

Dated :



AND



BLOCKWIRING AGREEMENT

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BLOCKWIRING AGREEMENT

THIS AGREEMENT is made on

BETWEEN

1. [REDACTED]
2. [REDACTED]

RECITAL

- A. The Parties have agreed to the terms and conditions for the provisioning of Blockwiring.
- B. This Agreement sets out the terms and conditions on which each Party will provision and permit the other Party to use its Blockwiring.

OPERATIVE PROVISIONS

1. DEFINITIONS AND INTERPRETATION

- 1.1 The following terms used in this Agreement will have the following meaning, unless a contrary intention is specified:

"Associate Company" in relation to a Party means:

- (a) a "subsidiary" of that Party, a "holding company" of that Party and a "subsidiary" of the same "holding company" as those terms are defined in the Companies Ordinance (Cap 32) of Hong Kong; and
- (b) any corporate partnership in which one or more companies referred to in paragraph (a) together hold a controlling interest.

"Available Date" in relation to Blockwiring means the day when the Owner informs the Requesting Operator that leased transmission capacity over the Blockwiring is available to the Requesting Operator and that the Blockwiring operates in accordance with the specifications set out in Schedule 2.

"BIP" means a physical interfacing device (and associated cabling) in accordance with the specifications set out in Schedule 1 and installed as close as practically possible to the Owner's main distribution frame (usually located on the ground floor or in the basement of the relevant Blockwiring Building) for connecting the Requesting Operator's Network to the Blockwiring to be provisioned in accordance with this Agreement which device may include a device which the Parties agree would fulfill the characteristics of a BIP.

"BIP Application" means a written application by the Requesting Operator to the Owner in relation to the provisioning of a BIP which contains information relating to a BIP as specified in Schedule 1.

"BIP Specifications" means the specifications for a BIP as set out in Schedule 1.

"Blockwiring" means any two wire copper blockwiring circuit in place on the date of receipt of an Order within a Blockwiring Building which may consist of either Vertical Blockwiring or a combination of Vertical Blockwiring and Horizontal Blockwiring which is :

- (a) owned by the Owner; or
- (b) not owned by the Owner or an Associate Company of the Owner but:
 - (i) the Owner has been appointed by the owner of the Blockwiring as its agent or authorised representative under an agreement to exclusively manage all of the blockwiring in the relevant building and provisioning leased transmission capacity over the Blockwiring will not result in the Owner being in breach of any part of that agreement; and
 - (ii) the Requesting Operator has agreed to comply with the terms and conditions (including charges) as described and referred to in clauses 2.10 and 2.11.

"Blockwiring Building" means any building in which there is Blockwiring and in respect of which the Parties have made arrangements for the provision of a BIP in accordance with this Blockwiring Agreement.

"Blockwiring Charges" means the charges payable under this Agreement in accordance with Schedule 3.

"Business Day" means a day other than a Saturday or Sunday or a public holiday in Hong Kong.

"Contract" means each individual agreement for the provisioning of leased transmission capacity over Blockwiring as is established when an Order is accepted by the Owner.

[REDACTED]

"Force Majeure" means in relation to a Party, anything outside the reasonable control of that Party including acts of God, industrial disputes or any kind, war declared or undeclared, blockade, disturbance, lightning, fire, earthquake, storm, flood, explosion or meteor, governmental restraint, expropriation or prohibition, inability or delay in granting or obtaining governmental approvals, consents, permits, licences or authorities including but not limited to, from Government Agencies.

"Horizontal Blockwiring" means that section of a two wire copper blockwiring circuit in place on the date of receipt of an Order within a Blockwiring Building connecting a Local Box and a Termination Socket.

"Local Box" means the apparatus located on any floor which the Owner uses to terminate the Vertical Blockwiring on that floor.

"Loss" includes loss, cost, damage, expense and charge.

"Minimum Contract Period" means the minimum period of each Contract as set out in clause 3.2 which commences on the applicable Available Date, for which the Requesting Operator will pay monthly recurrent charges to the Owner as set out in this Agreement.

"Network" of a Party means the fixed telecommunications network of that Party operated, established and maintained by that Party pursuant to its fixed telecommunication services licence which in the case of [REDACTED] will include the Blockwiring provisioned to it under a Contract.

"Order" means a written order from the Requesting Operator to the Owner which contains information specified in Schedule 2 for the provision of leased transmission capacity over one Blockwiring in accordance with this Agreement.

