

COMMERCIAL TERMS & CONDITIONS INCL. PRICE LIST OF xDSL IMPROVED SERVICE SUPPORT

Effective as from: 5 January 2007

Ref. code 754774/2006-SPDU-F

Article 1

Preamble

- (1) The Commercial Terms & Conditions incl. Price list of O2 Internet Expres (hereinafter referred to as „OP“) provided in the Czech Republic by Telefónica O2 Czech Republic, a.s. with registered office at Olšanská 55/5, 130 34 Praha 3, recorded in Company Register at City Court in Prague, Section B, Entry 2322, identification code 60193336, tax code CZ60193336 (hereinafter referred to as the „Provider“) define the basic operating, organisational and commercial conditions for the provision of a complementary service, xDSL Improved Service Support (hereinafter referred to as the „Service“). The document contains details about the subject and scope of the Service as well as the conditions of installation and provision. The terms and conditions represent a binding document for the customer of the Service (hereinafter referred to as the „Customer“) as well as for Telefónica O2 Czech Republic, a.s., the provider of the Service.
- (2) Prices of provision of the Service are set forth in Article 6 herein.

Article 2

Service description

- (1) The Service is installed and delivered as a complementary service to a primary service, O2 Internet Expres.
- (2) The subject of the Service includes a Provider commitment to remove faults of O2 Internet Expres within an agreed period of time. The Service is provided in the following options:
 - a) Repair of faults by the next work day after reported, at the latest 18:00 (xDSL Improved Service Support 1);
 - b) Repair of faults by the next work day after reported, at the latest 12:00 (xDSL Improved Service Support 2).
- (3) The subject of the service under the Terms and Conditions does not include:
 - repair of faults on the Customer's internal network distribution between the terminal point of the network and the end-user equipment or on the end-user equipment not covered by these Terms and Conditions (see Article 3: definition of term *customer's end-user equipment*) ;
 - repair of faults on the subscriber's line;
 - repair of faults of the Customer's hardware or software (e.g. server, operating system incl. system set up);
 - repair of faults caused by power-cut in power supply controlled by the Customer;
 - repair of faults caused by Customer intentionally or by omission / negligence or by a person authorised by the Customer;
 - repair of faults caused by the Customer's breach of the T&C and working instructions from the Provider and the manufacturer of end-user equipment;
 - repair of faults caused by unprofessional intervention of a third party, allowed or enabled by the Customer to access the end-user equipment or the O2 Internet Expres service;

- repair of faults caused by natural elements (flood, fire, earthquake, large-scale power cut etc.), war or terrorist attack or other events independent of the will of the Provider or Customer (Acts of God).

The above types of repair can be conducted by the Provider following an agreement with the Customer at rates set out in the Provider price lists.

Article 3

Definition of terms

Start of fault

In order to identify the length of the repair process, start of fault is defined as a point at which a specific fault is reported to the Provider's point of contact.

Repair action

Repair action means performance of work leading to the direct localisation and subsequent fixing of a fault - no matter whether this involves reconfiguration of DSLAM, repair of dysfunctional elements in the Provider's backbone, adjustment of aggregation points or replacement of defective end-user equipment (modem, router or splitter).

Interruption of fault

If the fault requires access to the network's point of termination or to the Customer's end-user equipment located in the Customer's premises, the Customer must enable the Provider and all personnel authorised by the Provider (authorised person/s) to access the equipment. If the access is not enabled the time during which the Provider is not able to access the technology will be excluded from the calculation of fault repair time.

Fault

Means a state in which O2 Internet Expres cannot be used for the defined purpose under the Operating Terms and Conditions for the Provision of Public Internet Access (hereinafter referred to as „Operating Terms and Conditions“) i.e. it is not possible to access the Internet via O2 Internet Expres.

End of fault

By fixing the fault it is deemed as closed. This means that the functionality of O2 Internet Expres has been restored.

