the likelihood of such losses PROVIDED THAT nothing in this clause shall limit or exclude the Service Operator's entitlement to a refund of charges under Clauses 9.2 and 9.4 in circumstances where such a refund is applicable.

9.7 If for any reason a Telecom ROC and/or Telecom Group and/or their officers, employees, contractors and/or agents are liable to the Service Operator in contract, tort (including negligence) or otherwise, the combined maximum liability of that Telecom ROC and Telecom Group and their officers, employees, contractors and agents to the Service Operator shall be \$50,000 in respect of any one event or related series of events, with a maximum liability to the Service Operator in any 12 month period of \$100,000, irrespective of the number of events, PROVIDED THAT nothing in this Clause 9.7 shall apply to Telecom's liability under the Agreement to pay any amount under Clauses 6.6.3, 6.10 or 6.15.

9.8 Nothing in this Agreement shall be construed to increase the contractual liability of a Telecom ROC in respect of any event beyond that which it otherwise would have had, had each Telecom ROC entered into a separate contract with the Service Operator. Without limiting the foregoing provisions of this Clause 9.8, nothing in this Agreement shall be construed to increase the contractual liability of the Principal ROC in respect of any event beyond that which it otherwise would have had, had it not taken on the role of acting for and on behalf of the Other ROCs as Principal ROC under this Agreement.

9.9 Each limitation or exclusion of this Clause 9 and each protection given to a Telecom ROC or Telecom Group or their officers, employees, contractors or agents by any provision of this Clause 9 is to be construed as a separate limitation or exclusion applying and surviving even if for any reason any of the provisions is held inapplicable in any circumstances.

9.10 Nothing in this Clause 9 shall limit the right of the Service Operator to enforce this Agreement by seeking an order for specific performance in any Court of competent jurisdiction.

9.11 Where any person (including but not limited to any Other ROC) performs from time to time in whole or in part, as agent or contractor of a Telecom ROC, any of the obligations of that Telecom ROC under this Agreement (any such other person in this Clause 9.11 called the "Other Person"), the following provisions shall apply:

9.11.1 the performance of any of that Telecom ROC's Network Service or any service incidental to or in connection with any of that Telecom ROC's Network Service by that Other Person shall be consideration for the agreement of the Service Operator that that Other Person shall have the benefit of the rights, exemptions, limitations, defences and immunities of whatsoever nature contained in this Agreement which are applicable to that Telecom ROC under this Agreement;

9.11.2 that Telecom ROC is or shall be deemed to be contracting for the benefit of the rights, exemptions, liabilities, defences and immunities referred to in Clause 9.11.1 for that Other Person as agent for that Other Person;

9.11.3 that Other Person shall be entitled to all benefits, advantages, immunities, limitations or rights enjoyed by that Telecom ROC under this Agreement and the Service Operator acknowledges that this promise is intended to create an obligation enforceable at the suit of that Other Person, whether by way of defence or otherwise.

9.12 The Service Operator shall use reasonable endeavours to ensure that a provision shall be included in contracts with the Service Operator's Customers for the provision of the Service Operator's Network Service, whereby any liability of the Telecom Group and its officers, employees, contractors and agents arising from or in connection with the Service Operator's Network Service is excluded.

10. INDEMNITY BY SERVICE OPERATOR

10.1 Subject to Clause 10.5, the Service Operator shall indemnify and save harmless each respective Telecom ROC and Telecom Group and their officers, employees, contractors and agents from loss, damage, liability, costs or expense whatsoever suffered or incurred by that Telecom ROC or Telecom Group or their officers, employees, contractors or agents arising from or in connection with:

10.1.1 the use or attempted use or misuse (whether intentional or not) of the Service Operator's Network Service by any person (including the Service Operator); or

10.1.2 any breach of this Agreement by the Service Operator.

10.2 Subject to Clause 10.5, the Service Operator shall indemnify and save harmless each respective Telecom ROC and Telecom Group for any loss, damage, liability, costs or expense whatsoever suffered or incurred by that Telecom ROC or Telecom Group or their officers, employees, contractors or agents arising from or in connection with the Connection of anything to the Service Operator's Network and not being equipment supplied or a Connection made by that Telecom ROC or Telecom Group.

10.3 Subject to Clause 10.5, the Service Operator shall indemnify and save harmless each respective Telecom ROC and the Telecom Group from loss, damage, liability, costs or expense whatsoever suffered or incurred by that Telecom ROC or the Telecom Group or their officers, employees, contractors or agents arising from or in connection with any actions, proceedings, claims and demands brought by the Service Operator's End Users which relate directly or indirectly to that Telecom ROC's Network Service or any Other ROC's Network Service.

10.4 The Principal ROC shall notify the Service Operator as soon as practicably possible after the date on which any action, proceedings, claims or demands are brought against a Telecom ROC or Telecom Group by a customer of that Telecom ROC or Telecom Group (or a Service Operator's Customer, as the case may be) in respect of which the Service Operator shall indemnify that Telecom ROC or Telecom Group under Clauses 10.1, 10.2 or 10.3 and

shall consult with the Service Operator on the defence of any such actions, proceedings, claims and demands, and will not settle any such actions, proceedings, claims and demands without the consent of the Service Operator, such consent not to be unreasonably withheld.

10.5 In no event shall the Service Operator be liable to indemnify a Telecom ROC or Telecom Group under Clauses 10.1, 10.2 and 10.3 for any gratuitous payments made by that Telecom ROC or Telecom Group to its customers or the Service Operator's Customers, unless the gratuitous payment is part of a settlement of a claim by a customer or a Service Operator's Customer (as the case may be) which has received the consent of the Service Operator under Clause 10.4.

10.6 In the event of any breach by the Service Operator of this Agreement, including failure to pay any charge when due, the Service Operator shall pay all costs and expenses reasonably incurred by that Telecom ROC and Telecom Group (including solicitor client costs) in the exercise of any of that Telecom ROC's or Telecom Group's rights under this Agreement or at law.

11. PROTECTION OF TELECOM ROC'S AND SERVICE OPERATOR'S NETWORKS

11.1 Subject to the provisions of this Agreement, the Service Operator shall not do or permit to be done or omit or permit the omission of anything in relation to the Service Operator's Network which:

11.1.1 will cause damage to a Telecom ROC's Equipment or a Telecom ROC's Network, or any other network Connected thereto of any kind or description whatsoever; or

11.1.2 will, save as permitted under or pursuant to this Agreement, result in interference with or modification of the operation of a Telecom ROC's Equipment or a Telecom ROC's Network, or any other network Connected thereto of any kind or description whatsoever; or

11.1.3 will interfere with the reasonable enjoyment or use of a Telecom ROC's Network Service by that Telecom ROC or any other person, or the reasonable enjoyment or use by any person of any other network of any kind or description whatsoever which is Connected to the Telecom ROC's Network; or

11.1.4 will impede a Telecom ROC in the performance of its obligations to any other interconnecting party.

11.2 Subject to the provisions of this Agreement, each Telecom ROC shall not do or permit to be done or omit or permit the omission of anything in relation to that Telecom ROC's Network which:

11.2.1 will cause damage to the Service Operator's Equipment or the Service Operator's Network, or any other network Connected thereto of any kind or description whatsoever; or

11.2.2 will, save as permitted under or pursuant to this Agreement, result in interference with or modification of the operation of the Service Operator's Equipment or the Service Operator's Network, or any other network Connected thereto of any kind or description whatsoever.

11.3 Each Telecom ROC and the Service Operator shall adopt reasonable precautions in accordance with their respective usual procedures to prevent acts of sabotage on:

11.3.1 the Service Operator's Network; and

11.3.2 each Telecom ROC's Network; by their respective officers, employees, contractors, agents and customers.

12. SAFETY

12.1 Without limiting anything in Clause 13, each Telecom ROC shall take all necessary and prudent steps and comply with all statutory obligations to ensure that the implementation

of this Agreement will not endanger the health or safety of any persons including the Service Operator's employees and the Service Operator's End Users and in particular each respective Telecom ROC shall be responsible for the safe operation of that Telecom ROC's Equipment.

12.2 Without limiting anything in Clause 13, the Service Operator shall take all necessary and prudent steps and comply with all statutory obligations to ensure that the implementation of this Agreement will not endanger the health or safety of any persons including a Telecom ROC's employees and customers and in particular the Service Operator shall be responsible for the safe operation of the Service Operator's Equipment.

13. STANDARDS

13.1 The Service Operator shall not Connect anything to a Telecom ROC's Network at a Service Delivery Point and a Telecom ROC shall not Connect anything to the Service Operator's Network at a Service Delivery Point except in accordance with the PTC Specifications. Each Telecom ROC shall co-operate with the Service Operator and the Service Operator shall co-operate with each Telecom ROC in a bona fide manner towards achieving compliance with the PTC Specifications in the Connection of the Service Operator's Network to each Telecom ROC's Network.

13.2 The Service Operator will certify to the Principal ROC at the beginning of the term of this Agreement that the Service Operator's Network complies with the PTC Specifications. All ROCs acknowledge that the Service Operator's qualified communications personnel are competent to certify compliance of the Service Operator's Network with the PTC Specifications.

