

Terms and Conditions relating to the hire of Equipment

‘Schedule 2’

5.7 Lily warrants to the Customer that Fixed Network Services will be provided using reasonable care and skill. The Customer agrees that Lily cannot guarantee that the Fixed Network Services will work without interruption and will be fault or error free. Any interruption, fault or error with the Fixed Network Services must be notified to Lily in accordance with clause 5.8.

5.8 The Customer shall notify Lily of any interruption, fault or error with the Fixed Network Services in accordance with Lily's Fault Handling Policy (available at <http://www.lilycomms.co.uk/legal>) as amended from time to time. Lily shall use reasonable endeavours to correct or cure any interruption, fault or error with the Fixed Network Services in accordance with Lily's Fault Handling Policy, save that time shall not be of the essence.

5.9 Notwithstanding any other provision of these Conditions, Lily shall not be liable to the Customer in contract, tort (including negligence) or otherwise for any acts or omissions of Carriers that may (wholly or partially) cause, impact or result in any interruption, fault error with or withdrawal of (temporarily or permanently) the Fixed Network Services.

5.10 All and any telephone numbers allocated to the Customer in connection with the Fixed Network Services may be withdrawn by OFCOM and accordingly Lily does not warrant or represent that such telephone numbers can be provided to the Customer. The Customer acknowledges and agrees that any telephone numbers allocated to it are allocated on the basis of a licence and the Customer agrees not to sell or transfer any telephone number provided to it (except where the Customer has a right to port that telephone number).

5.11 In relation to the use of the Fixed Network Services the Customer agrees:

- to ensure that the Fixed Network Services are not used to make offensive, indecent, menacing, nuisance or hoax calls;
- not to use the Fixed Network Services in anyway that may, in Lily's reasonable opinion, damage its reputation;
- not to contravene any laws, regulations or codes of conduct that may, from time to time, be applicable to the use or supply of the Fixed Network Services;
- to implement and maintain appropriate security and control over its networks, equipment and business to prevent fraud and to prevent calls being generated by third parties;
- to maintain adequately all equipment utilised in connection with the Fixed Network Services and ensure its compatibility in terms of technical specification;
- not to use nor permit the Fixed Network Services to be used in any way that would constitute or contribute to the commission of any crime, tort, fraud or other unlawful activity;
- not to allow any unauthorised use of the Fixed Network Services and to take all reasonable security measures to prevent such use;
- not to sell or resell the Fixed Network Services in whole or in part;
- not to misuse the Fixed Network Services in any way, including without limitation causing the volume of calls made to the telephone numbers allocated to the Customer to significantly exceed that which can be answered by the Customer where this would cause congestion to a network;
- that Lily may publish details of the Customer's name, address and telephone number(s) in the Directory Enquiries Service, unless the Customer expressly confirms to Lily in writing that it would like a special entry to be made, for which Lily may make an additional charge;
- that to the extent the Fixed Network Services contain VOIP services, clause 6.12 shall also apply save that references in that clause to Data Services shall be deemed to be references to Fixed Network Services;
- in order to protect the Customer against unauthorised transfer of Fixed Network Services, in the event that the Customer fails to contact Lily not less than 48 hours prior to any transfer date in accordance with Lily's Customer Transfer Preference Policy, Lily may cancel any order made with a third party supplier;
- and undertakes not to cause any attachments to be connected (directly or indirectly) to the Fixed Network Services, other than those that meet the appropriate essential requirements of the Radio Equipment and Telecommunications Terminal Equipment Regulations 2000 and any other requirements or standards under applicable law or as prescribed in the description of the Fixed Network Services published from time to time.

5.12 Any equipment installed or supplied by Lily to the Customer in connection with the Fixed Network Services (including but not limited to handsets) shall, except for equipment purchased by the Customer under clause 4, at all times remain the property of Lily. Clause 4.3 shall apply to such equipment as if it were deemed to be Equipment. The Customer shall return such equipment to Lily immediately on request and shall be liable for costs, losses, damages and expenses incurred by Lily for the repair, recovery and replacement of such equipment. 5.13 Upon termination of the Fixed Network Services Contract (for whatever reason), the Customer shall return any handsets installed or supplied by Lily to the Customer in connection with the Fixed Network Services at the Customer's cost. If such handsets are not returned within seven days following the termination of the Fixed Network Services Contract, Lily reserves the right to charge the Customer a fee in respect of each handset, as specified in the Tariff.

5.14 Lily shall be entitled to make additional charges in the event that the Customer supplies inaccurate or misleading information to Lily or if the results of any survey reveal additional construction work is required in order for Lily to supply the relevant Fixed Network Services.

5.15 Where the transfer of lines and services of another supplier occurs, then the provision of any and all relevant existing services supplied to the Customer by such supplier will automatically transfer to Lily and will be charged for by Lily in accordance with the Tariff.

5.16 The Customer acknowledges and accepts that it is liable for any charges (including without limitation any early termination charges) made by third party suppliers for any transfer of lines and services or otherwise, unless it is clearly stated on the Order Form that Lily will pay for such charges in which case Lily will pay for such charges but limited to those specifically as set out on the Order Form.

5.17 The Customer accepts and acknowledges that Lily will prior to the Handover Date have spent a significant amount of time and incurred expense in preparation for the provision of the Fixed Network Services to the Customer. In the event that the Customer terminates the Contract for Fixed Network Services prior to the Handover Date it shall pay to Lily £500 plus vat. This clause 5.17 shall not apply where the Customer is a Small Business Customer. Where the Customer is a Small Business Customer, the Customer may terminate a Contract for Fixed Network Services at any time prior to commencement of the supply of such Services.

5.18 The following provisions of this clause 5.18 shall apply in the event that after the Handover Date the Customer terminates the Contract for Fixed Network Services in breach of contract prior to the expiry of the Minimum Term or the Extended Terms as the case may be

- In this clause 5.18 Remainder of the Term means (where the Customer terminates or is deemed to have terminated the Contract in breach of contract) the period that the Contract would have had left to run if the Customer had instead terminated it at the earliest following opportunity without being in breach of contract.
- Save where the Customer has contracted for the supply of line rental only, a Customer agrees that it shall not on lines contracted to be billed by Lily use those lines for calls charged for by another supplier. If in breach of this clause the Customer does use lines supplied by Lily for the carriage of calls charged for by another supplier the Customer shall be deemed to be in breach of the Contract for the supply of Fixed Network Services and at Lily's option the Customer shall be deemed to have terminated the Contract for Fixed Network Services in breach of contract and the provisions of this clause 5.18 shall apply.
- If in breach of contract the Customer terminates a Contract for Fixed Network Services before the end of the Minimum Term or where applicable the end of an Extended Term (as the case may be), the Customer shall be liable to pay to Lily an amount calculated in the following manner:
 - (by reference to line rental) the sum that it would have paid to Lily for the rental of the lines for the Remainder of the Term calculated at the rate then applying at the time of termination; plus
 - (by reference to call charges) either the sum of £500 or if greater the average of the monthly charges for calls incurred by the Customer for the three whole months prior to the termination of the Contract multiplied by the period of the Remainder of the Term (expressed in months)
- The Customer agrees not to use in connection with the Fixed Network Service provided by Lily any telephone number that the Customer does not have the legitimate right to use. In this regard the Customer shall not "present out" any telephone number that it does not have the right to use; such as a telephone number of a competitor.
- Where Lily grants to the Customer a Hosted Sub Licence it shall terminate at the point when Lily ceases to provide to the Customer the Fixed Network Services in respect of which the Hosted Sub Licence was granted and the Hosted Sub Licence and all rights in the Hosted Sub Licence shall revert to and be owned in their entirety by Lily.