"Owner" means the Party who provisions leased transmission capacity over Blockwiring to the Requesting Operator pursuant to this Agreement.

"O&M Manual" means the operations and maintenance manual, a draft of which is set out in Attachment A, as updated from time to time in accordance with this Agreement and the procedures set out in the O&M Manual.

"Party" means [REDACTED] or [REDACTED], and "Parties" means both of them.

"Requesting Operator" in relation to Blockwiring means the Party who requests the Owner to provision leased transmission capacity over Blockwiring in accordance with this Agreement.

"Standard Provisioning Period" means the standard target provisioning period that is specified in clause 7.1 of Schedule 2 for the provisioning of leased transmission capacity over Blockwiring after an Order has been accepted or is deemed to have been accepted by the Owner.

"Subscriber" in relation to Blockwiring, means the person to whom the Party supplies telecommunications services provided over the Blockwiring.

"telephony services" means voice and/or data on the voice band.

"Termination Socket" means the standard socket pre-provisioned (before the Order) by the Owner at a Subscriber's premises and at which the Owner terminates its Horizontal Blockwiring in order to provide service to that premise.

"Vertical Blockwiring" means that section of a two wire copper blockwiring circuit in place on the date of receipt of an Order within a Blockwiring Building connecting the BIP and a Local Box, and where only the Vertical Blockwiring is being provisioned Vertical Blockwiring includes any jumper and/or B-wire connector referred to in clause 10.2 of Schedule 2.

- 1.2 Capitalised terms not defined in this Agreement will have the meaning given to them in the Customer Access Agreement unless the context requires otherwise.
- 1.3 Clause 1.2 of the Customer Access Agreement applies in this Agreement as if references to "Agreement" were to this Agreement.
- 1.4 If there is any inconsistency between clauses 1 to 17 of this Agreement and a Schedule or the O&M Manual or between any Schedules or between a Schedule and the O&M Manual the inconsistency will be resolved in the following order of preference:
- (a) clauses 1 to 17 of this Agreement;
 - (b) the Schedules; and
 - (c) the O&M Manual.
- 1.5 The Parties will use their respective reasonable endeavors to finalise the draft O&M Manual [REDACTED] of the date of execution of this Agreement.

2. ORDERING AND ACCEPTANCE PROCEDURES

- 2.1 From time to time, the Requesting Operator may place an Order.
- 2.2 The Owner may reject an Order only:
- (a) for reasons specified in clause 3.2 of Schedule 2; or
 - (b) if the Blockwiring requested in the Order is not available on the date of receipt of the Order.
- 2.3 For the purpose of clause 2.2 of this Agreement and clause 3.1 of Schedule 2 and subject to clauses 2.6, 2.7, 2.8, 2.10 and 2.11, Blockwiring will be regarded as being available if all the conditions set out in following paragraphs are satisfied:
- (a) there is Vertical Blockwiring in the Blockwiring Building proposed in the Order which complies with the relevant specifications set out in Schedule 2; and where the Order is for Vertical Blockwiring combined with Horizontal Blockwiring there is Horizontal Blockwiring and also a Termination Socket in place or the Requesting Operator provides its own horizontal block wiring or the Parties agree the terms and conditions on which the Owner will install that horizontal block wiring, and

- (b) the relevant Blockwiring is not on the date of receipt of the Order:
 - (i) being used by any person (including the Owner) other than a person who will become a Subscriber of the Requesting Operator on the Available Date for that Blockwiring pursuant to clause 2.4; or
 - (ii) reasonably required to be used by the Owner during the period of [REDACTED] after the proposed Available Date on the basis of the Owner's current business plan as of the date of receipt of the applicable Order, but this paragraph (ii) will not apply to Blockwiring referred to in clause 2.4 which Blockwiring will be considered as available although it may have been included in such business plan of the Owner; or
 - (iii) the subject of a written order received from another telecommunication service provider on or before the date of receipt of the Order by the Owner; or
 - (iv) the subject of a bona fide order placed with the Owner on or before the date of receipt of the Order by a person (other than a telecommunication service provider) who wishes to use the Blockwiring or a service provided by the Owner using the Blockwiring (other than Blockwiring referred to in clause 2.4); or
 - (v) subject to any of the circumstances described in clause 3.4 which, if the Blockwiring were provisioned the Owner would be entitled to terminate the Contract under clause 3.4.