13.3 The Service Operator and each Telecom ROC shall be responsible for all maintenance, repair and testing of the Service Operator's Network and each Telecom ROC's Network respectively during the term of this Agreement to ensure that they comply at the Service Delivery Points with the PTC Specifications and CCITT recommendations and with their respective obligations under Clause 12 and Clauses 13.5 to 13.10 (inclusive).

13.4 The Service Operator and each Telecom ROC shall carry out testing in accordance with the requirements of Item 2 of Schedule F.

13.5 The parties shall comply with the technical requirements set out in Schedule H.

13.6 The Service Operator shall ensure that all Calls comply in level and frequency with the requirements of PTC 102 Figure 4.

13.7 The parties shall use their best endeavours to minimise distortion on Calls crossing a Service Delivery Point. In particular the Service Operator shall ensure a limitation of the QDU level specified in Item 2 of Schedule H for all Calls to or from Telecom Group's international network which pass in and out of any Point of Interconnection.

13.8 Where a Call may eventually be transmitted to Telecom Group's international network, the parties shall use reasonable endeavours to ensure that they comply with:

13.8.1 CCITT recommendations; and

13.8.2 the principles and requirements of any co-respondent agreements between Telecom Group and overseas networks as notified to the Service Operator by the Principal ROC from time to time.

13.9 The Service Operator shall use reasonable endeavours to ensure that the quality of the conveyance of Calls to be accepted from a Telecom ROC's Network and delivered to the recipient of the Call (or to another Service Delivery Point), is maintained between the point of acceptance of the Call from that Telecom ROC and the point of delivery of the Call. Each Telecom ROC shall use reasonable endeavours to ensure that the quality of the conveyance of Calls to be delivered to the Service Operator's Network (or the recipient of the Call, as the case may be) is maintained between the point of acceptance of the Call from the Service Operator's End User (or the Service Operator's Network, as the case may be), and the point of

delivery of the Call to the Service Operator's Network (or the recipient of the Call, as the case may be).

13.10 The Service Operator will ensure that the numbering system of the Service Operator's Network is technically compatible with the numbering system of each Telecom ROC's Network. The Principal ROC and the Service Operator will each provide to the other numbering plan information for routing table configuration, and if the Principal ROC determines that it is necessary in connection with emergency 111 services, the Service Operator will provide geographical information relating to the Service Operator's numbering plan.

13.11 The Service Operator will not:

13.11.1 use the prefix number "0900" in connection with the Service Operator's Network Service;

13.11.2 use the prefix number "0800" in connection with the Service Operator's Network Service, without the prior written consent of the Principal ROC, such consent to be subject to such conditions as Telecom shall determine including (without limitation), the condition that the Service Operator will not bill the calling party for calls prefixed by an 0800 number.

14. TELECOM ROC'S USE OF SERVICE OPERATOR'S PREMISES

14.1 The Service Operator shall no later than 5 Working Days prior to the Installation Date for an Interconnect Link which is part of a Telecom ROC's Network prepare and have available for that Telecom ROC:

14.1.1 the premises more particularly described in Schedule G specified for that Telecom ROC to accommodate the Service Delivery Point (to be Connected to that Interconnect Link), and such other items of that Telecom ROC's Equipment which are required to be situated on the Service Operator's Premises:

14.1.1.1 to enable Connection of the Service Delivery Point to other parts of Telecom ROC's Network; or

14.1.1.2 because such items of that Telecom ROC's Equipment must be situated within close proximity of the Service Delivery Point;

14.1.2 other services and facilities reasonably required by that Telecom ROC to provide that Telecom ROC's Network Service including:

14.1.2.1 all necessary electrical power (including any special mains power, direct current power and earthing arrangements), reticulation, lighting, air conditioning and fire protection equipment;

14.1.2.2 all necessary structural work and environmental requirements specified by that Telecom ROC or any governmental authority including but not limited to any radio frequency interference protection apparatus that may be specified by that Telecom ROC;

14.1.2.3 all necessary security arrangements.

The Service Operator's Premises shall in all respects comply with the Principal ROC's reasonable standards for such accommodation.

14.2 The Service Operator hereby grants to each respective Telecom ROC a licence for the term of this Agreement to use the Service Operator's Premises provided by the Service Operator for that Telecom ROC from time to time in accordance with this Agreement:

14.2.1 to install and keep on the Service Operator's Premises such of that Telecom ROC's Equipment which, in terms of Clause 14.1.1, that Telecom ROC reasonably requires to be installed on the Service Operator's Premises; and

14.2.2 carry out that Telecom ROC's other purposes pursuant to this Agreement including but not limited to the removal, repair, modification, maintenance, inspection or testing of that Telecom ROC's Equipment installed or kept on the Service Operator's Premises.

14.3 The Service Operator shall not and shall not permit any person other than Persons Authorised by a Telecom ROC to maintain, repair, or interfere with any part of that Telecom ROC's Equipment on the Service Operator's Premises.

14.4 The Service Operator shall not cause or permit or suffer to be caused or permitted in the Service Operator's Premises any nuisance or impediment to a Telecom ROC or Persons Authorised by that Telecom ROC in carrying out their purposes under this Agreement.

14.5 After reasonable oral notice from a Person Authorised to the Service Operator (delivered either directly or by telephone), or immediately and without notice in the case of emergency, the Service Operator shall arrange and provide access for the Person Authorised to the Service Operator's Premises. Such access shall comprise access for the Person Authorised by a Telecom ROC (with or without materials, appliances and things) to install, operate, remove, repair, modify, maintain, inspect or test, any of that Telecom ROC's Equipment situated on the Service Operator's Premises. Such access shall be provided at all reasonable hours except, in the case of an emergency, where access shall be provided at any time. The Service Operator shall at its own expense, make reasonable efforts to obtain such consents and wayleaves as may be required from any third party in respect of access to and use of the Service Operator's Premises by a Telecom ROC and Persons Authorised by that Telecom ROC in terms of this Agreement. Neither a Telecom ROC nor Telecom Group shall be liable for any failure to perform any of that Telecom ROC's obligations under this Agreement where that Telecom ROC is unable to perform its obligations as a direct or indirect result of the Service Operator's failure to obtain such consents or wayleaves. The Service Operator shall indemnify and save harmless each respective Telecom ROC and Telecom Group and Persons Authorised from loss, damage, liability, costs or expense which may be suffered or incurred by that Telecom ROC, Telecom Group or Persons Authorised arising from or in connection with the Service Operator's failure to obtain such consents and wayleaves.

14.6 Each Telecom ROC shall ensure that Persons Authorised shall not interfere with the Service Operator's Equipment or the provision by the Service Operator of the Service Operator's Network Service except to the extent that such interference is necessary in the performance of the applicable Telecom ROC's obligations under this Agreement.

14.7 In the event of any part of a Telecom ROC's Equipment on the Service Operator's Premises being lost, stolen, or removed (without authority of that Telecom ROC), wholly destroyed or wholly or partially damaged (other than as a result of fault on the part of that Telecom ROC, fair wear and tear, or Force Majeure), the Service Operator shall pay to that Telecom ROC, on demand, the cost to that Telecom ROC of replacement or repair of that Telecom ROC's Equipment.

14.8 The Service Operator shall not make or permit to be made any alterations to any part of any Service Operator's Premises that may affect a Telecom ROC's Equipment, without the consent in writing of that Telecom ROC, which consent shall not be unreasonably withheld but which may be conditional upon:

14.8.1 the Service Operator taking measures satisfactory to that Telecom ROC to protect that Telecom ROC's Equipment during the course of such alterations;

14.8.2 the Service Operator paying any of that Telecom ROC's charges of shifting any of that Telecom ROC's Equipment as a result of such alterations.

15. NOTIFICATION OF FAULTS

15.1 The Service Operator and each Telecom ROC shall, in respect of faults arising in either or both of the Service Operator's Network and that Telecom ROC's Network (affecting the provision of any network service by the other or by any third party), comply with the procedures for notification of faults referred to in Schedule F and the principles of priority of repair of faults set out in Schedule F.

16. NETWORK CHANGES

16.1 Subject to Clauses 16.2 to 16.4 (inclusive), in the event that a Telecom ROC wishes or is required to make any change to that Telecom ROC's Network which makes it necessary for a change to be made to the requirements of the PTC Specifications and also makes it necessary for changes to be made to the Service Operator's Network, the Principal ROC shall serve on the Service Operator the following notices at the following intervals and times:

16.1.1 no later than 12 months prior to the date when the change in that Telecom ROC's Network will take effect, notice setting out in as much detail as practicable the expected changes to that Telecom ROC's Network and the expected date of such changes;

16.1.2 no later than 6 months prior to the date when the change in that Telecom ROC's Network will take effect, notice setting out the draft specification of the proposed changes to that Telecom ROC's Network and the proposed date of such changes;

16.1.3 no later than 3 months prior to the date when the change in that Telecom ROC's Network will take effect, notice setting out the final specification of the changes to that Telecom ROC's Network and the effective date and time of such changes.

After each notice is served on the Service Operator under Clauses 16.1.1 and 16.1.2, the Principal ROC shall liaise with the Service Operator with respect to the expected changes or proposed changes (as the case may be) to enable the Service Operator to familiarise itself with the expected changes or proposed changes (as the case may be) and plan accordingly. The change shall become effective at any time on or after the date and time mentioned in the notice under Clause 16.1.3.