6. TERMS APPLICABLE TO DATA SERVICES

6.1 Subject to clause 6.6, the supply of the Data Services shall commence on the Commencement Date and shall continue for the Minimum Term.

6.2 Subject to the remaining provisions of this clause if the Commencement Date for the provision of Data Services has not occurred prior to the first anniversary of the Contract Date for the Data Services then the Contract in respect thereof shall be deemed to have terminated. Lily may by giving written notice to the Customer extend the period referred to in this clause by six months if the reason why the Commencement Date has not occurred is outside of the control of Lily. Further, the period may be extended in any such period as Lily and the Customer agree. The rights of the parties that have accrued prior to such termination shall not be affected by such termination.

6.3 Subject to clause 6.5 the Data Services Contract shall automatically extend for three years (Extended Term) at the end of the Minimum Term and at the end of each Extended Term. Either party may give notice in writing to the other party no later than 90 days before the end of the Minimum Term or of the end of the relevant Extended Term, to terminate the Data Services Contract at the end of the Minimum Term or the relevant Extended Term, as the case may be.

6.4 If for any reason clause 6.3 is deemed to be unreasonable and unenforceable by way of a final court judgment, then this clause 6.4 shall apply. Subject to clause 6.5 the Data Services Contract shall automatically extend for 12 calendar months (Extended Term) at the end of the Minimum Term and at the end of each Extended Term. Either party may give notice in writing to the other party no later than 90 days before the end of the Minimum Term or of the end of the relevant Extended Term, to terminate the Data Services Contract at the end of the Minimum Term or the relevant Extended Term, as the case may be.

6.5 Where the Customer is a Small Business Customer, the Customer may terminate the Data Services Contract by giving not less than 90 days notice in writing to Lily, such notice to expire no earlier than the end of the Minimum Term.

6.6 The provision of any Data Services by Lily under a Data Services Contract is conditional on:

- Lily carrying out such surveys as it considers necessary to satisfy itself that it is feasible for it to supply the Data Services and Lily being satisfied with the results of such surveys;
- Lily not being prevented by circumstances and factors outside of its control from being able to supply the Data Services. Examples of such circumstance and factors include (without limit) the infrastructure not being able to support the Data Services, the Customer not obtaining the necessary permission from third parties such as a landlord to install the necessary infrastructure, or a public body such as a local authority or highways authority withholding consent to the installation of the infrastructure where such consent is required;
- the installation of the lines over which the Data Services are to be provided and such lines being fully operational; and
- the Customer providing to Lily to its satisfaction accurate information and data to enable Lily to calculate the Charges and to carry out or commission a site survey.

6.7 Lily warrants to the Customer that Data Services will be provided using reasonable care and skill. The Customer agrees that Lily cannot guarantee that the Data Services will work without interruption and will be fault or error free. Any interruption, fault or error with the Data Services must be notified to Lily in accordance with clause 6.8.

6.8 The Customer shall notify Lily of any interruption, fault or error with the Data Services in accordance with Lily's Fault Handling Policy (available at <http://www.lilycomms.co.uk/legal>) as amended from time to time. Lily shall use reasonable endeavours to correct or cure any interruption, fault or error with the Data Services in accordance with Lily's Fault Handling Policy, save that time shall not be of the essence.

6.9 Notwithstanding any other provision of these Conditions, Lily shall not be liable to the Customer in contract, tort (including negligence) or otherwise for any acts or omissions of suppliers that may (wholly or partially) cause, impact or result in any interruption, fault or error with, or withdrawal of (temporarily or permanently), the Data Services.

6.10 In relation to the use of the Data Services the Customer agrees and where appropriate accepts:

- to comply with the obligations in clauses 5.11(a) to 5.11(i) (inclusive) as if references in those clause to Fixed Network Services were references to Data Services;
- not to misuse the Data Services in any way, including sending or receiving data in such a manner or volume so as to exceed agreed usage limits or so as to adversely affect the network, Lily or its other customers;
- that the speed of any Data Services or connection depends on a number of factors beyond Lily's control (including external factors and physical factors) (such as local availability, the distance from the exchange and peak traffic volume) and that Lily does not warrant or represent that the Customer's connection(s) will produce the maximum advertised speed; that except where stated otherwise in the Order Form, the Data Services do not include the supply by Lily of lines, modems and other equipment that might be required by the Customer to utilise the Services nor advice on these unless Lily is specifically engaged to do so under a separate contract which shall be in addition to the provision of Data Services under the Data Services Contract;
- to comply with Lily's Fair Use Policy (available at <http://www.lilycomms.co.uk/legal>) as amended from time to time;
- to provide suitable space and environment at the Site for the equipment used in the provision of the Data Services (such as sufficient cooled space on a rack) and to do so in a timely manner. Compliance by the Customer with this clause shall be entirely at the Customer's cost.
- In respect of any router supplied by or on behalf of Lily for a managed internet Ethernet circuit unless otherwise specifically agreed with Lily:
 - the router will be provided in a routed IP configuration and its sole purpose is to create an interface for the Customer to plug equipment into and it is not to be used for any other purpose;
 - the router is the demarcation point at which the responsibility for the provision of Data Services by Lily ends;
 - access to the command interface of the router (which would be required to configure the router) will not be provided to the Customer, nor will other functions that the router may be capable of be enabled such as wireless connectivity and firewall functionality;
 - Lily is not responsible for configuration of the router other than to an IP configuration; and
 - Lily shall not be responsible for installing firewalls or plugging in the router and if the Customer requires firewalls the Customer shall be responsible for processing their installation.
- In respect of a router supplied by or on behalf of Lily for an internet broadband service it will be provided in a NAT (Network Address Translation) configuration with DHCP Scope enabled unless otherwise agreed.