2.4 If the Owner is providing telecommunication services to a Subscriber over a Blockwiring and that Subscriber wishes to terminate all services provided over that Blockwiring and become a Subscriber of the Requesting Operator and that Blockwiring is of a kind referred to in clauses 2.3(a) and (b) and clause 2.6 and 2.7, then that Blockwiring is available for the purpose of clause 2.2 if :

- (a) the Owner's standard disconnection notice has been signed by a duly authorised representative of the Subscriber;
- (b) the original of the signed disconnection notice has been provided to the Owner's customer front office and a copy of the disconnection notice together with the applicable Order is provided to the Owner in accordance with Clause 15;
- (c) the Owner has received a written confirmation issued by the Requesting Operator confirming that Subscriber wishes to apply for telecommunication service from the Requesting Operator; and
- (d) the disconnection notice has not been revoked or cancelled (in whole or in part) by that Subscriber before the relevant Blockwiring is provisioned.

- 2.5 Subject to clause 2.4, if the Requesting Operator orders Blockwiring that on the date of receipt of the Order is used by any third party (including a telecommunications service provider) it must agree further arrangements with that other party and the Owner.
- 2.6 Acceptance of an Order will be conditional on suitable arrangements being made for the provision of BIP for the relevant building in accordance with clause 5.
- 2.7 The Owner's obligation to provision leased transmission capacity over either Vertical Blockwiring or Vertical Blockwiring combined with Horizontal Blockwiring is limited to existing copper wiring on the date of receipt of the Order and Termination Socket which comply with the relevant specifications set out in Schedule 2. The Owner is under no obligation to install any new Blockwiring or Termination Socket as a result of this Agreement.
- 2.8 The Owner excludes from this Agreement any blockwiring which the Owner installs or arranges to be installed at any time after [REDACTED] of this Agreement other than where the Owner replaces faulty Blockwiring that has been provisioned under a Contract pursuant to clause 8.3 of this Agreement.
- 2.9 The Parties agree to negotiate in good faith as to the provisioning of blockwiring which is outside the scope of this Agreement.
- 2.10 For the purpose of clause 2.2 (b) if the Owner has been appointed by the owner of the Blockwiring as its agent or authorised representative under an agreement to exclusively manage all of the blockwiring in a building and the Owner in good faith is required by that agreement to pay the owner of the blockwiring any amount or give the owner of the blockwiring any benefit (the proportionate share of that amount or benefit in respect of each blockwiring in the relevant building is referred to as "the consideration"), the Parties will negotiate in good faith the Charges payable by the Requesting Operator in respect of the provisioning of Blockwiring under such circumstances and if the Parties are unable to agree the amount it shall be equivalent to the sum of the consideration and the amount that would have been payable in accordance with clause 9 and Schedule 3.
- 2.11 For the purpose of clause 2.2(b) and without prejudice to clause 2.10, to the extent that it is within the reasonable control of the Owner, the terms and conditions in relation to provision and maintenance on which the Owner as the agent or authorised representative of a third party owner of Blockwiring will permit the Requesting Operator to use such Blockwiring ("third party terms and conditions") will be no worse than those on which the Owner may offer the use of Blockwiring owned by that third party owner in the same Blockwiring Building, to other telecommunication service providers. The Requesting Operator must comply with the third party terms and conditions, in addition to the terms and conditions of this Agreement except to the extent that there is an irreconcilable inconsistency between them, in which case the terms and conditions that impose the higher level of obligations on the Requesting Operator will prevail.