16.2 Subject to Clauses 16.3 and 16.4, in the event that a Telecom ROC is of the reasonable opinion that a change to that Telecom ROC's Network is required as a matter of urgency for the effective continued operation of that Telecom ROC's Network or any other network Connected thereto of any kind or description including the Service Operator's Network and such change:

16.2.1 makes it necessary for a change to be made to the Service Operator's Network; and

16.2.2 makes it necessary for a change to be made to the requirements of the PTC Specifications;

the Principal ROC shall give to the Service Operator as much notice of the required change, as, in the reasonable opinion of the Principal ROC, is possible, having regard to the urgency of the condition and the risks to the effective continued operation of the relevant network in delaying the change. Such notice shall be in lieu of any notice which may have otherwise been required under Clause 16.1 (or may have otherwise been agreed under Clause 16.3 in lieu of the notice provisions under Clause 16.1) if this Clause 16.2 had not applied. After such notice is given, the Principal ROC shall liaise with the Service Operator (as far as is reasonably practicable) with respect to the proposed change to enable the Service Operator to familiarise itself with the change and, if necessary, plan accordingly. The change shall become effective at any time on or after the date and time mentioned in the Principal ROC's notice served pursuant to this Clause 16.2.

16.3 Notwithstanding anything in Clauses 16.1 and 16.2, the notice provisions of those clauses may (in any particular case) be waived or substituted by other notice requirements by agreement in writing between the Principal ROC and the Service Operator where the parties wish to expedite the implementation of the particular change.

16.4 Notwithstanding anything in Clauses 16.1 to 16.3 (inclusive), the parties agree that a Telecom ROC may implement any technical or operational change or adjustment at Service Delivery Points and in the respective Telecom ROC's Network which makes it necessary for any change to be made to the Service Operator's Network without consultation with or the consent of the Service Operator, where, in the reasonable opinion of that Telecom ROC, that change or adjustment is of a minor nature PROVIDED THAT where such change or adjustment requires a disconnection and/or reconnection of a Telecom ROC's Equipment which will affect the provision of the Service Operator's Network Service, the Principal ROC

shall where practicable, consult with the Service Operator before serving notice on the Service Operator with respect to such change or adjustment. Any such change or adjustment may be implemented 7 days after the date on which the Principal ROC has served notice on the Service Operator setting out details of the required change or adjustment. The Service Operator shall co-operate in the implementation of any such changes or adjustments made in accordance with the provisions of this Clause 16.4.

16.5 Subject to Clause 16.6, where a change to a Telecom ROC's Network makes it necessary for a change to be made to the Service Operator's Network, each party shall bear their own costs which arise directly or indirectly from such change.

16.6 In no event shall the Service Operator be liable for any charges for disconnection or reconnection of a Telecom ROC's Equipment described in:

16.6.1 Clauses 5.1 and 5.2; or

16.6.2 The Telecom List of Charges;

which arise as a result of any change to a Telecom ROC's Network described in Clauses 16.1, 16.2 and 16.4.

16.7 The Principal ROC and the Service Operator shall liaise together on the future requirements of the Service Operator for the provision by each Telecom ROC of Service Delivery Points and Interconnect Links to accommodate future traffic demands. In particular the Service Operator will supply to the Principal ROC forecasted traffic volumes (in erlangs), forecasts of grade of service and call holding times, and corresponding trunk forecasts. Such forecasts shall include estimates of originating and terminating traffic volumes on a "Service Delivery Point to Telecom local calling area" basis. The forecasts shall also set out the expected peak busy season/busy hour traffic volumes and other traffic volumes by reference to the "reference loads" referred to in the PTC Specifications. All such forecasts shall cover (as far as possible) each year for the next three years commencing on the date that the relevant forecast is required to be supplied pursuant to this Clause 16.7. The first such forecast shall be supplied by the Service Operator to the Principal ROC on [] (or on such other date as may be agreed between the parties) and forecasts shall be supplied annually thereafter. On the date that each such forecast is supplied (excluding the first such date), the Principal ROC shall, upon request by the Service Operator, where reasonably practicable, provide to the Service Operator historic traffic information (in respect of Calls conveyed through that Telecom ROC's Interconnect Links to the Service Operator's Network), and such other information as shall be agreed between the parties, for the year ending on the date 1 month prior to the date on which the forecast is to be supplied. Such information shall be supplied by the Principal ROC free of charge where:

16.7.1 the provision of the information is part of the on-going mutual planning sessions to assist in the dimensioning of the Interconnect Links; and

16.7.2 the provision of the information does not require Telecom to place additional demands upon time and resources. For these purposes it is agreed that the provision of the information does not place additional demands upon time and resources where the provision of such information is part of the normal services provided by Telecom free of charge to comparable interconnecting parties or any other customer of the Telecom Group.

In all other cases, the Service Operator shall pay Telecom's reasonable charges for the provision of such information.

16.8 It is acknowledged by Telecom that the Service Operator may from time to time during the term of this Agreement require:

16.8.1 changes in the number and/or location of Service Delivery Points;

16.8.2 changes in the number and/or location of Interconnect Links.

It is agreed by the Service Operator that any changes in the number of Interconnect Links requested by the Service Operator shall comply as a minimum with the relevant PTC

Specifications and CCITT recommendations relating to traffic measurement, forecasting and to grades of service to be applied to traffic routes concerned.

16.9 The Service Operator shall serve the following notices on the Principal ROC setting out details of changes described in Clause 16.8 which it expects it will require:

16.9.1 notice setting out the expected required changes (if any) for the next year. The first such notice shall be served on the Principal ROC no later than 6 months after the commencement date of this Agreement set out in Clause 18.1 and the subsequent notices shall be served on the Principal ROC on the anniversary of the date that the first notice was served. For avoidance of doubt, any notice given under this Clause 16.9.1 shall be indicative only and shall not be binding on the Service Operator;

16.9.2 notice setting out the expected required changes and the required dates for their implementation. Each such notice under this Clause 16.9.2 shall be served on the Principal ROC no later than 6 months prior to the earliest required date for the implementation of any change referred to in the notice.

Any notice served on the Principal ROC under Clause 16.9.1 or Clause 16.9.2 shall include the following information:

16.9.3 details of route and circuit allocations;

16.9.4 translator and routing information relating to the expected change, including numbering changes;

16.9.5 details of any amendments which the Service Operator wishes to be made to Schedule I as a result of the expected change.

16.10 No later than 1 month after the date of the Service Operator's notice under Clause 16.9.2, the Principal ROC shall serve notice on the Service Operator setting out details of:

16.10.1 the Interconnect Links (and their associated Service Delivery Points) referred to in the Service Operator's notice which the respective Telecom ROCs agree to provide, subject to agreement on Installation Dates and End Dates;

16.10.2 the Interconnect Links (and Service Delivery Points) referred to in the Service Operator's notice which the respective Telecom ROCs agree to decommission, subject to agreement on dates for such decommissioning.

16.11 On receipt of the Principal ROC's notice, the Service Operator shall liaise with the Principal ROC with a view to agreeing the Installation Dates and End Dates for the new Interconnect Links, the End Dates for the new Service Delivery Points and the dates for decommissioning (if any) of existing Interconnect Links and Service Delivery Points. Unless otherwise agreed in writing between the Principal ROC and the Service Operator, in no circumstances shall the date of decommissioning for an Interconnect Link or Service Delivery Point occur on or before the End Date for that Interconnection Link or Service Delivery Point. Where such Installation Dates, End Dates and dates for decommissioning (if any) are agreed:

16.11.1 the parties shall amend Items 2 and 3 of Schedule C, and Schedule G, in accordance with the provisions of Clause 20.1, to reflect the agreement reached between them under Clause 16.10 and this Clause 16.11; and then

16.11.2 the relevant Telecom ROCs and the Service Operator shall carry out their respective obligations as set out in Clauses 2.4, to 2.8 (inclusive) and Clauses 16.12 and 16.13.

16.12 Where it has been agreed pursuant to Clause 16.11 that an Interconnect Link or a Service Delivery Point which forms part of a Telecom ROC's Network shall be decommissioned by a date agreed pursuant to Clause 16.11, that Telecom ROC shall use its reasonable endeavours to decommission that Interconnect Link or Service Delivery Point by such agreed date for decommissioning.

16.13 Where any changes are agreed between the Principal ROC and the Service Operator pursuant to Clauses 16.10 and 16.11, which will result in the removal of any of a Telecom ROC's Equipment from the Service Operator's Premises, the Service Operator shall pay to that Telecom ROC all charges for and in respect of disconnection and removal as described in Clause 5.2 relating to any such disconnection and removal of that Telecom ROC's Equipment. That Telecom ROC shall indemnify the Service Operator in respect of any physical damage thereby caused to the Service Operator's Premises and any fixtures and fittings of the Service Operator's Premises in that Telecom ROC carrying out any such disconnection works and repossessing that Telecom ROC's Equipment that is a direct consequence of the sole negligence of that Telecom ROC or Telecom Group or their officers, employees, contractors or agents.