6.11 Lily is under a duty to all of its customers to preserve network integrity and capacity and avoid degradation. The Customer agrees that:

- if in Lily's reasonable opinion the Customer's use of Data Services is adversely affecting, or may adversely affect, integrity and capacity of networks, Lily may take such steps as it deems appropriate to manage the Customer's Data Services;
 - Lily and/or the Carrier may take such steps as it deems necessary to stop emails that appear to be bulk emails or which appear to be or of an unsolicited nature from entering networks and this may include blocking access to or delivery of any such emails; and
 - Lily and/or the Carrier may operate virus screen technology which may result in the deletion or alteration of emails or their attachments.
- 6.12 Where the Data Services involve the supply of VOIP services, then it is agreed that the following shall apply and the Customer accepts that:
- the Customer's ability to make emergency calls and their priority treatment can not be guaranteed and that any suspension or interruption of the VOIP service may result in the Customer being unable to make emergency calls;
 - the VOIP services are generally not considered to be as reliable as calls made over conventional telephone lines and Customers are advised to maintain the ability to make telephone calls other than as through a VOIP system, such as by maintaining a conventional telephone line;
 - the Customer acknowledges that the VOIP service may sometimes be limited, unavailable or interrupted due to events beyond Lily's control, such as those specified in clause 18.1 (force majeure); and
 - the VOIP services may not offer all of the features or resilience that the Customer may expect from a conventional telephone line.

6.13 Other than Equipment purchased by the Customer, any equipment installed or supplied by Lily to the Customer in connection with the Data Services (including but not limited to routers) shall at all times remain the property of Lily. The provisions of clauses 4.3 (a) to (d) shall apply to all such equipment. The Customer shall return such equipment to Lily immediately on request or cessation of the provision of Data Services and the Customer shall be liable for all costs, losses, damages and expenses incurred by Lily for the repair, recovery and replacement of such equipment.

6.14 Upon termination of the Data Services Contract (for whatever reason), the Customer shall return any routers installed or supplied by Lily to the Customer in connection with the Data Services at the Customer's cost. If such routers are not returned within seven days following the termination of the Data Services Contract, Lily reserves the right to charge the Customer a fee in respect of each router, as specified in the Tariff.

6.15 Where the Customer wishes to transfer the provision of any lines or services from another supplier to Lily, the Customer shall:

- provide to Lily such accurate information as is required by Lily to enable the migration from the current supplier; and
 - be responsible for all costs, charges and penalties that may arise as a result of or in connection with such transfer.
- 6.16 The Customer acknowledges and accepts that it is liable for all cancellation or termination payments and charges (including without limitation any early termination charges) levied by a previous supplier for the transfer of the provision of services and lines to Lily unless it is stated on the Order Form that Lily will be responsible for the payment of such Charges.
- 6.17 The Customer accepts and acknowledges that Lily will prior to the Connection Date have spent a significant amount of time and incurred expense in preparation for the provision of the Data Services to the Customer. In the event that the Customer terminates the Contract prior to the Connection Date it shall pay to Lily: (a) £500 plus vat in respect of the time spent by Lily in preparation for the provision of the Data Services to the Customer; and (b) an amount equal to the direct expenses (plus vat) incurred by Lily to its supplier(s) in the preparation of Data Services to the Customer limited to £5,000. This clause 6.17 shall not apply where the Customer is a Small Business Customer.
- 6.18 Where the Customer is a Small Business Customer, the Customer may terminate a Contract for Data Services at any time prior to commencement of the supply of such Data Services.

6.19 The following provisions of this clause 6.19 shall apply in the event that after the Connection Date the Customer terminates the Contract for Data Services in breach of contract prior to the expiry of the Minimum Term or the Extended Terms as the case may be

- In this clause 6.19 Remainder of the Term means (where the Customer terminates or is deemed to have terminated the Contract in breach of contract) the period that the Contract would have had left to run if the Customer had instead terminated it at the earliest following opportunity without being in breach of contract. Where the Customer terminates the Contract for Data Services in breach of contract after the Connection Date but before the Handover Date then the Remainder of the Term shall be deemed to have commenced on the Connection Date.
- The Customer acknowledges and accepts that to enable Lily to provide the Data Services to the Customer, Lily will enter into a contract for a fixed term with its supplier at the Connection Date. As is common with such contracts Lily may remain liable to its supplier whether or not the Contract for Data Services with the Customer terminates prior to the end of the Minimum Term or the Extended Term as the case may be.
- In the event that the Customer is in breach of contract by terminating the Contract for Data Services otherwise than in accordance with clause 6.3 or 6.4 if applicable (and/or 6.5 where the Customer is a Small Business Customer) before the end of the Minimum Term or where applicable the end of an Extended Term (as the case may be) the Customer shall pay to Lily (subject to the provisions of clause (d)) as liquidated damages an amount equal to the sum that the Customer would have been liable to pay to Lily for the Remainder of the Term for the Data Services (calculated at the rate which applied at the time of termination) less any reduction that may apply pursuant to the provisions of clause 6.19(d) below. Where such termination occurs after the Connection Date but before the Commencement Date then the rate shall be the rate that would have applied at the Commencement Date had the Contract not been terminated.
- If the provisions of clause 6.19(c) apply and in the event that a supplier used by Lily to provide the Data Services to the Customer reduces the amount that it charges to Lily from that which it is contractually entitled to charge in respect of the Remainder of the Term Lily shall advise the Customer of the amount of the reduction and that reduction shall be deducted from the amount payable under clause 6.19(c).

7. TERMS APPLICABLE TO IT SUPPORT SERVICES

7.1 For the purpose of the IT Support Services, the following terms shall have the following meanings:
Service Level Agreement: the service levels for the provision of IT Support Services as set out at <http://www.lilycomms.co.uk/legal/> as varied from time to time
System: the hardware, operating systems and software listed in the Order Form.
Support Hours: the hours listed on the Order Form.
Out of Hours: such hours and times that not within the Support Hours.

Support Request: includes the following: a request submitted by the Customer via telephone or email for support by Lily under the IT Support Services; and automated messages for support generated by the System and sent directly to Lily for attention.

7.2 Subject to clause 2.2, the supply of the IT Support Services shall commence on the Commencement Date and continue for the Minimum Term.

7.3 The IT Support Services Contract shall automatically extend for three years (Extended Term) at the end of the Minimum Term and at the end of each Extended Term. Either party may give notice in writing to the other party no later than 90 days before the end of the Minimum Term or the relevant Extended Term, to terminate the IT Support Services Contract at the end of the Initial Period or the relevant Extended Term, as the case may be.

7.4 If for any reason clause 7.3 is deemed to be unreasonable and unenforceable by way of a final court judgment then this clause 7.4 shall apply. The IT Support Services Contract shall automatically extend for 12 calendar months (Extended Term) at the end of the Minimum Term and at the end of each Extended Term. Either party may give notice in writing to the other party no later than 90 days before the end of the Minimum Term or of the end of the relevant Extended Term, to terminate the IT Support Services Contract at the end of the Minimum Term or the relevant Extended Term, as the case may be

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7.5 The provision of any IT Support Services by Lily under an IT Support Services Contract is conditional on:

- (a) Lily carrying out such surveys as it deems necessary to satisfy itself that it is possible for it to supply the IT Support Services; and
- (b) the Customer providing to Lily to its satisfaction accurate information and data to enable Lily to provide IT Support Services.