3. CONTRACT

- 3.1 If the Owner informs the Requesting Operator that its Order has been accepted or that Order is deemed to be accepted under Schedule 2, a Contract will be deemed to have been established between the Owner and the Requesting Operator in respect of the specified Blockwiring. Clauses 3 to 17 (inclusive) of this Agreement are deemed to be incorporated in each Contract as its terms and conditions. The Owner will provide for the term of the relevant Contract (subject to clauses 2.4 and 10) leased transmission capacity over the Blockwiring provisioned under that Contract and in accordance with the terms and conditions of that Contract.
- 3.2 Without prejudice to clause 9.2, the Minimum Contract Period for each Contract is [REDACTED] which period is subject to the right of a Party to terminate in accordance with clause 10 that is based on a terminating event not involving a breach of a Contract or this Agreement by that Party or in accordance with clause 11.
- 3.3 The Requesting Operator is entitled to terminate a Contract by giving [REDACTED] written notice to the Owner at any time after expiration of [REDACTED] calculated from the Available Date of the subject Blockwiring.
- 3.4 The Owner may terminate a Contract if :
- (a) notice of demolition of the Blockwiring Building has been issued;
 - (b) the Owner or third party owner conducts technology upgrades to the subject Blockwiring;
 - (c) the Owner assigns ownership of the subject Blockwiring;
 - (d) the Owner loses USO in a particular geographical area where that Blockwiring Building is located;
 - (e) subject to clause 3.10, the Owner no longer retains ownership or the exclusive management of the subject Blockwiring in accordance with 2.2(a)(ii), by force of law or lawful exercise of a right (but not including an assignment referred to in paragraph (c)) or
 - (f) the Subscriber to which the Requesting Operator provides telecommunications services over a Blockwiring has applied to the Owner to become a Subscriber of the Owner for services provided by the Owner and the Owner has provided the Requesting Operator with :
 - (i) the Requesting Operator's standard disconnection notice duly signed by the authorised representative of the Subscriber; and
 - (ii) written confirmation issued by the Owner confirming that the Subscriber wishes to apply for telecommunication service from the Owner.
- 3.5 The Owner may give notice to the Requesting Operator at any time during the term of a Contract if the Owner requires to use the Blockwiring the subject of that Contract, and if as at the date of that notice or after the date of receipt of that notice :

- (a) the Requesting Operator or one of its Associate Companies owns or is the agent or authorised representative of the owner of blockwiring under an agreement to exclusively manage all blockwiring or other transmission capacity in that building that is reasonably substitutable for the Blockwiring and is not being used by it to supply a telecommunications service to a Subscriber in the Blockwiring Building ; or
- (b) the Requesting Operator has a right to be provided with reasonably comparative rights of use from a third person in respect of blockwiring or other transmission capacity that is reasonably substitutable for that Blockwiring and has not been lawfully refused comparative rights of use in respect of that reasonably substitutable blockwiring or other transmission capacity; or
- (c) the Subscriber of the Requesting Operator in that Blockwiring Building has terminated all telecommunications services provided over that Blockwiring by the Requesting Operator; or
- (d) the Requesting Operator does not have a Subscriber in that Blockwiring Building for telecommunications services provided over that Blockwiring (but this paragraph (c) does not apply during the initial period of [REDACTED] after the Available Date of that Blockwiring);

then that Blockwiring will no longer be available for use by the Requesting Operator under this Agreement, the Requesting Operator must notify the Owner and the Requesting Operator must disconnect that Blockwiring from its Network and the Owner may connect that Blockwiring to its Network provided that:

- (e) the Parties implement the disconnection and connection in a manner that complies with the O&M Manual, and if the subject Blockwiring is currently in use to serve a Subscriber the Parties will implement the connection and disconnection in accordance with the technical procedures set out in the O&M Manual for a disconnection and connection of a type referred to in clause 2.4; and
- (f) if there is any bona fide dispute in relation to whether paragraph (a), (b), (c) or (d) applies or in relation to the relevant technical implementation, the Parties will resolve that dispute in accordance with the dispute resolution procedures incorporated in this Agreement by clause 16.

3.6 If the Owner gives notice to terminate under clause 3.4(b) above and without affecting the effective date of the termination notice, the Parties will negotiate in good faith for suitable arrangements to continue provisioning of service by the Requesting Operator to the Subscribers who would be affected by such termination.

3.7 The Owner will give the Requesting Operator [REDACTED] written notice for termination under clause 3.4(c) above and [REDACTED] written notice for termination under clause 3.4(a), (b) and clause 3.4(d) (except to the extent that the Owner is given less notice of demolition of a Blockwiring Building from the owner of that building in which case the notice period under this clause will not apply and the Owner's responsibility in this respect will be to notify the Requesting Operator as

soon as practicable after receiving notice from the owner of the Blockwiring Building of its demolition).