17. ASSIGNMENT

17.1 Subject to Clause 17.4, the Service Operator may not assign this Agreement or its rights or obligations under this Agreement except with the prior written consent in writing of the Principal ROC which consent shall not be unreasonably withheld, but shall only become effective if:

17.1.1 the Service Operator is not at the time of applying for such consent or thereafter in default in the due and punctual observance or performance of the covenants and agreements on the Service Operator's part contained or implied in this Agreement; and

17.1.2 the Service Operator proves to the satisfaction of the Principal ROC that the incoming assignee is of sound financial standing and has the ability to perform the obligations of the Service Operator under this Agreement, and is a Network Operator; and

17.1.3 the Service Operator pays to each Telecom ROC all costs incurred by each respective Telecom ROC (whether or not the proposed assignment proceeds to completion) including each respective Telecom ROC's reasonable administrative and other expenses and legal costs of and incidental to:

17.1.3.1 the giving of consent; and

17.1.3.2 the assignment; and

17.1.4 the Service Operator procures the execution by the incoming assignee of a covenant with each Telecom ROC that the incoming assignee will at all times during the continuance of the term of this Agreement duly pay the charges payable pursuant to this Agreement at the times and in the manner mentioned in this Agreement and observe and perform all the covenants, conditions and agreements contained or implied in this Agreement on the part of the Service Operator to be observed and performed but without thereby releasing the Service Operator from the Service Operator's obligations to pay the charges or any other amounts payable contained or implied in this Agreement, and such covenant to contain a like covenant in the event of any subsequent transfer or assignment; and

17.1.5 in circumstances where the Principal ROC so requests, the Service Operator procures the execution by any holding company of the incoming assignee of a guarantee of the performance of the incoming assignee's obligations under the covenant with each Telecom ROC referred to in Clause 17.1.4; and

17.1.6 the Service Operator and the incoming assignee comply with the Principal ROC's requirements in relation to the documentation of the intended assignment or transfer.

17.2 Any change or re-arrangement in the beneficial ownership of the principal shareholding of the Service Operator or its holding company (if any) or any alteration in the Memorandum and Articles of Association thereof having the effect of altering the effective control of the Service Operator or its holding company (if any) shall be deemed a proposed assignment of this Agreement. For the purposes of this Clause 17.2 and in relation to the Service Operator (but not any assignee of the Service Operator) "effective control" of the Service Operator shall be deemed to have been altered when any one shareholder in the Service Operator obtains 50% or more of the voting shares in the Service Operator except

where the Service Operator is a public company listed on the Stock Exchange Number One Board.

17.3 Any attempt at assigning this Agreement other than as authorised hereunder shall be null and void. Subject to the above restrictions on assignment, this Agreement shall enure to the benefit of and be binding upon successors and assigns of the parties to this Agreement.

17.4 Notwithstanding anything in this Clause 17, the Service Operator may allow any person the use of the Service Operator's Network Service.

18. COMMENCEMENT AND TERMINATION

18.1 Subject to the other provisions of this Clause 18 and Clause 25, all rights, duties and obligations under this Agreement shall have effect and shall for all purposes be deemed to have had effect from and including the date of commencement of this Agreement which is []. This Agreement shall continue until the date of the expiry of the 12 month period from the date that the Service Operator serves notice on the Principal ROC that it wishes to terminate this Agreement.

18.2 This Agreement may be terminated forthwith by the Principal ROC in the event that:

18.2.1 any amounts which a Telecom ROC has invoiced to the Service Operator under this Agreement (other than amounts in respect of which the Service Operator has given notice of a Manifest Error in accordance with Clause 6.6) remain unpaid 1 month after the Due Date of the relevant invoice; or

18.2.2 any amounts which are payable by the Service Operator to a Telecom ROC under Clauses 6.6.1 or 6.7 remain unpaid 1 month after the date of resolution of the dispute; or

18.2.3 the Service Operator neglects or fails to perform and observe any of the material covenants conditions or agreements contained in this Agreement which on the part of the Service Operator are or ought to be performed and such default is continued for 1 month after the date of the Principal ROC's notice to the Service Operator specifying the breach and requesting that the same be observed and performed; or

18.2.4 the Service Operator receives 6 notices from the Principal ROC under Clause 18.2.3 in any 12 month period;

18.2.5 execution is levied against a substantial part of the assets of the Service Operator; or

18.2.6 the Service Operator either:

18.2.6.1 goes into liquidation (other than a voluntary liquidation for the purposes of reconstruction or amalgamation approved in writing by the Principal ROC); or

18.2.6.2 is wound up or dissolved; or

18.2.6.3 enters into a scheme of arrangement with its creditors or any class thereof; or

18.2.6.4 is placed under official management; or

18.2.6.5 a receiver or manager is appointed of any of the assets of the Service Operator or any parent company of the Service Operator; or

18.2.7 where the Service Operator is required by law and has failed within the time specified by the law to obtain and maintain a licence, permit or other form of official authorisation which is required by the Service Operator in order for it to lawfully provide the Service Operator's Network Service, or the Service Operator fails to maintain such licence, permit or other official authorisation.

18.3 In the event that the Government of New Zealand announces its intention to enact, or introduces, new legislation or regulations governing telecommunications which in the reasonable opinion of the Principal ROC renders or is likely to render either:

18.3.1 the operation of this Agreement impractical; or

18.3.2 Telecom or the Service Operator incapable of performing their respective obligations or a material part thereof under this Agreement;

the Principal ROC and the Service Operator shall use reasonable endeavours to negotiate an amendment to this Agreement, which amendment will take account of the legislative and regulatory changes, PROVIDED THAT if the Principal ROC and the Service Operator fail to reach agreement on or before 30 days after the enactment of the new legislation or regulations which gives rise to the results described in Clauses 18.3.1 and 18.3.2, then the Principal ROC may terminate this Agreement.

18.4 Upon the termination or Partial Termination of this Agreement or suspension of a Telecom ROC's Network Service in terms of this Agreement, each Telecom ROC (in respect of which this Agreement has been terminated, or in respect of which the Telecom ROC's Network Service has been suspended) may carry out disconnection works and removal of that Telecom ROC's Equipment. The Service Operator shall pay to that Telecom ROC the charges for and in respect of disconnection and removal as described in Clause 5.2 in respect of such disconnection and removal of that Telecom ROC's Equipment. That Telecom ROC shall indemnify the Service Operator in respect of any physical damage thereby caused to the Service Operator's Premises and any fixtures and fittings of the Service Operator's Premises that is a direct consequence of the sole negligence of that Telecom ROC or Telecom Group or their officers, employees, contractors or agents.

18.5 Subject to Clauses 18.6 and 18.7, termination or Partial Termination of this Agreement shall not operate as a waiver of any breach by a party to this Agreement of any of the provisions of this Agreement and shall be without prejudice to any rights, liabilities or obligations of any party which have accrued up to the date of such termination or Partial Termination (as the case may be) and the following provisions of this Agreement shall continue in full force and effect notwithstanding such termination or Partial Termination of this Agreement that is to say Clauses 5, 6, 9, 10, 14.3, 14.4, 14.5, 14.7, 18, 21.4, 21.5, 21.6, 22 and 26.1 and any other provisions which expressly or by implication are intended to survive termination.

18.6 Notwithstanding the termination or Partial Termination of this Agreement, any sums payable by the Service Operator to a Telecom ROC pursuant to this Agreement at the date of termination or Partial Termination (as the case may be) shall be paid in the same manner as if this Agreement had not terminated or partially terminated.

18.7 The Partial Termination of this Agreement insofar as it relates to one Telecom ROC shall not affect the continuation of this Agreement insofar as it relates to Other ROCs in respect of which this Agreement has not been terminated, partially terminated or expired.

18.8 On termination of this Agreement:

18.8.1 the Service Operator shall return the Materials, and all records and material containing Confidential Information (whether in written, electronic or other form whatsoever) and all copies thereof, to the Principal ROC, which each Telecom ROC or TCNZ has provided to the Service Operator or which the Service Operator has otherwise become aware of or obtained through its participation in the Project;

18.8.2 each respective Telecom ROC and TCNZ shall return the Materials, and all records and material containing Confidential Information (whether in written, electronic or other form whatsoever) and all copies thereof, to the Service Operator which the Service Operator has provided to that Telecom ROC or TCNZ or which that Telecom ROC or TCNZ has otherwise become aware of or obtained through its participation in the Project.

On Partial Termination of this Agreement, insofar as it relates to a Telecom ROC:

18.8.3 the Service Operator shall return any Materials, and all records and material containing Confidential Information (whether in written, electronic or other form whatsoever) and all copies thereof, to that Telecom ROC or TCNZ which have been provided by that Telecom ROC or TCNZ to the Service Operator;

18.8.4 that Telecom ROC and TCNZ shall return any Materials, and all records and material containing Confidential Information (whether in written, electronic or other form whatsoever) and all copies thereof, to the Service Operator which have been provided by the Service Operator to that Telecom ROC or TCNZ or which that Telecom ROC or TCNZ has otherwise become aware of or obtained through its participation in the Project.

18.9 Unless the Service Operator and the Principal ROC otherwise agree in writing, all Intellectual Property licences granted pursuant to Clause 21 shall be cancelled on termination. In the case of Partial Termination of this Agreement insofar as it relates to a Telecom ROC or TCNZ, the licences granted pursuant to Clause 21 shall continue for the benefit of the remaining parties to the Agreement until its termination.