Planned traffic outage

Outage in the Service, reported to the Customer in advance, caused by planned repair or deployment of new service functionalities or by review or audit of the Provider's electronic communications network is not regarded as fault under the T&C and will be excluded from the repair time hereunder. All planned traffic outages must be communicated to the Customer at least three (3) days in advance as set forth in these T&C and must not exceed in total ten (10) days per calendar year.

Fault response contact

To be able to communicate with the Provider, the Customer shall identify a contact e-mail address or contact telephone number, to which all announcements relating to the fault repair, especially the announcement of closing the fault will be sent.

Customer's end-user equipment

The relevant end-user equipment subject to the T&C includes modem, router and splitter owned by the Customer, brand and type displayed on the Provider's Internet site. The Service does not apply to end-user equipment, leased / rented or connected to the Provider network via POTS. Server, PC and other hardware of the Customer are not regarded as the Customer's end-user equipment.

Article 4

Service characteristics and service provision conditions

- (1) The Provider starts the fault repair process from the point of reporting to the Provider's point of contact. The point of contact for the acceptance of fault reports is the Technical Support line, phone no. 800 184 084.
- (2) When reporting a fault, the Customer must specify his/her identification, the phone no. of the connected line on which the Service is installed, reference number and details about the fault. The operator at the Provider's technical support will conduct some preliminary diagnostics to confirm the date / time of acceptance of the fault.
- (3) In the case the removing or localisation of a fault requires some action in the Customer's premises, the Provider will inform the customer of the time/date of visiting the Customer via fault reply.
- (4) The closing of each fault will be communicated to the Customer via fault reply.
- (5) Fault repair is a direct physical action conducted by a competent employee of the Provider in the Customer location or via remote access. The action involves transport, execution of repair or de-installation of defective end-user equipment (and installation of new equipment). Each employee dispatched to the Customer for repair will introduce himself by name showing his belonging to the Provider.
- (6) If the repair of end-user equipment cannot be done on site, the Provider will replace the defective equipment by equivalent different equipment. Equivalent equipment means a type of equipment from the Provider's current portfolio functionality of which is identical or more advanced than of the defective equipment. The end-user equipment is therefore divided into three groups: (G1) one-port and combo modems / routers, (G2) multiple modems / routers, (G3) multiple modems / routers with WiFi support. Detailed group definition is attached hereto. The Customer has the right to refuse the offered equivalent, regarded from this point as the closure of the fault.
- (7) Within a 12-month period the Provider shall replace the maximum of three pieces of end-user equipment. Should the Customer exhaust the three options, he cannot require any further fault repair by replacement of end-user equipment. In such a case the Provider will offer a relevant type of equipment from the current Provider portfolio. The Customer has the right to refuse the offered type, regarded from this point as the closure of the fault.
- (8) When replacing the end-user equipment the ownership right to the new equipment, replacing the defective equipment, will be transferred to the Customer while the ownership right to the defective equipment will go to the Provider.
- (9) If the Customer is not an owner of end-user equipment to be replaced, he must report this immediately to the Provider. Otherwise, he will be held responsible for any damage caused to the Provider and the third parties. The Provider is entitled to demand from the Customer some evidence of ownership of the relevant end-user equipment, namely the warranty sheet or receipt.
- (10) The following time sections will be excluded from the measuring of fault duration:
 - Time from 18:00 till 7:30 and weekends and bank holidays;
 - Time of fault which is not subject to the Service, Article 2 para 3;
 - Time interval during which the Provider/Provider's authorised personnel is denied access the Customer premises;
 - Time needed for the coordination of work on the Customer part;

- Idle time needed for waiting for checking the functionality of Customer's / third party's facilities (internal distribution, software or hardware of the Customer etc.);
- Duration of some event occurred independently of the Provider's will keeping the Provider from honouring his commitments which cannot be averted or consequences of which cannot be overcome or averted or which has been predicted at the time of creation of commitment (Acts of God);
- Duration of planned traffic outage.

(11) The Service is provided solely for makes, types and product lines of end-user equipment set forth in the Provider's service list effective from the signing of relevant Service Provision Contract.