7.6 Subject to the Customer's payment of the Charges, Lily will provide the IT Support Services to the Customer:

- (a) during Support Hours, unless support during Out of Hours is requested by the Customer and this is agreed to be provided by Lily;
- (b) meeting or exceeding the service levels referred to in the Service Level Agreement;
- (c) remotely, unless otherwise agreed between Lily and the Customer.

7.7 In relation to the use of the IT Support Services the Customer agrees:

- (a) that the IT Support Services shall be provided by Lily remotely, unless otherwise agreed;
- (b) to permit Lily remote access to its System and inform Lily of any changes to passwords or other security devices to enable Lily to access the System;
- (c) to keep back-up copies of its operating systems and software;
- (d) to keep back-up copies of its data in line with recommendations made by the relevant software providers or Lily from time to time;
- (e) to make available such personnel of the Customer with appropriate skills, knowledge and authority to assist Lily in the diagnosis of faults and the implementation of reasonable instructions intended to rectify or prevent recurrence of faults;
- (f) to promptly check that files have been restored from back-up when restoration from back-up has been tested. 7.8 Lily shall prioritise all Support Requests based on its reasonable assessment of the severity level of the problem reported and use its reasonable endeavours to respond to all Support Requests with a break fix in accordance with the response times set out in the Service Level Agreement.

7.9 Lily will seek to acknowledge all Support Requests within one working office hour of being logged.

7.10 The Customer acknowledges and agrees that:

- (a) in the event that a fault in the System is caused by an error or defect in the operating system or software, the sole responsibility of Lily will be to notify the Customer of the issue and to devise (where possible) a workaround for the Customer;
- (b) the sole responsibility of Lily in respect of any hardware issues shall be to diagnose faults in the hardware. The correction of any faults in the hardware shall be undertaken in accordance with the manufacturer's warranty;
- (c) Lily will not be liable for any loss of data, loss of productivity or financial losses incurred due to incomplete or corrupt back-ups of data or back-up procedures.

7.11 In the event that the Customer requests and Lily provides IT Support Services in excess of the Customer's allocated allowance, Lily shall be entitled to charge additional fees for such services in accordance with clause 9.10.

7.12 Lily shall, at the request and cost of the Customer, provide the Customer with a report summarising the Support Requests received, the time of receipt, the time of response and the time the Support Request is cleared. Any such request must be made in writing to Lily and the Customer acknowledges and agrees that reports can only be provided by Lily in respect of the month or months following the receipt of the request.

7.13 Lily warrants to the Customer that the IT Support Services will be rendered by personnel with appropriate skills and experience to provide the IT Support Services. The Customer agrees that Lily cannot guarantee that the provision of the IT Support Services will cause the System to work without interruption or error. The warranties provided by Lily in clause 3.4 and this clause 7.13 shall be in lieu of and shall operate to exclude any other condition or warranty whether express or implied by law as to the provision of the IT Support Services.

7.14 The Customer warrants to Lily that it owns or has the benefit of a valid and subsisting licence to use every element of the System and it has full authority to permit Lily to perform the IT Support Services hereunder.

7.15 The Customer will fully indemnify and hold harmless Lily against all costs, expenses, liabilities, losses, damages and judgments that Lily may incur or be subject to as a result of a breach of clause 7.14.

8. TERMS APPLICABLE TO MOBILE SERVICES

8.1 For the purpose of the Mobile Services, the following terms shall have the following meanings: Airtime Provider: the relevant mobile network operator or wireless communications service provider. Connection: connection to any Airtime Provider's network. Hardware Fund: the fund allocated to the Customer to allow it to purchase equipment in connection with the Mobile Services. Retail Mobile Services: the mobile services to be provided by Lily to the Customer, where the Customer is directly contracted with an Airtime Provider. Support Hours: 9 am to 5:30 pm (GMT). Wholesale Mobile Services: the mobile services to be provided by Lily to the Customer, where the Customer is directly contracted with Lily and not an Airtime Provider.

8.2 Subject to clause 2.2, the supply of the Mobile Services shall commence:

- (a) in the case of Wholesale Mobile Services on the Commencement Date and continue for the Minimum Term;
- (b) in the case of Retail Mobile Services on the date that the contract between the Customer and the Airtime Provider is signed by the Customer and processed by the Airtime Provider and continue until it expires, is terminated by the Airtime Provider, or the Customer is otherwise released from the contract by the Airtime Provider.

8.3 In the case of Wholesale Mobile Services, the Mobile Services Contract shall automatically extend for three years (Extended Term) at the end of the Minimum Term and at the end of each Extended Term. Either party may give notice in writing to the other party no later than 90 days before the end of the Minimum Term or the relevant Extended Term, to terminate the Mobile Services Contract at the end of the Initial Period or the relevant Extended Term, as the case may be.

8.4 If for any reason clause 8.3 is deemed to be unreasonable and unenforceable by way of a final court judgment then this clause 8.4 shall apply. The Mobile Services Contract shall automatically extend for 12 calendar months (Extended Term) at the end of the Minimum Term and at the end of each Extended Term. Either party may give notice in writing to the other party no later than 90 days before the end of the Minimum Term or the end of the relevant Extended Term, to terminate the Mobile Services Contract at the end of the Minimum Term or the relevant Extended Term, as the case may be.

8.5 The provision of any Mobile Services by Lily under a Mobile Services Contract is conditional on:

- (a) the Customer providing to Lily to its satisfaction accurate information and data to enable Lily to provide Mobile Services;
- (b) Network coverage;
- (c) Availability of equipment.

8.6 Subject to the Customer's payment of the Charges, Lily will provide support for the Mobile Services to the Customer as follows:

- (a) in the case of Wholesale Mobile Services, remote support during Support Hours, unless otherwise agreed between Lily and the Customer with on-site support being chargeable;
- (b) in the case of Retail Mobile Services, limited support during Support Hours in accordance with the Airtime Provider's terms with on-site support being chargeable.

8.7 Lily shall operate and maintain a telephone helpdesk to receive and process any requests for support in respect of the Mobile Services.

8.8 In relation to the use of the Mobile Services the Customer agrees:

- (a) that any support for the Mobile Services shall be provided by Lily remotely, unless otherwise agreed;
- (b) to keep their data backed-up and ensure that software updates are maintained;
- (c) to make available such personnel of the Customer with appropriate skills, knowledge and authority to assist Lily in the diagnosis of faults and the implementation of reasonable instructions intended to rectify or prevent recurrence of faults.