19. NOTICE

19.1 Subject to Clauses 19.2 and 19.3, and to the provisions of this Agreement which expressly refer to the giving of oral notice, any notices required to be served upon a party hereto or given to a party hereto shall be in writing and shall be deemed to have been served or given:

19.1.1 as soon as the same is personally delivered to the address set out below (or such other address as a party may notify to the others by notice); or

19.1.2 2 days following the posting of the same by prepaid registered mail to such address; or

19.1.3 immediately if transmission by facsimile is effected to the facsimile number set out below (or such other facsimile number as a party may notify to the others by notice); or

19.1.4 immediately if transmission is effected by such other electronic medium as the parties may from time to time agree in accordance with Clause 20.1 to such place, number or code as a party may notify to the others by notice.

Telecom ROC

[Address]

Attention:

[]

Telephone: []

Facsimile: []

Principal ROC

[Address]

Attention:

[]

Telephone: []

Facsimile: []

TCNZ

[Address]

Attention: []

Telephone: []

Facsimile: []

Service Operator

[Address]

Attention: []

Telephone: []

Facsimile: []

19.2 Notwithstanding anything in Clause 19.1, any notice required to be served upon or given to the Service Operator under Clause 6.16 shall be in writing and signed by the Managing Director (or in his or her absence, the Company Secretary) of the Principal ROC and shall be served or given by either personal delivery to the [Chief Executive Officer] (or, in his or her absence, the Company Secretary) of the Service Operator at the address set out below, or by transmission by facsimile to the facsimile number set out below marked to the attention of the [Chief Executive Officer] of the Service Operator, and in either case such notice shall be deemed to be served or given immediately.

[Address]

Attention: []

Telephone: []

Facsimile: []

19.3 Notwithstanding anything in Clause 19.1, any notice required to be served or given by the Service Operator or the Principal ROC under Clauses 2, 6.14.2 or 9.4 shall be in writing and shall be served or given by either personal delivery to the appropriate address set out in Clause 19.1 or by transmission by facsimile to the appropriate facsimile number set out in Clause 19.1 and marked to the attention of the appropriate person set out in Clause 19.1, and in either case such notice shall be deemed to be served or given immediately.

20. AMENDMENT

20.1 Subject to Clauses 20.2 to 20.4 (inclusive) and Clauses 3.3, 3.4 and 3.5, no variation, modification or waiver of any provisions of this Agreement shall in any event be of any force or effect unless the same is in writing signed by all parties hereto.

20.2 Subject to Clauses 20.3 and 20.4, All ROCs may (after first consulting with the Service Operator) from time to time amend Schedule E by notice given by the Principal ROC to the Service Operator. Any notice may itemise the amendments or may set out the new Schedule E which shall apply in lieu of the previous Schedule E. The amendment shall take effect on the date specified in the notice, or the date 3 months after the date of the notice, whichever is the later.

20.3 Notwithstanding anything in Clause 20.2, but subject to Clause 20.4:

20.3.1 where a Telecom ROC makes any change to that Telecom ROC's Network in accordance with Clause 16.1, and such change necessitates a new Schedule E to apply in lieu of the existing Schedule E, the Principal ROC shall serve notice on the Service Operator of such required amendment no later than 3 months prior to the effective date of the change referred to in the notice under Clause 16.1.3 and such amendment shall take effect on the effective date of the change;

20.3.2 where a Telecom ROC makes any change to that Telecom ROC's Network under Clauses 16.2 to 16.4, (inclusive) and such change necessitates a change to Schedule E, the Principal ROC may effect the change by serving notice on the Service Operator at any time.

20.4 Notwithstanding anything in Clauses 20.2 and 20.3.1, the notice provisions of those clauses may (in any particular case) be waived or substituted by other notice provisions by agreement in writing between the Principal ROC and the Service Operator where the parties wish to expedite the implementation of the particular change.

21. INTELLECTUAL PROPERTY RIGHTS

21.1 Unless the Service Operator and the Principal ROC otherwise agree in writing:

21.1.1 all Intellectual Property which originates from the Service Operator shall remain in the ownership of the Service Operator;

21.1.2 all Intellectual Property which originates from Telecom Group shall remain in the ownership of Telecom Group;

21.1.3 the ownership of any Intellectual Property developed by any Telecom ROC or by the Service Operator (as the case may be) shall remain in the party which developed the same PROVIDED ALWAYS that in consideration of this Agreement the other party (including all other members of Telecom Group, where a Telecom ROC is the other party) shall have a non-exclusive royalty free licence to use such Intellectual Property which has been developed for the purposes of the Project for the implementation of the Project until such time as this Agreement is terminated.

21.2 Nothing in this Agreement shall confer or be deemed to confer on the Service Operator any rights or interests in or licences to use or to permit or cause use to be made of the Intellectual Property of Telecom Group, except as expressly provided in this Clause 21.

21.3 The Service Operator shall grant, or procure for each Telecom ROC, at no cost to that Telecom ROC, all Intellectual Property licences which are required by that Telecom ROC to enable it to perform its obligations under this Agreement.

21.4 The Service Operator shall indemnify and save each Telecom ROC and Telecom Group harmless from all loss, damage, liability, costs or expense (including legal fees on a solicitor and own client basis) which may be suffered or incurred by that Telecom ROC or Telecom Group, or their officers, employees, contractors, agents or customers arising from or in connection with any actions, proceedings, costs, claims and demands in respect of any alleged infringement by that Telecom ROC or Telecom Group of the Intellectual Property rights in New Zealand of a third party arising from the use by that Telecom ROC or Telecom Group of any Intellectual Property furnished or licensed by or in respect of which a licence has been procured by the Service Operator pursuant to this Agreement.

21.5 The Service Operator shall render all reasonable assistance to and shall co-operate with any Telecom ROC or Telecom Group for the purpose of defending or otherwise in connection with any actions, proceedings, costs, claims and demands in respect of any such alleged infringement which are brought against a Telecom ROC or Telecom Group or their officers, employees, contractors, agents or customers. The Principal ROC shall notify the Service Operator as soon as practicably possible after the date on which any such actions, proceedings, costs, claims or demands become known to the Principal ROC.

21.6 If any action, proceedings, costs, claims and demands are brought in respect of any alleged infringement by the Service Operator of Intellectual Property of a third party arising from the use by the Service Operator of any Intellectual Property furnished or licensed by or in respect of which a licence has been procured by Telecom Group pursuant to this Agreement, then the Principal ROC shall render all reasonable assistance to and shall co-operate with the Service Operator for the purpose of defending or otherwise in connection with any such actions, proceedings, costs, claims and demands in respect of any such alleged infringement which are brought against the Service Operator. The Service Operator shall notify the Principal ROC as soon as practicably possible after the date on which any such actions, proceedings, costs, claims and demands become known to the Service Operator.

22. CONFIDENTIAL INFORMATION

22.1 For the purposes of this Clause 22, the party supplying Confidential Information shall be called "the Supplying Party", and the party receiving Confidential Information shall be called "the Receiving Party" and either expression, where referring to TCNZ or a Telecom ROC, shall include all other members of Telecom Group.

22.2 Subject to Clause 22.3, the Receiving Party undertakes in respect of Confidential Information received from the Supplying Party or of which the Receiving Party otherwise becomes aware through its participation in the Project:

22.2.1 that it has procedures adequate to protect the Confidential Information;

22.2.2 to hold in confidence the Confidential Information of which it becomes aware by whatever means except where the Supplying Party approves in writing the release of the Confidential Information by the Receiving Party;

22.2.3 that neither it nor any of its officers, employees, contractors or agents will disclose or cause or permit to be disclosed without the prior written consent of the Supplying Party the Confidential Information or any part thereof to any person or persons other than to professional advisers to the Receiving Party or those officers or employees of the Receiving Party directly concerned in the Project, such disclosure to be limited to Confidential Information necessary for implementation of the Project, and that the Receiving Party will advise the Supplying Party from time to time on request, of those professional advisers of the Receiving Party who are or may be recipients of Confidential Information;

22.2.4 not to make use of or cause or permit use to be made of the Confidential Information or any part thereof in any manner whatsoever other than as necessary for the implementation of the Project;

22.2.5 to enter into such other agreements as the Supplying Party may reasonably require regarding any part of the Confidential Information which is disclosed by the Supplying Party under licence from a third party;

22.2.6 at the Supplying Party's request, to make reasonable endeavours to cause a person or persons to whom the Confidential Information is disclosed in accordance with Clause 22.2.3 (other than officers and employees of the Receiving Party) to provide a written undertaking to the Supplying Party, in terms reasonably acceptable to the Supplying Party, to preserve in confidence the Confidential Information.

22.3 Nothing in this Clause 22 applies to:

22.3.1 information which is independently developed by the Receiving Party outside the scope of this Agreement; or

22.3.2 other confidential information rightfully obtained by the Receiving Party from third parties; or

22.3.3 information which was in the public domain at the time of receipt; or

22.3.4 information which was known to the Receiving Party, at the time of receipt or becomes publicly available after the execution of this Agreement otherwise than as a result of a breach of an obligation of confidence; or

22.3.5 information required to be released by law.

22.4 Any Confidential Information which is provided by the Supplying Party to the Receiving Party in connection with the Project is provided on a gratuitous basis only, for the benefit of the Receiving Party, and the Receiving Party expressly acknowledges that no warranty is given by the Supplying Party that any Confidential Information to be provided to the Receiving Party is or will be correct.