Article 5

Contract

- (1) The Service can be ordered in a single package together with the primary service, O2 Internet Expres or additionally to an existing service, O2 Internet Expres, as specified in the Operating conditions. Service ordered in one package together with the primary service O2 Internet Expres is regarded as installed on the installation of the primary service, O2 Internet Expres. When ordered to an existing service, the Service will be regarded as installed on the 15th day from the ordering.
- (2) The contract on the Service will be concluded with the Customer's obligation for the period of 12 months from the date of the Service activation. The Provider may require the Customer to pay the price of the Customer's end-user equipment that was exchanged as a part of the Service pursuant to the Article 4 Clause 6 of this OP with the exemption of the exchanges provided as a part of the Provider's guarantee regarding to the sale of the Customer's end-user equipment, in case of terminating the contract on the Services before the end of the period of 12 months from the date of the Service activation for the reasons on the Customer's side.
- (3) The Provider has the right to refuse the provision of the Service if he assumes that the reliability of the operation (traffic) of O2 Internet Expres is not sufficient.
- (4) In the case the Provider fails to remove a fault within the agreed period i.e. three consecutive billing periods, the Customer shall have the right to terminate the Service contract.

Article 6

Prices, pricing and payment conditions of the Service

1. Monthly charges

Monthly charges	Price (excl. VAT) CZK per bill. period	Price (incl. 19% VAT) CZK per bill. period
ADSL 1 Improved Service Support repair of fault by next work day, 18:00	399	474,81
ADSL 2 Improved Service Support repair of fault by next work day, 12:00	599	712,81

Billing period means a time period of at least 35 calendar days, which may not necessarily correspond with the calendar month. If the Service is installed or de-installed within a time period shorter than one calendar month the charges will be calculated pro-rata, taking a 30-day month as a base. The billing period is identical with that of the primary service, O2 Internet Expres, to which the Service is installed as a complementary service. Service charges are applied within the public electronic communications service, O2 Internet Expres. Payment conditions are ruled by the General Terms and Conditions of Provision of Public Services incl. convergent services, electronic fixed and mobile communications services provided by Telefonica O2 Czech Republic, a.s.

2. One-off charges

One-off action	Price in CZK (excl. VAT)	Price in CZK (incl. 19% VAT)
Installation of Service	0	0
Change of Service option	0	0

3. Sanctions

Sanctions for delay in fixing the fault	Amount
Provider delay per hour (incl. incomplete hour)	5 % of monthly price (maximum is 200 %)

If the event the Provider fails to meet the agreed time frame for the fixing of a fault, the Customer will be eligible to compensation in the form of sanction for each initiated hour of delay. The sanction will amount to 5 % of monthly Service charges - the maximum is the double of monthly Service charges per fault. The agreed penalty (sanction) will be displayed on the relevant Service bill after the closure of the fault.

Article 7**Final provisions**

- (1) The Provider reserves the right to change and/or amend the Terms and Conditions following changes to the technical, operational, commercial or organisational conditions on the part of the Provider or due to a change to universal rules and regulations.
- (2) The Terms and Conditions come into effect as from 5 January 2007.
- (3) After the signature of the Service contract, the Terms & Conditions become an integral part hereof.
- (4) All legal relations established on the basis of the Terms & Conditions are ruled by Act 513/1991 of Coll. (Business Code) incl. later amendments.
- (5) All legal relations not expressly described in the Terms & Conditions shall be ruled by the General Terms and Conditions of Provision of Public Services incl. convergent services, electronic fixed and mobile communications services provided by Telefónica O2 Czech Republic, a.s., Operating Conditions for Provision of Public Internet Access as well as the General Claiming Rules issued by the Provider.
- (6) The Terms & Conditions will be available in all points reserved by the Provider for customer contact.

In Prague, 5 January 2007

Oscar Gómez Garcia
Director of Product and Service Development
Telefónica O2 Czech Republic, a.s.