- 3.8 If the Owner gives notice to terminate under clause 3.4(c) or (d) above and without affecting the effective date of the termination notice, the Parties will negotiate in good faith for suitable arrangements to minimise interruption of service to the Subscribers who would be affected by such termination. In the event of a proposed assignment of ownership by the Owner of the relevant Blockwiring to an Associate Company, the Owner will endeavor to arrange for the transferee to continue provisioning leased transmission capacity over that affected Blockwiring until expiration of the term of the relevant Contract (which will be no later than the date by which the Agreement may be terminated in accordance with clause 10) and the Parties will negotiate in good faith in relation to the availability to the Requesting Operator under clause 2 of this Agreement of Blockwiring assigned to the Associate Company which is used solely by the Owner to provide telephony services.
- 3.9 The Owner will give the Requesting Operator as much prior notice as reasonably practical for termination under clause 3.4 (e) above and the relevant Contract will only be terminated from the date that ownership of the Blockwiring (or the relevant part of the Blockwiring) is transferred or no longer retained by the Owner.
- 3.10 If the ownership or exclusive management of only part of the Blockwiring is affected by an event referred to in clause 3.4(e), the relevant Contract will continue in respect of that part of the Blockwiring that the Owner retains ownership provided that the point at which the ownership of the Blockwiring changes is a logical break point in the Blockwiring.

4. PROVISIONING

- 4.1 Where Blockwiring is available under this Agreement, the normal target lead-time for making leased transmission capacity over that Blockwiring available to the Requesting Operator is the Standard Provisioning Period in accordance with Schedule 2. If the Owner offers a shorter standard provisioning period to other customers for blockwiring in similar circumstances compared with the Standard Provisioning Period (except in respect of price, provided any such difference in price is taken into account in the following negotiations), the Owner will negotiate in good faith with the Requesting Operator to consider revisions to the Standard Provisioning Period.
- 4.2 The Parties will provision Blockwiring under this Agreement in accordance with Schedule 2 and the O&M Manual.
- 4.3 The Owner will not install any device to limit usage of Blockwiring provisioned under this Agreement to the use specified in the specifications set out in Schedule 2 unless the Owner reasonably suspects that the Requesting Operator is in breach of clause 11.1 and has given the Requesting Operator prior notice in accordance with clauses 11.2 or 11.3 and complies with clauses 11.4 and 11.5.
- 4.4 The Requesting Operator acknowledges that the Owner gives no warranties or representations in relation to the Blockwiring other than as set out in this Agreement and other than warranting that the Blockwiring will comply with the specifications

set out in Schedule 2 so long as and to the extent it is not being applied to a use which is outside those specifications.

4.5 Nothing in this Agreement is to be construed as vesting in the Requesting Operator :

- (a) any right, title or property interest in any Blockwiring; and
- (b) any right of use in respect of any Blockwiring the grant or enjoyment of which would contravene any law, or breach any licence, permit or approval issued by any Government Agency, or infringe any right of or breach any arrangement with a third person (including the building owner or a third party with property interest).

5. ARRANGEMENTS FOR BIP

5.1 The Requesting Operator may, from time to time, send a BIP Application to the Owner to elect for the provision of a BIP in either of the following manner :

- (a) the Owner provides the BIP in the relevant building in accordance with clause 5.1(a) of Schedule 1 to allow for the provision of Blockwiring to the Requesting Operator and other FTNS operators requesting use of Blockwiring in that building; or
- (b) the Requesting Operator provides the BIP in the relevant building in accordance with clause 5.1(b) of Schedule 1 for its own use under this Agreement.

5.2 If the Requesting Operator elects to have the BIP provisioned by the Owner in accordance with clause 5.1(a) of Schedule 1, the Requesting Operator must pay the BIP Charge and the Owner will provision the BIP in accordance with this Agreement (including Schedule 1) and will maintain the BIP in accordance with this Agreement and the O & M Manual for the term of this Agreement.

5.3 If the Requesting Operator elects to self-provide its own BIP in accordance with clause 5.1 (b) of Schedule 1:

- (a) it must ensure that the BIP is installed as close as practical to the Owner's main distribution frame;
- (b) the Requesting Operator will be under no obligation to share the BIP with any other telecommunication service provider;
- (c) the Requesting Operator will not be required to pay the BIP Charge; and
- (d) the Requesting Operator will be responsible for maintaining the BIP and to provide additional capacity to the BIP if it orders for leased transmission capacity over Blockwiring in excess of the prevailing capacity of the BIP.