22.5 The parties acknowledge that breach by any of them of any of the provisions of this Clause 22 may cause another party (and any third party which has given such other party a licence to use or disclose any Confidential Information for the purposes of this Agreement) irreparable damage for which monetary damages would not be an adequate remedy. Accordingly any party may seek and obtain injunctive relief against the breach or threatened breach of this Clause 22 in addition to any other remedies that may be available.

22.6 Notwithstanding anything in this Clause 22, TCNZ and each Telecom ROC acknowledge that the Service Operator's usage information and traffic volumes comprise commercially sensitive information. Each Telecom ROC and TCNZ shall ensure that to the extent that Telecom Group is able to monitor and track such usage information and traffic volumes, such information and traffic volumes shall not be disclosed to any commercial or marketing personnel within the Telecom Group (unless appropriate confidentiality assurances in favour of, and in a form approved by, the Service Operator, have been obtained) or to any third party.

22.7 The Receiving Party hereby agrees to indemnify and hold the Supplying Party harmless from all loss, damage, liability, costs or expense (including solicitor client costs) which may be suffered or incurred by the Supplying Party directly or indirectly resulting from a breach by the Receiving Party of any of the provisions of this Clause 22.

22.8 Subject to Clause 22.3 the parties agree that no party shall:

22.8.1 issue or make any public announcement or statement regarding this Agreement or any matter concerned with or arising out of this Agreement;

22.8.2 disclose this Agreement to any other person (except in the case of a Telecom ROC or TCNZ, to Telecom Group, and in the case of all parties, to their respective professional advisors);

without the prior written consent of the other parties. Any party may refuse such consent without assigning any reasons for such refusal.

23. OWNERSHIP

23.1 This Agreement passes no title or interest in a Telecom ROC's Network Service or a Telecom ROC's Network to the Service Operator.

23.2 This Agreement passes no title or interest in the Service Operator's Network Service or the Service Operator's Network to a Telecom ROC or TCNZ.

24. OPERATIONAL LIAISON

24.1 The Service Operator and the Principal ROC shall participate in on-going consultation with respect to the operation of this Agreement and apply reasonable endeavours to resolve any problems arising from such consultation or otherwise encountered in relation to this Agreement and in particular, but without limiting the generality of the foregoing, shall liaise on the following:

24.1.1 initial problems arising from the Connection of the Service Operator's Network and each respective Telecom ROC's Network for the period of 3 months from the date of commencement of this Agreement set out in Clause 18.1;

24.1.2 the technical standards of telecommunication equipment of any third party service operator which is Connected to or intended to be Connected to the Service Operator's Network;

24.1.3 software and hardware changes proposed for the Service Operator's Equipment. In particular, the Service Operator shall give notice to the Principal ROC of any change in the software generic and issue/version number installed in the Service Operator's Network.

24.2 Telecom and the Service Operator shall co-operate to eliminate:

24.2.1 fraudulent use of the Service Operator's Network Service by the Service Operator's End Users and Service Operator's Customers;

24.2.2 fraudulent use of any network service provided by Telecom Group to customers and end users of Telecom Group;

insofar as such fraudulent use has arisen as a result of the Connection of the Service Operator's Network to each Telecom ROC's Network and the provision of each Telecom ROC's Network Service to the Service Operator under this Agreement.

25. FORCE MAJEURE

25.1 Notwithstanding any other provisions of this Agreement but subject to the other provisions of this clause, if the Service Operator or a Telecom ROC fails to observe or perform any of the covenants, conditions and agreements imposed upon it under this Agreement, and such failure shall have been occasioned by or in connection with or in consequence of Force Majeure such failure shall be deemed not to be a breach of such covenants, conditions and agreements.

25.2 For the purposes of this Agreement, "Force Majeure" event means:

25.2.1 any act of God or act of nature, confiscation or expropriation, embargo, public mains electrical supply failure, fire, flood, storm, explosion, nuclear accident, sabotage, revolution, riot, act of war whether declared or not, warlike operations, requirement or restriction of governmental authorities (but not including the events referred to in Clause 18.3), earthquake, slide, epidemic, quarantine restriction, or any other like force majeure event; or

25.2.2 any strike, lockout, work stoppage or other labour hindrance;

beyond the reasonable control of the Service Operator or a Telecom ROC, as the case may be, which prevents, hinders or interferes with the performance by the Service Operator or that Telecom ROC (as the case may be) of its obligations under this Agreement.

25.3 Neither the Service Operator nor a Telecom ROC shall be entitled to the benefit of the provisions of Clause 25.1 under any or all of the following circumstances:

25.3.1 to the extent that the failure was caused by the contributory negligence of the Service Operator or that Telecom ROC (as the case may be) claiming suspension; or

25.3.2 to the extent that the failure was caused by the Service Operator or that Telecom ROC (as the case may be) claiming suspension and such party has failed to remedy the event, and to resume the performance of such covenants or obligations, with reasonable dispatch; or

25.3.3 if the failure was caused by lack of funds; or

25.3.4 unless as soon as possible after the happening of the event relied upon or as soon as possible after determining that the event was in the nature of Force Majeure and would affect the claiming party's ability to observe or perform any of its covenants, conditions and agreements, the Service Operator or that Telecom ROC (as the case may be) claiming suspension shall have served on the Principal ROC (in the case of the Service Operator) or the Service Operator (in the case of that Telecom ROC) notice to the effect that it is unable by reason of Force Majeure (the nature whereof shall be therein specified) to perform the particular covenants and obligations.

25.4 The party claiming suspension shall likewise serve notice on the Principal ROC (in the case of the Service Operator), or the Service Operator (in the case of that Telecom ROC), as soon as possible after the Force Majeure shall have been remedied, to the effect that the same has been remedied and that such party has resumed, or is then in a position to resume, the performance of such covenants conditions and agreements.

25.5 Notwithstanding anything to the contrary in this Clause 25 expressed or implied, the parties agree that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the particular party involved therein and such party may make settlement thereof at such time and on such terms and conditions as it may deem to be advisable and no delay in making such settlement shall deprive such party of the benefit of Clause 25.1 hereof.

25.6 The Service Operator shall have the right to terminate this Agreement upon 60 days' prior notice served on the Principal ROC if the Service Operator is unable to substantially perform a material obligation under this Agreement due to any Force Majeure and such inability continues for a continuous period of 6 months PROVIDED THAT the Service Operator shall not be entitled to give such termination notice unless and until the Service Operator has negotiated or endeavoured to negotiate in good faith with the Principal ROC to remedy the Force Majeure relied upon or to amend the terms of this Agreement to enable this Agreement to remain in full force and effect notwithstanding such inability to observe or perform as aforesaid. The Principal ROC shall have the right to terminate this Agreement as far as it relates to a Telecom ROC upon 60 days' prior notice served on the Service Operator, if that Telecom ROC is unable to substantially perform a material obligation under this Agreement due to any Force Majeure and such inability continues for a continuous period of 6 months PROVIDED THAT the Principal ROC shall not be entitled to give such termination notice unless and until the Principal ROC has negotiated or endeavoured to negotiate in good faith with the Service Operator to remedy the Force Majeure relied upon or to amend the terms of this Agreement to enable this Agreement to remain in full force and effect notwithstanding such inability to observe or perform as aforesaid.

25.7 In the event of Partial Termination of this Agreement insofar as it relates to a Telecom ROC under Clause 25.6, this Agreement shall forthwith be construed as if the reference to the Telecom ROC specified in the Service Operator's notice under Clause 25.6 has been deleted from Item 1 of Schedule A. Where the Telecom ROC specified in the Service Operator's notice under Clause 25.6 is the Principal ROC, the Other ROCs shall forthwith after such Partial Termination appoint a new Principal ROC.

26. SCOPE OF AGREEMENT

26.1 For the avoidance of doubt this Agreement is intended to apply only to the Connection of the Service Operator's Network and each Telecom ROC's Network, and to the making available and provision of each Telecom ROC's Network Service, and to related matters and shall not be construed as conferring benefits on any third parties (including but not limited to the Service Operator's Customers or the Service Operator's End Users) except to the extent that the Agreement expressly confers specific rights, benefits and protections on:

26.1.1 Telecom Group and its officers, employees, contractors and agents;

26.1.2 the officers, employees, contractors and agents of the parties.

26.2 A Telecom ROC has no responsibility -

26.2.1 to convey Calls or Chargeable Calls to other networks if it does not have an agreement to do so with the operator of the network in question; or

26.2.2 for any Call once it is handed over to the Service Operator's Network.

27. NO PARTNERSHIP

27.1 The parties hereto declare that it is not the intention of any of them to enter into a joint venture with each other hereby and nothing herein shall be deemed to constitute a partnership between the parties hereto. The parties also declare it is not the intention to constitute the Service Operator the agent of a Telecom ROC or TCNZ for any purpose whatsoever or to constitute a Telecom ROC or TCNZ the agent for the Service Operator.

28. NON-WAIVER

28.1 If any party fails to perform any term of this Agreement and the other party does not then enforce that term, the failure to enforce on that one occasion shall not prevent enforcement unless waived and shall not prevent enforcement of that term on any other occasion.

29. SEVERABILITY

29.1 If any provision of this Agreement shall be considered to be invalid under any applicable statute or rule of law it shall be deemed to be omitted only to the extent that the same shall be in violation of such statute or rule of law and shall be enforced to the maximum extent possible. In addition, the invalidity of any particular provision shall not in any way affect the validity of any other provision.