8.9 The Customer acknowledges and agrees that:

- (a) Lily bears no responsibility for and will not be liable for any loss suffered by the Customer as a result of any fault that is caused by an error or defect in the network or software;
- (b) the sole responsibility of Lily in respect of any issues with hardware supplied under or in connection with the Mobile Services shall be to diagnose faults in the hardware. The correction of any faults in the hardware shall be undertaken in accordance with the manufacturer's warranty;
- (c) Lily will not be liable for any loss of data, loss of productivity or financial losses incurred or corrupt back-ups of data or back-up procedures, network outages, or errors, failures or defects in the operating system;
- (d) in recognition of the fact that Lily may be entitled to receive payments from the Airtime Provider as a result of the Customer taking up the Mobile Services, the Customer will remain liable to Lily and shall not avoid liability to Lily if the Airtime Provider releases the Customer from its contract for any reason, including (without limitation) if the Customer is released due to an error on the part of the Airtime Provider where the Customer has signed for two (2) years.

8.10 Lily warrants to the Customer that the Mobile Services will be rendered by personnel with appropriate skills and experience to provide the Mobile Services. The Customer agrees that Lily cannot guarantee that the Mobile Services will work without interruption or error. Any interruption, fault or error must be notified to Lily using the telephone helpdesk referred to in clause 8.7. The warranties provided by Lily in clause 3.4 and this clause 8.10 shall be in lieu of and shall operate to exclude any other condition or warranty whether express or implied by law as to the provision of the Mobile Services.

8.11 The Customer warrants to Lily that, where Lily provides the Mobile Services and the Customer uses equipment it owns or has the benefit of using, the Customer either owns such equipment or has a valid right to use it, and the Customer further warrants that it is the Customer's responsibility to ensure any such equipment works and is suitable as is for the Customer to receive and/or use the Mobile Services. By way of example and without limitation, the Customer must check and ensure that any handset it proposes to use is unlocked and this shall not be the responsibility of Lily.

8.12 Notwithstanding any other provision of these Conditions, Lily shall not be liable to the Customer in contract, tort (including negligence) or otherwise for any acts or omissions of the Airtime Provider that may (wholly or partially) cause, impact or result in any interruption, fault error with or withdrawal of (temporarily or permanently) the Mobile Services.

8.13 The Customer will fully indemnify and hold harmless Lily against all costs, expenses, liabilities, losses, damages and judgments that Lily may incur or be subject to as a result of a breach of clause 8.11.

8.14 Any equipment supplied or installed by Lily to the Customer in connection with the Mobile Services (including but not limited to SIMs, handsets and any subsidised equipment) shall at all times remain the property of Lily, except where the equipment has been purchased by the Customer in accordance with clause 4. Clause 4.3 shall apply to such equipment as if it were deemed to be Equipment. The Customer shall return such equipment to Lily immediately on request and shall be liable for costs, losses, damages and expenses incurred by Lily for the repair, recovery and replacement of such equipment.

8.15 Upon termination of the Mobile Services Contract (for whatever reason), the Customer shall return any handsets and SIMs installed or supplied by Lily to the Customer in connection with the Mobile Services at the Customer's cost. If such handsets and SIMs are not returned within seven (7) days following the termination of the Mobile Services Contract, Lily reserves the right to charge the Customer a fee in respect of each handset, such fee being the full market value of the handset(s) at the time of being supplied to the Customer.

8.16 In relation to any equipment that is supplied or installed by Lily to the Customer in connection with the Mobile Services hereunder, except for equipment purchased by the Customer under clause 4, the following shall apply:

- (a) The Customer shall notify Lily in writing within three (3) Business Days of receipt if the any of the equipment is damaged, or if the order has been incorrectly fulfilled;

- (b) Lily is not obliged to offer the Customer a refund, exchange or credit to the Hardware Fund in the event that equipment is ordered by the Customer in error;
- (c) Lily is not obliged to agree to any upgrades to the equipment it supplies to the Customer at any time, including during or after the Minimum Term (if applicable) but if it does, Lily shall be entitled to extend the Minimum Term;
- (d) The supply of equipment by Lily to the Customer shall be subject to availability.

8.17 Any Hardware Fund and any equipment supplied that has been charged to a Hardware Fund, are supplied by Lily in return that the Customer completes the Minimum Term or the minimum period of the corresponding contract with the Airtime Provider, as applicable.

8.18 Where the Mobile Services Contract is completed, then full title of any handsets supplied by Lily shall transfer to the Customer, along with the right for the Customer to claim any outstanding amounts held by Lily in the Hardware Fund.

8.19 At the end of the Minimum Term or the minimum period of the corresponding contract with the Airtime Provider, as applicable, should the Customer's Hardware Fund be in a negative position then the Customer acknowledges and agrees to Lily invoicing the full amount, and to pay that amount in line with Lily's standard payment terms.

8.20 Where the Customer terminates any Connection prior to the expiry of that Connection's minimum period, the Customer shall pay to Lily a lump sum termination payment calculated as the total amount of the Hardware Fund initially provided to the Customer at the point of connection or renewal, as applicable, minus any unspent amount currently held by Lily.

8.21 Where the Customer terminates any Connection prior to the expiry of that Connection's minimum period and the Hardware Fund has been fully utilised by the Customer, the Customer shall pay to Lily a lump sum equal to the Hardware Fund provided for the Connection(s) in question, based on the value of the Hardware Fund provided at the commencement of the current minimum period.

8.22 Where the Customer terminates any Connection prior to the expiry of that Connection's minimum period and equipment has been supplied either free of charge or at a reduced rate, the Customer shall pay to Lily a lump sum equal to the equipment provided for the Connection(s) in question, based on the market value of the equipment provided at the commencement of the current minimum period.

8.23 The sums stipulated in clauses 8.20, 8.21 and 8.22 will be charged in addition to any contractual early termination fees imposed by either Lily, or the applicable Airtime Provider in relation to the contract with said Airtime Provider.

9. CUSTOMER'S GENERAL OBLIGATIONS AND TERMS APPLICABLE TO ALL SERVICES

9.1 In relation to the Services, the Customer:

- (a) shall ensure that the terms of the Order and any information it provides in the Specification are complete and accurate;
- (b) shall co-operate with Lily in all matters relating to the relevant Services;
- (c) shall provide Lily, its employees, agents, consultants and subcontractors, with access to the Customer's premises, office accommodation and other facilities as reasonably required by Lily;
- (d) shall provide Lily with such information and materials as Lily may reasonably require in order to supply the relevant Services and/or Equipment, and ensure that such information is accurate in all material respects;
- (e) shall prepare its premises for the supply of the relevant Services (where applicable);
- (f) shall obtain and maintain all necessary licences, permissions and consents which may be required before the date on which the Services are to start (where applicable);
- (g) agrees that Lily may from time to time monitor or record calls made to Lily or by Lily to improve customer service, for training or for marketing purposes;
- (h) agrees that Lily shall not be liable or responsible for any failure or delay in the Services due to or in connection with any third party infrastructure applicable to the supply of any Services;
- (i) agrees to co-operate with any criminal investigations or any investigation of any regulatory body that is applicable to the supply of any of the Services;
- (j) be responsible for ensuring the accuracy of all specifications, drawings, sketches, plans, descriptions and instructions provided to Lily in connection with the supply of any Services and/or Equipment; and
- (k) shall comply with all Service Specific Conditions.