- 5.4 Each Party shall procure that a BIP provisioned by it complies with the BIP Specifications. The Owner may vary the BIP Specifications in accordance with Schedule 1 and notify the Requesting Operator in writing. BIP provisioned after the variation date must comply with the new specifications, but BIPs that have already been installed will not be affected by the variation.
- 5.5 Further details in relation to each BIP provisioned by the Requesting Operator including identification, site location and physical arrangements will be resolved by the Owner and the Requesting Operator acting in good faith on a case by case basis according to the actual site situation.
- 5.6 Irrespective of whether the BIP is provisioned by the Owner or the Requesting Operator:
- (a) the Requesting Operator will be responsible for providing facilities for its equipment, distribution frame, external cables, tie cables, and jumpering to connect its Network to the BIP; and
 - (b) the BIP will serve as a demarcation point between the Blockwiring and the remainder of the Requesting Operator's Network.
- 5.7 If an MDF Room is occupied by the Owner:
- (a) the Owner must not unreasonably withhold its consent to the Requesting Operator's access to the MDF Room for the Requesting Operator to provision its own BIP under this clause 5, and for this purpose:
 - (i) the reasons for which it will be unreasonable for the Owner to withhold its consent include where it does so on the basis that it has an exclusivity arrangement in respect of that MDF Room; and
 - (ii) the reasons for which the Owner may reasonably withhold its consent, but without prejudicing the parties' obligation to act in good faith under clause 5.5 above and clause 6.4 of Schedule 1, will include that the space that the Requesting Operator intends to use in relation to a BIP is required by the Owner for its reasonable future needs during the next [REDACTED] in accordance with its business plans;
 - (b) and the Requesting Operator wishes to provision its own BIP within the MDF Room, the Parties will negotiate in good faith in relation to any charges to be paid by the Requesting Operator for any facilities or resources used by it in respect of that MDF Room.
 - (c) In this clause "MDF Room" means a common building MDF room within the Blockwiring Building to which access is granted to an FTNS operator [REDACTED] for the purpose of supplying telephony services to persons in that building.

6. LOCAL BOX

- 6.1 This clause 6 applies where leased transmission capacity is provisioned over Vertical Blockwiring only, pursuant to an accepted Order under this Agreement.
- 6.2 The Vertical Blockwiring will be terminated on each floor at the corresponding Local Box or in such other manner as may be described in the O&M Manual. The Owner is responsible for maintaining the Vertical Blockwiring up to and inclusive of the Local Box and the relevant jumpers and/or B-wire connectors referred to in clause 9.2 of Schedule 2 in accordance with the relevant specifications set out in Schedule 2 and the O&M Manual for the term of the Contract including ensuring that the Vertical Blockwiring remains connected to the BIP.
- 6.3 The Requesting Operator is responsible for providing a separate local sub-box, tie-cables and other facilities necessary for connecting its local sub-box and horizontal wiring to the Local Box. If the Requesting Operator specifies in the Order that it will not be providing a local sub-box, then a B-wire connector will be installed by the Owner in accordance with the O&M Manual.

7. TERMINATION SOCKET

- 7.1 If the Requesting Operator places an Order in respect of Vertical Blockwiring combined with Horizontal Blockwiring and that Order is accepted or deemed accepted in accordance with this Agreement then :
- (a) the Owner will be responsible for maintaining the Blockwiring up to and inclusive of the Termination Socket in accordance with the relevant specifications set out in Schedule 2 and the O&M Manual for the term of the Contract but will not be responsible for maintaining the Termination Socket in instances referred to in clauses 7.2 or 8.5.;
 - (b) the Owner is not responsible for relocating the Termination Socket or providing any wiring beyond the Termination Socket at the Subscriber's premises;
 - (c) the Requesting Operator may apply a branded removable adhesive sticker to the Termination Socket and must reinstate the Termination Socket to the condition it was provisioned on the Available Date as soon as the relevant Contract is terminated unless otherwise agreed by the Owner at the time of such termination.
- 7.2 If the Requesting Operator intends to replace any Termination Socket, it must comply with the procedures set out in the O&M Manual and must reinstate the Termination Socket to the condition it was provisioned on the Available Date as soon as the relevant Contract is terminated unless otherwise agreed by the Owner at the time of such termination.