30. ARBITRATION

30.1 Subject to Clause 30.3, if any dispute arises between the parties to this Agreement touching the construction, meaning or effect of this Agreement or the rights and liabilities of the parties to this Agreement, the parties shall meet to discuss the matter in dispute and shall negotiate in good faith to resolve the matter without recourse to arbitration.

30.2 Subject to Clause 30.3, if any such dispute has not been resolved between the parties within 7 days after the date on which the party claiming in such dispute gave notice to the other party, then, unless otherwise specifically agreed to in writing between the parties, such dispute shall be referred to arbitration by two arbitrators in New Zealand, one to be appointed by the Service Operator and one by the Principal ROC and in the event of the arbitrators differing, to an umpire who shall have been appointed by the two arbitrators before they enter upon their deliberations. Such arbitration shall be conducted in all respects in accordance with the provisions of the Arbitration Act 1908.

30.3 Notwithstanding anything in Clauses 30.1 and 30.2, any dispute referred to arbitration under Clause 6.9 shall forthwith be referred to one of the permanent arbitrators who have some expertise in accountancy and who are appointed by agreement of the Principal ROC and the Service Operator to act in relation to disputes referred to them pursuant to Clause 6.9 arising while they hold such office, until their retirement from the position to which they are appointed pursuant to this Clause 30.3 or until dismissal by either the Principal ROC or the Service Operator. Failing agreement on the appointment of a permanent arbitrator or permanent arbitrators, the permanent arbitrator (or permanent arbitrators, as the case may be) shall be appointed by the President for the time being of the Arbitrators Institute of New Zealand Inc.. If a permanent arbitrator during the period of his or her appointment is absent from New Zealand or is otherwise unavailable to act as the arbitrator, and there is not another permanent arbitrator to act in respect of such dispute then the Principal ROC and the Service Operator shall appoint another arbitrator ("the alternate arbitrator") to act in respect of disputes arising during that period of the permanent arbitrator's absence or unavailability or, failing agreement on the appointment of the alternate arbitrator, then the alternate arbitrator shall be appointed by the President for the time being of the Arbitrators Institute of New Zealand Inc.. The procedure to be followed in determining a dispute shall be determined by the permanent arbitrator (or the alternate arbitrator, as the case may be). The decision of the permanent arbitrator (or the alternate arbitrator, as the case may be) shall be final and binding. This clause shall be deemed to be a "submission" within the meaning of the Arbitration Act 1908.

31. GOVERNING LAW

31.1 The Agreement is made in New Zealand and shall be governed in all respects by and construed in accordance with the laws of New Zealand.

32. ENTIRE AGREEMENT

32.1 This Agreement contains the entire final understanding of the parties with respect to the subject matter expressly referred to in this Agreement and with respect to such subject matter, this Agreement shall prevail over all previous agreements, understandings or commitments between the parties or representations made by either party whether oral or written, and shall not be modified except in accordance with Clause 20.

SCHEDULE C

REFERENCE SCHEDULE

ITEM 1 - TELECOM ROC'S NETWORK SERVICE
(Clause 1.53)

[Example shown below]

(a) Telecom [Auckland]

"Telecom ROC's Network Service" in relation to Telecom [Auckland] means the following telecommunication services:

- 1.1 delivery of or, in those cases where a free Link is not available in the Service Operator's Network, the offer of delivery of Calls (which are originated in Telecom [Auckland's] Telecom ROC's Network (or which are delivered to Telecom [Auckland's] Telecom ROC's Network from another network pursuant to the provisions of Item 6 of this Schedule) and which are preceded by an Access Code) to the appropriate Service Delivery Point having regard to the Principle of Call Hand-over;
- 1.2 provision for each Call delivered to the Service Operator's Network pursuant to Clause 1.1 of Item 1(a) of this Schedule, of details in the signalling format defined in PTC 301 of either the called valid Telecom national number, or part of the number (as agreed between the parties) which the Service Operator's End User has dialled;
- 1.3 provision on multi-frequency compelled request by the Service Operator for each Call delivered to the Service Operator's Network pursuant to Clause 1.1 of Item 1(a) of this Schedule, of the calling number identification information in the format defined in PTC 301 (but not including any billing name and address), wherever this is available as part of normal automatic number identification service for the Telecom ROC's Telephone Exchange serving the relevant Point of Interconnection and Connected to the Service Delivery Point where such Call is delivered;
- 1.4 where the Telecom ROC's Telephone Exchange serving the relevant Point of Interconnection and Connected to the Service Delivery Point where the Calls are delivered pursuant to Clause 1.1 of Item 1(a) of this Schedule, operates on operator number identification, provision on multi-frequency compelled request by the Service Operator, for Calls delivered to the Service Operator without an A number, of a partial A number (toll groups, and where available, office codes);
- 1.5 where they are available, provision of appropriate line signals and information signals (other than those referred to Clauses 1.2, 1.3 and 1.4 of Item 1(a) of this Schedule) as defined in PTC 301 for each Call delivered pursuant to Clause 1.1 of Item 1(a) of this Schedule;
- 1.6 where the Service Operator's Network is unable to accept a Call offered to be delivered pursuant to Clause 1.1 of Item 1(a) of this Schedule, the provision by Telecom Auckland of advice to the Service Operator's End User who has originated that Call of that fact by way of a recorded message, the contents of which message shall be agreed between the Service Operator and the Principal ROC;
- 1.7 acceptance of:
 - 1.7.1 all Calls delivered to Telecom [Auckland's] Telecom ROC's Network from the Service Operator's Network in accordance with the Principle of Call Hand-over for which a Telecom number is provided in the format of the Telecom national call prefix "0" followed by a valid Telecom national number and delivery or offer of delivery of such Call to the destination designated by the Telecom national number;
 - 1.7.2 all Calls delivered to Telecom [Auckland's] Telecom ROC's Network from the Service Operator's Network in accordance with the Principle of Call Hand-over for which an international number is provided in the format of the Telecom international call prefix "00" followed by an appropriate international number, and onwards switching towards the country designated by the international number;

1.8 provision of standard operator services such as 120 fault service, 124 cable location and 0155 seven-digit numbering help desk for use by Service Operator's End Users;

1.9 provision of domestic directory services (wherever there is a free operator available), for Service Operator's End Users who originate Calls to Telecom Group's domestic directory services from the Service Operator's Network.

ITEM 2 - SERVICE DELIVERY POINTS (Clause 1.39)

Street address and specific location of each Service Delivery Point and End Date for each Service Delivery Point to be described for each Telecom ROC.

ITEM 3 - INTERCONNECT LINKS (Clause 1.19)

Number of Interconnect Links and location, Installation Date and End Date of each Interconnect Link to be described for each Telecom ROC.

ITEM 4 - POINTS OF INTERCONNECTION (Clause 1.32)

Description of each Point of Interconnection for each Telecom ROC by reference to a map showing the area constituting the Point of Interconnection.

ITEM 5 - ACCESS CODE (Clauses 1.1 and 8)

ITEM 6 - THIRD PARTY NETWORKS

1.1 All Calls from Telecom Group's international network to be delivered to the Service Operator's Network will be transmitted from the international gateway exchanges of Telecom Group situated at Auckland or directly to Telecom Auckland's Telecom ROC's Network and will be handed over to the Service Operator's Network at the Service Delivery Point Connected to the Telecom ROC's Telephone Exchange serving the Point of Interconnection at Auckland.

1.2 A Call from the Telecom Cellular Limited network to be delivered to the Service Operator's Network will be handed over to the Service Operator's Network at the Service Delivery Point Connected to the Telecom ROC's Telephone Exchange which is closest (in terms of design and use of that Telecom ROC's Network), to the exchange which switches the Call delivered from the Telecom Cellular Limited network to that Telecom ROC's Network.

1.3 The parties acknowledge that from time to time networks other than those referred to in Clauses 1.1 and 1.2 of Item 6 of this Schedule may wish to deliver traffic to a Telecom ROC's Network for delivery to the Service Operator's Network. The parties further acknowledge that the arrangements for delivery of such traffic by a Telecom ROC to the Service Operator, in particular with respect to the Service Delivery Point at which such traffic shall be handed over to the Service Operator, shall be agreed between the parties and necessary amendments to this Agreement shall be made in accordance with Clause 20.1.

1.4 The parties further acknowledge that from time to time networks other than Telecom Group's international network, the Telecom Cellular Limited network, the Telecom Paging Limited

network and an Other ROC's Network, may wish to accept traffic which is delivered from the Service Operator's Network to a Telecom ROC's Network for delivery to that other network. The arrangements for delivery of such traffic by the Service Operator to a Telecom ROC's Network, in particular with respect to the Service Delivery Point at which such traffic shall be handed over by the Service Operator, shall be agreed between the parties and necessary amendments to this Agreement shall be made in accordance with Clause 20.1.

SCHEDULE D

SERVICE OPERATOR'S NETWORK SERVICE - (Clause 1.45)

[]

SCHEDULE E

PTC SPECIFICATIONS - (Clause 1.37)

ITEM 1 - APPLICABLE SPECIFICATIONS

[]

ITEM 2 - EXCLUSIONS AND QUALIFICATIONS

[]

ITEM 3 - ANSWER LINE SIGNALS - (Clause 1.8.2)

[]

SCHEDULE F

TESTING PROCEDURES AND PROCEDURES FOR NOTIFICATION OF FAULTS - (Clauses 13.4 and 15)

ITEM 1 - PLANNED OUTAGES

1.1 The Principal ROC and the Service Operator shall establish procedures for the notification of planned outages which affect a Telecom ROC's Network Service. Such procedures shall cover:

- 1.1.1 the period of notice of such outages;
- 1.1.2 the restoration of the Telecom ROC's Network Service following the planned outage.