9.2 The Customer is responsible and shall be liable to Lily for the use of the Services including for any Charges incurred, by the actions of any of its employees and any other person who has been given access to use the Services by the Customer and any person who gains access to use the Services for fraudulent purposes including in each case where such use was not authorised by the Customer. The Customer is strongly advised to install robust and effective security provisions to prevent unauthorised and/or fraudulent use.

9.3 If Lily's performance of any of its obligations under the Contract is prevented or delayed by any act or omission of the Customer or failure by the Customer to perform any relevant obligation or comply with any obligation or policy under the Conditions (Customer Default):

- (a) Lily shall without limiting its other rights or remedies have the right to suspend performance of any Service until the Customer remedies the Customer Default, and to rely on the Customer Default to relieve it from the performance of any of its obligations to the extent that the Customer Default prevents or delays Lily's performance of any of its obligations;
- (b) Lily shall not be liable for any costs or losses sustained or incurred by the Customer arising directly or indirectly from Lily's failure or delay to perform any of its obligations as set out in this clause 9.3; and
- (c) the Customer shall reimburse Lily on written demand for any costs or losses sustained or incurred by Lily arising directly or indirectly from the Customer Default.

9.4 Without prejudice to clause 9.3 or any other remedy available to Lily, Lily shall be entitled to suspend the performance of any Service or terminate the Contract relating to the relevant Service without further liability to the Customer in the event that Lily:

- (a) is obliged to comply with any order, instruction or request of any competent governmental body;
- (b) terminates the provision of telecommunications services;
- (c) in its reasonable opinion, Lily or the Carrier believes the Service are being used fraudulently or unlawfully; or
- (d) in its reasonable opinion Lily or the Carrier needs to carry out improvements or repairs to any networks or equipment relating to the applicable Services.

9.5 Lily may at its sole discretion refuse to provide support in respect of the relevant Services and/or support any Equipment if the Customer fails to pay one or more invoice by the relevant due date, and the Customer acknowledges and agrees that any such support may be withheld until Lily is satisfied that any outstanding payment has been made or outstanding balance rectified.

9.6 Lily shall not be liable for any charges resulting from or in connection with fraudulent or unauthorised use of a Service and/or Equipment and the Customer shall be responsible for and pay all charges, costs, fees and expenses resulting from or in connection with any fraudulent or unauthorised use of any Service and/or Equipment.

10. CHARGES AND PAYMENT FOR SERVICES

10.1 The Charges for the Services and/or the Equipment shall be charged to and payable by the Customer in accordance with this clause 10 and in the case of Data Services and Fixed Network Services in accordance with this clause 10 and clause 11.

10.2 The Charges for the Equipment and Installation Services shall be as specified in the Order Form and calculated in accordance with these Conditions. Except as otherwise specified in the Order Form, Charges for Equipment and Installation Services shall be payable on Delivery.

10.3 The Customer shall pay any deposit specified in the Order Form within seven days of submitting the Order Form to Lily. The deposit is non refundable.

10.4 The Charges for the Maintenance Services shall be as specified in the Order Form and calculated in accordance with these Conditions. Except as otherwise specified in the Order Form, Charges for Maintenance Services shall be payable annually in advance with the first payment due on the Commencement Date, and continuing to be payable thereafter on each anniversary of the Commencement Date.

10.5 Where clause 4.10 applies in relation to Maintenance Services, Lily shall be entitled to make such additional charges as are calculated in accordance with the Tariff.

10.6 Lily may charge the Customer a call out fee where such a call out occurs based on incorrect information being provided to Lily or where a call out occurs but the operative is unable to gain access to the premises within the times notified to the Customer for the call out.

10.7 The Charges for the Maintenance Services shall increase on each anniversary of the Commencement Date by 8%.

10.8 The Charges for the IT Support Services shall be as specified in the Order Form and calculated in accordance with these Conditions. Except as otherwise specified in the Order Form or these Conditions, Charges for IT Support Services shall be payable monthly in advance with the first payment due on the Commencement Date, and continuing to be payable each month thereafter on the anniversary of the Commencement Date.

10.9 Where IT Support Services are provided during Out of Hours or at the Customer's premises (or such location as is required by the Customer), the Charges shall be calculated by reference to the applicable hourly rates specified in the Order Form, or, if not stated in the Order Form, such hourly rates as specified in the Tariff. Lily may invoice the Customer in respect of such services rendered, immediately after their provision.

10.10 Where clause 7.11 applies in relation to the IT Support Services, Lily shall be entitled to make such additional charges as are calculated in accordance with or stipulated in the Tariff.

10.11 Lily shall not increase the monthly charge or its hourly rates in respect of the IT Support Services unless the Customer's network or user count has increased and at which point, any increase would need to be agreed by both parties prior to any increase being applied. The Customer's network and user count will be reviewed by Lily every six months from the Commencement Date.

10.12 Where Charges are calculated according to the Customer's usage, such usage shall be determined by reference to data recorded or logged by Lily and not by reference to any data recorded or logged by the Customer. 10.13 The provisions of this clause apply to any proposed increase in the Charges other than those referred to in clause 10.15 below (which reflect an increase caused by regulatory changes in respect of which the provisions of clause 10.15 apply). Lily reserves the right to increase its Charges for any Service (including without limitation by revising any Tariff). Lily will give the Customer written notice of any such increase not less than 30 days before the proposed date of the increase. If such increase is not acceptable to the Customer, it shall notify Lily in writing within 14 days of the date of Lily's notice that the Client wishes to terminate the Contract, failing which the Customer shall be deemed to have accepted the charges.

10.14 Subject to applicable regulations, Lily reserves the right to increase its Charges for any Service (including without limitation by revising any Tariff) as a result of any increase in charges made to Lily by third party providers to it by a sum equal to any such increase. In such circumstances the Customer shall not have the right to cancel the Contract.

10.15 Where Lily proposes to increase its Charges for any Service (including by revising without limitation any Tariff) as a consequence of a regulatory change and that the increase is no greater than the additional cost to Lily caused by the regulatory change, it will give the Customer written notice of any such increase not less than 30 days before the proposed date of the increase. In such circumstances the Customer shall not have the right to cancel the Contract.

10.16 Except where otherwise specified in these Conditions or the relevant Order for any Service, the Customer shall pay each invoice submitted by Lily:

- (a) within 14 days of the date of the invoice; and
- (b) in full and in cleared funds to a bank account nominated in writing by Lily.

10.17 Time for payment of all Charges shall be of the essence of the Contract.

Terms and Conditions relating to the hire of Equipment

‘Schedule 2’

10.18 All amounts payable by the Customer under the Contract are exclusive of amounts in respect of value added tax chargeable for the time being (VAT). The Customer shall pay to Lily such additional amounts in respect of VAT as are chargeable on the supply of the Services at the same time as payment is due for the supply of the Services. 10.19 Invoices shall be deemed to have been accepted if the Customer does not present a written objection, identifying clearly the disputed invoice and the reasons why it is challenged, to Lily within 30 days of the date of the invoice.

10.20 If the Customer fails to make any payment due to Lily under the Contract by the due date for payment, then the Customer shall pay interest on the overdue amount at the rate of 4% per cent per annum above HSBC Bank plc's base rate from time to time. Such interest shall accrue on a daily basis from the due date until actual payment of the overdue amount, whether before or after judgment. The Customer shall pay the interest together with the overdue amount.

10.21 The Customer shall pay all amounts due under the Contract in full without any set-off, counterclaim, deduction or withholding (except for any deduction or withholding required by law). Lily may at any time, without limiting its other rights or remedies, set off any amount owing to it by the Customer against any amount payable by Lily to the Customer.

10.22 Lily may exercise a lien over any equipment or goods in Lily's possession belonging to the Customer, for all monies payable by the Customer to Lily.

10.23 Any delay in Lily raising an invoice for any Charges shall not prohibit Lily from raising an invoice for the applicable Charges at a later date and the Customer shall pay such Charges.

10.24 Lily reserves the right to make additional charges for paper billing, late payment, reconnection, non-direct debit payment methods and incorrect fault reporting by the Customer. Such charges are as published by Lily from time to time and are published at <http://www.lilycomms.co.uk/legal>

10.25 Lily may at its sole discretion refuse to provide support in respect of the relevant Services and/or support any Equipment if the Customer fails to pay one or more invoice by the relevant due date, and the Customer acknowledges and agrees that any such support may be withheld until Lily is satisfied that any outstanding payment has been made or outstanding balance rectified.

10.26 Lily reserves the right to recover any costs it incurs, including legal fees, on a full indemnity basis as a result of the Customer's failure to comply with these Conditions and/or any Service Specific Conditions.

11. ADDITIONAL TERMS RELATING TO CHARGES FOR DATA SERVICES AND FIXED NETWORK SERVICES

11.1 The Charges for the Fixed Network Services and the Data Services shall be as detailed in the Order Form (subject always to clause 10.7) and as otherwise determined in accordance with the Contract.

11.2 Charges for line rental are payable from the Handover Date monthly in advance by direct debit, or such other method as is specified in the Order.

11.3 The Customer shall pay for all Charges for calls whether made by the Customer or any third party. Subject to clause 11.4, Lily shall invoice the Customer monthly in arrears for all call Charges and the Customer shall pay such invoice within 14 days of the date of the relevant invoice by direct debit.

11.4 Notwithstanding clause 11.2 and clause 11.3, Lily reserves the right to invoice the customer for Charges at any time.

11.5 If Lily supplies the Customer with any temporary Data Services and/or Fixed Network Services, it may charge the Customer in advance for the whole period during which the temporary services are to be provided. 11.6 Lily shall have the right to charge a minimum fee for calls of not less than £4.50 per month in the event that the Customer's call charges do not exceed this sum in any month.

11.7 In respect of Fixed Network Services that include or comprise only of inbound voice services and inbound numbers, the Customer acknowledges and agrees that Lily shall have based its Charges for the Contract upon forecast information provided by the Customer about total number and duration of calls for the inbound numbers. 11.8 The Customer further acknowledges and agrees that Lily may apply a charge (calculated monthly and payable by the Customer in arrears) for each inbound number which, either, does not carry any traffic for any one month period, or, carries traffic which is at least 50% lower than that outlined in the forecast provided under clause 11.7.

12. ADDITIONAL TERMS RELATING TO CHARGES FOR MOBILE SERVICES

12.1 In respect of Wholesale Mobile Services the Customer acknowledges and agrees that Lily may at its discretion increase the Charges for line rental provided that Lily gives the Customer not less than 30 days' written notice prior to the increase, such increase to be capped at 5% in any one year.

12.2 Charges in respect of calls are subject to fluctuation or change by Lily without notice to the Customer.

13. CANCELLATION CHARGE

If the Customer cancels a Service, Lily may charge and the Customer shall pay a fee in respect of each such cancellation (Cancellation Fee).

14. CONFIDENTIALITY AND DATA PROTECTION

14.1 A party (receiving party) shall keep in strict confidence all technical or commercial know-how, specifications, or initiatives which are of a confidential nature and have been disclosed to the receiving party by the other party (disclosing party), its employees, agents or subcontractors, and any other confidential information concerning the disclosing party's business, its products and services which the receiving party may obtain. The receiving party may disclose such of the disclosing party's confidential information as is required to be disclosed by law, any governmental or regulatory authority or by a court of competent jurisdiction. This clause 15 shall survive termination of the Contract.

14.2 The Customer agrees that Lily may use the Personal Data provided to Lily to:

- provide any Services;
- process payment for such Services; and
- inform the Customer about similar products or services that Lily or other members of its group provide.

14.3 The Customer agrees that Lily may pass its Personal Data and other information about the Customer to credit reference agencies and that Lily may keep a record of any search obtained in respect of a Customer from a credit reference agency.

15. LIMITATION OF LIABILITY

15.1 Nothing in the Contract shall limit or exclude Lily's liability for:

- death or personal injury caused by its negligence, or the negligence of its employees, agents or subcontractors;
- fraud or fraudulent misrepresentation by Lily; or
- breach of the terms implied by section 2 of the Supply of Goods and Services Act 1982 (title and quiet possession).

15.2 Subject to clause 15.1, Lily shall not be liable to the Customer, whether in contract, tort (including negligence), for breach of statutory duty, or otherwise, arising under or in connection with the Contract for:

- loss of profits;
- loss of sales or business;
- loss of agreements or contracts;
- loss of anticipated savings;
- loss of or damage to goodwill;
- loss of use or corruption of software, data or information;
- any indirect or consequential loss.

15.3 Subject to clause 15.1 and clause 15.2, Lily's total liability to the Customer, whether in contract, tort (including negligence), for breach of statutory duty, or otherwise, arising under or in connection with this agreement shall, in respect of all claims (connected or unconnected) in any consecutive 12 (twelve) month period, be limited to the equivalent of the total Charges paid by the Customer in that period for the Equipment and/or the relevant Service in respect of which the claim arose.

15.4 The terms implied by sections 3 to 5 of the Supply of Goods and Services Act 1982 are, to the fullest extent permitted by law, excluded from this agreement.

15.5 If the Customer is a consumer, nothing in these Conditions shall prejudice its statutory rights.

15.6 This clause 15 shall survive termination of the Contract.

16. TERMINATION

16.1 Without limiting its other rights or remedies, Lily may terminate the Contract (in whole or in part) without further liability to the Customer by giving the Customer not less than 30 days written notice.