The parties shall comply with the procedures so agreed.

1.2 It is agreed that any notice of planned outages shall include details of the date, time and expected duration of the outage and details of the extent of the outage.

ITEM 2 - ALARMS, UNPLANNED OUTAGES AND FAULT CORRECTION

1.1 The Principal ROC and the Service Operator shall agree procedures for the notification:

- 1.1.1 by the Principal ROC to the Service Operator of the existence and clearance of alarms and unplanned outages in a Telecom ROC's Network affecting an Interconnect Link and its operation;

1.1.2 by the Service Operator to the Principal ROC of the existence and clearance of alarms and unplanned outages in the Service Operator's Network affecting the operation of an Interconnect Link and its operation; and the parties shall comply with the procedures so agreed.

1.2 Each Telecom ROC shall execute appropriate testing to localise and isolate faults in that Telecom ROC's Network.

1.3 The Service Operator shall execute appropriate testing to localise and isolate faults in the Service Operator's Network.

1.4 The Principal ROC and the Service Operator shall, where necessary, liaise and co-operate in assisting in the testing described in Clauses 1.2 and 1.3 of this Item 2 of this Schedule.

1.5 Where a fault in a Telecom ROC's Network occurs:

1.5.1 that Telecom ROC shall apply restoration priorities to the Service Operator which are comparable to those which apply to other customers of that Telecom ROC;

1.5.2 that Telecom ROC shall apply response times to the Service Operator which are comparable to those which apply to other customers of that Telecom ROC.

ITEM 3 - NORMAL TRAFFIC PATTERNS - (Clause 4.2.4)

1.1 For the purposes of Clause 4.2.4, distortion of normal traffic patterns will occur where the traffic patterns are such as to cause instability, congestion or other operational problems in a Telecom ROC's Network.

SCHEDULE G

SERVICE OPERATOR'S PREMISES - (Clause 14.1)

Legal description including (where appropriate) plan of floor area comprising Service Operator's Premises licensed to each Telecom ROC.

SCHEDULE H

TECHNICAL REQUIREMENTS - (Clauses 13.5 and 13.7)

ITEM 1 - NUMBERING PLAN

The Service Operator shall provide to the Principal ROC full details of all of the number series used in or in connection with the Service Operator's Network Service from time to time, including the number of digits used in each number series.

ITEM 2 - QUANTISING DISTORTION UNIT ALLOWANCE

The quantising distortion unit allowance for the Service Operator's Network shall not exceed 2.5 QDUs.

SCHEDULE I

CATCHMENT AREAS - (Clause 3.2)

Location of Point of Interconnection	Local calling areas served by Point of Interconnection
---	---

CHARGES - (Clause 5)

(All charges in the Schedule exclude GST)

ITEM 1 - INTERCONNECT LINK CHARGES

(a) Interconnect Link Charge - Within a Point of Interconnection

The charges for Interconnect Links within a Point of Interconnection set out in The Telecom List of Charges.

(b) Interconnect Link Charge - Outside a Point of Interconnection

The charges for Interconnect Links outside a Point of Interconnection set out in The Telecom List of Charges.

ITEM 2 - CALL CHARGES

The Call charges set out in The Telecom List of Charges.

ITEM 3 - ANI CHARGES

The ANI Charges set out in The Telecom List of Charges.

SCHEDULE K

GUARANTEE

ITEM 1 - GUARANTOR - NAMES AND DESCRIPTIONS

ITEM 2 - GUARANTEE COVENANTS

In consideration of Telecom at the request of the Guarantor entering into this Agreement with the Service Operator, the Guarantor covenants and agrees with Telecom that:

1.1 the Guarantor guarantees to Telecom that the Guarantor will be with the Service Operator jointly and severally liable to Telecom for the due payment of all moneys to be paid by the Service Operator under this Agreement and the due performance and observance by the Service Operator of all the covenants terms and conditions of this Agreement on the part of the Service Operator to be performed and observed;

1.2 the Guarantor will indemnify Telecom and agrees at all times hereafter to keep Telecom indemnified from and against all losses and expenses which Telecom may suffer or incur in consequence of any breach or non-observance of any of the covenants terms and conditions of this Agreement on the part of the Service Operator to be performed or observed and the Guarantor agrees that the Guarantor shall remain liable to Telecom under this indemnity notwithstanding that as a consequence of such breach or non-observance Telecom has exercised any of its rights under this Agreement and notwithstanding that the Service Operator may be wound up or dissolved or (being a natural person) may be declared bankrupt or insolvent and notwithstanding that the guarantee given by the Guarantor may for any reason whatsoever be unenforceable either in whole or in part;

1.3 on any default or failure by the Service Operator to observe and perform any of the covenants terms and conditions of this Agreement the Guarantor will forthwith on demand by Telecom pay the moneys payable pursuant to this Agreement and make good to Telecom all losses and expenses sustained or incurred by Telecom by reason or in consequence of any such default or failure by the Service Operator in the payment of moneys payable pursuant to this Agreement or in performing or observing any of the covenants terms and conditions of this Agreement without the necessity of any prior demand having been made on the Service Operator;

1.4 the liability of the Guarantor under this guarantee and indemnity shall not be affected by the granting of time or any other indulgence to the Service Operator or by the compounding compromise release abandonment waiver variation or renewal of any of the rights of Telecom

against the Service Operator or by any neglect or omission to enforce such rights or by any other thing which under the law relating to sureties would or might but for this provision release the Guarantor in whole or in part from this obligation under this guarantee;

1.5 notwithstanding that as between the Guarantor and the Service Operator the Guarantor may be a surety only nevertheless as between the Guarantor and Telecom the Guarantor shall be deemed to be a principal debtor jointly and severally with the Service Operator;

1.6 to the fullest extent permitted by law the Guarantor hereby waives such of the rights of the Guarantor as surety or indemnifier (legal equitable statutory or otherwise) which may at any time be inconsistent with any of the provisions of this guarantee and indemnity;

1.7 the covenants and agreements made or given by the Guarantor shall not be conditional or contingent in any way or dependent upon the validity of enforceability of the covenants and agreements of any other person and shall be and remain binding notwithstanding that any other person shall not have executed or duly executed this Agreement or this guarantee and indemnity;

1.8 the obligations of the Guarantor under this guarantee and indemnity shall continue to remain in force until moneys payable pursuant to this Agreement shall have been paid and until all other obligations and indemnities shall have been performed observed and satisfied and such obligations shall not be reduced or affected by any termination of this Agreement or the death insolvency liquidation or dissolution of the Service Operator or the Guarantor or any of them.

SCHEDULE L

LIST OF SCHEDULES TO THIS AGREEMENT - (Clause 1.38)

SCHEDULE A	-	List of Telecom ROCs
SCHEDULE B	-	Terms and Conditions of Interconnection
SCHEDULE C	-	Reference Schedule
SCHEDULE D	-	Service Operator's Network Service
SCHEDULE E	-	PTC Specifications
SCHEDULE F	-	Testing Procedures and Procedures for Notification of Faults
SCHEDULE G	-	Service Operator's Premises
SCHEDULE H	-	Technical Requirements
SCHEDULE I	-	Catchment Areas
SCHEDULE J	-	Charges
SCHEDULE K	-	Guarantee
SCHEDULE L	-	List of Schedules to this Agreement.

3. DISCOUNTS

3.1 Commercial Terms

- 3.1.1 In the course of commercial negotiations with a network operator, Telecom has agreed that the price for local telephone calls as at August 1990 would apply to that network operator for a period of two years from March 1991. Hence the local call charging rate for that network operator is 3 cents (excluding GST) per minute Monday to Friday (8.00 am - 10.00 pm) and 0.5 cents per minute (excluding GST) every day (10.00 pm - 8.00 am) Saturday, Sunday and national holidays.

This agreement arises out of a price stability agreement with that network operator. The overall financial effect of this agreement will vary according to traffic volumes generated by the network operator and the time of day of such traffic.

- 3.1.2 In the course of commercial negotiations with a network operator, Telecom has agreed to a rebate for international calls, in recognition of the reduction in Telecom's exposure to bad debt as a result of the network operator being a customer of all ROCS [and the origination of calls by the service operator (if applicable)]. The maximum aggregate discount of these provisions in respect of international calls is less than 10%.

- 3.1.3 In the course of commercial negotiations with a service operator, Telecom has agreed to a rebate on the charges payable for Telecom Group services according to the following principles:

Total annual expenditure by the Service operator on Telecom Group services (excluding GST):

\$5M and less	Nil rebate
Between \$5M and \$10M inclusive	2.5%
Between \$10M and \$15M inclusive	5%
More than \$15M	6%

When determining the total expenditure for the purposes of the rebate, the following principles apply:

- Any amounts not paid promptly are disregarded;
- Penalty interest payments for late payment by the Service Operator are disregarded;
- Sums subject to dispute between the parties and later refunded to the Service Operator are disregarded;
- Sums paid further to another rebate provision are disregarded