16.2 Without limiting its other rights or remedies, Lily may terminate the Contract (in whole or in part) with immediate effect by giving written notice to the Customer if:

- the Customer commits a material breach of any term of the Contract and (if such a breach is remediable) fails to remedy that breach within 10 Business Days of the Customer being notified in writing to do so;
- the Customer suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or (being a company or limited liability partnership) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or (being an individual) is deemed either unable to pay its debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 268 of the Insolvency Act 1986 or (being a partnership) has any partner to whom any of the foregoing apply;
- the Customer commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors other than (where a company) for the sole purpose of a scheme for a solvent amalgamation of the Customer with one or more other companies or the solvent reconstruction of the Customer;
- a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the Customer (being a company) other than for the sole purpose of a scheme for a solvent amalgamation of the Customer with one or more other companies or the solvent reconstruction of the Customer;
- the Customer (being an individual) is the subject of a bankruptcy petition or order;
- a creditor or encumbrancer of the Customer attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of its assets and such attachment or process is not discharged within 10 Business Days;
- an application is made to court, or an order is made, for the appointment of an administrator or if a notice of intention to appoint an administrator is given or if an administrator is appointed over the Customer (being a company);
- the holder of a qualifying floating charge over the assets of the Customer (being a company) has become entitled to appoint or has appointed an administrative receiver;
- a person becomes entitled to appoint a receiver over the assets of the Customer or a receiver is appointed over the assets of the Customer;
- any event occurs or a proceedings are taken with respect to the Customer in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in clause 16.2(b) to clause 16.2(i) (inclusive);
- the Customer suspends or ceases, or threatens to suspend or cease, to carry on all or a substantial part of its business;
- the Customer's financial position deteriorates to such an extent that in Lily's opinion the Customer's capability to adequately fulfill its obligations under the Contract has been placed in jeopardy; or
- the Customer (being an individual) dies or, by reason of illness or incapacity (whether mental or physical), is incapable of managing his own affairs or becomes a patient under any mental health legislation.

16.3 Without limiting its other rights or remedies, Lily may terminate the Contract (in whole or in part) with immediate effect by giving written notice to the Customer if the Customer fails to pay any amount due under the Contract on the due date for payment and fails to pay all outstanding amounts within 30 Business Days after being notified in writing to do so.

16.4 Without limiting its other rights or remedies, Lily may suspend provision of the Services under the Contract or any other contract between the Customer and Lily if the Customer becomes subject to any of the events listed in clause 16.2(b) to clause 16.2(m), or Lily reasonably believes that the Customer is about to become subject to any of them, or if the Customer fails to pay any amount due under this Contract on the due date for payment.

17. CONSEQUENCES OF TERMINATION

17.1 On termination of the Contract for any reason:

- the Customer shall immediately pay to Lily all of Lily's outstanding unpaid invoices and interest and, in respect of Services supplied but for which no invoice has been submitted, Lily shall submit an invoice, which shall be payable by the Customer immediately on receipt;
 - the Customer shall return any Equipment which has not been fully paid for. If the Customer fails to do so, then Lily may enter the Customer's premises and take possession of the Equipment. Until it has been returned, the Customer shall be solely responsible for the safe keeping of such Equipment and will not use it for any purpose not connected with the Contract;
 - the accrued rights, remedies, obligations and liabilities of the parties as at expiry or termination of the Contract shall be unaffected, including the right to claim damages in respect of any breach of the Contract which existed at or before the date of termination or expiry; and
 - clauses which expressly or by implication survive termination shall continue in full force and effect.
- 17.2 Where the Customer is a Small Business Customer, the Customer may terminate a Contract for Fixed Network Services or Data Services at any time prior to commencement of the supply of such Services.

18. FORCE MAJEURE

18.1 For the purposes of this Contract, Force Majeure Event means an event beyond the reasonable control of Lily including but not limited to strikes, lock-outs or other industrial disputes (whether involving the workforce of Lily or otherwise), failure of a utility service (including without limitation street cabling, network or infrastructure failure or fault), failure of a transport network, act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers, subcontractors or utility suppliers.

18.2 Lily shall not be liable to the Customer as a result of any delay or failure to perform its obligations under this Contract as a result of a Force Majeure Event.

18.3 If the Force Majeure Event prevents Lily from providing any of the Services for more than 10 Business Days, Lily shall, without limiting its other rights or remedies, have the right to terminate this Contract immediately by giving written notice to the Customer.

19. GENERAL

19.1 Assignment and other dealings:

- Lily may at any time assign, transfer, mortgage, charge, subcontract or deal in any other manner with all or any of its rights under the Contract (in whole or in part) and may subcontract or delegate in any manner any or all of its obligations under the Contract to any third party or agent.
- The Customer shall not, without the prior written consent of Lily, assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any or all of its rights or obligations under the Contract.

19.2 Notices:

(a) Any notice or other communication given under or in connection with the Contract shall be in writing, addressed to the relevant party at its registered office (if it is a company) or its principal place of business (in any other case) or such other address as that party may have specified to the other party in writing in accordance with this clause, and shall:

- be sent by pre-paid first class post (recorded delivery or signed for service); or
- e-mail with confirmation sent by pre-paid first class post (recorded delivery or signed for service).

(b) A notice or other communication shall be deemed to have been received:

- if sent by pre-paid first class post (recorded delivery or signed for service), on the date and time the delivery service's receipt is signed for or recorded by the delivery service;
- if sent by e-mail, one Business Day after transmission.

(c) A notice or other communication sent by email to Lily must be sent to info@lilycomms.co.uk and if sent to a different email address shall not be deemed to have been received.

(d) The provisions of this clause shall not apply to the service of any proceedings or other documents in any legal action.

19.3 Severance:

(a) If any provision or part-provision of the Contract is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of the Contract.

(b) If any provision or part-provision of this Contract is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

19.4 Waiver: A waiver of any right under the Contract or law is only effective if it is in writing and shall not be deemed to be a waiver of any subsequent breach or default. No failure or delay by a party in exercising any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict its further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

19.5 No partnership or agency: Nothing in the Contract is intended to, or shall be deemed to, establish any partnership or joint venture between the parties, nor constitute either party the agent of the other for any purpose. Neither party shall have authority to act as agent for, or to bind, the other party in any way.

19.6 Third parties: A person who is not a party to the Contract shall not have any rights to enforce its terms.

19.7 Variation: Except as set out in these Conditions, no variation of the Contract, including the introduction of any additional terms and conditions, shall be effective unless it is agreed in writing and signed by Lily. Lily reserves the right to make changes to these Conditions from time to time.

19.8 Information about Lily: Lily operates the website www.lilycomms.co.uk Lily Communications Limited registered in England and Wales with company number 07020016 of Connect House, Millshaw Business Living, Global Avenue Leeds LS118PR. Please refer to Lily's Dispute resolution: The Customer must notify any complaints or disputes to Lily in accordance with its Customer Complaints Code available at www.lilycomms.co.uk. Lily shall use reasonable endeavours to resolve any complaint or dispute. Further information concerning the Customer's rights in relation to any dispute or complaint are specified in the Customer Complaints Code.

19.9 Governing law: The Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with the law of England and Wales.

19.10 Jurisdiction: Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Contract or its subject matter or formation (including non-contractual disputes or claims).