8. FAULT REPORTING, MAINTENANCE AND RELOCATION

- 8.1 The Requesting Operator acknowledges that the Owner is under no obligation to receive fault reports from Subscribers or other persons or to conduct any fault detection and rectification except as expressly required by this Agreement to maintain Blockwiring in accordance with the specifications set out in Schedule 2 and the O&M Manual following notification of a fault by the Requesting Operator and, accordingly, the Requesting Operator must:
- (a) receive any fault reports in respect of Blockwiring made by the Subscriber or any other person;
 - (b) ascertain that the fault reported by the Subscriber is not the result of any equipment or facility other than the Blockwiring;
 - (c) having properly determined that the fault appears to have occurred in the Blockwiring pass a fault report to the Owner describing the fault symptoms; and
 - (d) otherwise comply with fault notification procedures as the Parties may agree from time to time.
- 8.2 Upon receiving the necessary information from the Requesting Operator in relation to faulty Blockwiring, the Owner will use its reasonable efforts to repair and restore service of the faulty Blockwiring within the target restoration period specified in and subject to the terms of Schedule 2. If the Owner offers a shorter standard target restoration period to its other customers in similar circumstances from time to time compared to the target restoration period specified in Schedule 2 (except in respect of price, provided any such difference in price is taken into account in the following negotiations), the Owner will negotiate in good faith with the Requesting Operator to consider revisions to the target restoration period specified in Schedule 2.
- 8.3 The Owner may choose to replace any Blockwiring under a Contract, either for operational or other reasons. The Owner must use its reasonable endeavors to minimise any service interruption to Subscribers of the Requesting Operator because of such replacement and must:
- (a) in the case of replacement of all of the blockwiring in a Blockwiring Building for preventative maintenance purposes - give the Requesting Operator at least [REDACTED] prior notice of the replacement; or
 - (b) in the case of other replacements - give the Requesting Operator substantially the same period of notice which the Owner would give its customers in similar circumstances notice of such replacement,
- except where such notice is not practical due to emergency.
- 8.4 If the Requesting Operator notifies the Owner of a number of faults in a Blockwiring over a reasonably short period of time but that Blockwiring still operates in accordance with the specifications set out in Schedule 2, the Parties will negotiate in good faith (including any increase in the Charges) in relation to any other technical or commercial alternatives in response to the fault. If the Parties cannot resolve

alternatives in a mutually acceptable manner in the good faith negotiations (which may include replacing a Blockwiring that does not comply with specifications set out in Schedule 2), the Owner may cease to maintain that Blockwiring in accordance with this clause or may terminate the Contract for that Blockwiring by giving [REDACTED] notice to the Requesting Operator, unless the Parties agree on the amount of additional maintenance fees for that Blockwiring in respect of attending to any fault not due to a failure of the Blockwiring to operate in accordance with the specifications set out in Schedule 2.

- 8.5** The Requesting Operator must not access, handle, or conduct any work on the Local Box or the Blockwiring, except with the express consent and in the presence of the Owner's authorised representative. While performing maintenance work, the Requesting Operator must not interfere with the wiring circuits and other facilities of the Owner, except :
- (a) the demarcation point at the BIP;
 - (b) the demarcation point at Requesting Operator' sub local box;
 - (c) the B-Wire connector end of the horizontal blockwiring provided by the Requesting Operator; and
 - (d) the Termination Socket but subject to and in accordance with clauses 7.1 and 7.2.
- 8.6** The Owner may only enter the Subscriber's premises to perform maintenance work if accompanied by a representative of the Requesting Operator. The Owner and the Requesting Operator will agree on a time for the joint visit.
- 8.7** If a Subscriber to whom the Requesting Operator is providing service over a Blockwiring wishes to relocate to another premises within the same Blockwiring Building, the Requesting Operator may place an order for relocation with the Owner in accordance with Schedule 2 and pay the charges for relocation specified in Schedule 3.
- 8.8** Relocation described in clause 8.7 will be conducted in accordance with the O&M Manual.
- 8.9** Relocation described in clause 8.7 will be deemed as a termination of the Contract in respect of the original Subscriber premises a new Contract for the relevant Blockwiring will be deemed formed. If termination of the subject Contract occurs within the Minimum Contract Period, the Requesting Operator will not have to pay Blockwiring Recurrent Charges referred to in Schedule 3 for the remaining period of the Minimum Contract Period of the old Contract if the user of telecommunications services provided over the Blockwiring at the new Subscriber premises is the same user as the original Subscriber premises.
- 8.10** The Requesting Operator must:

- (a) use its reasonable efforts to provide the Owner with safe and reasonable access to the relevant Subscriber's premise as may be reasonably required to enable the Owner to perform its obligations under this Agreement;
- (b) obtain the permission of any third person required to give effect to paragraph (a); and
- (c) not authorise or allow any person other than a person reasonably identified as an authorised representative of the Owner to maintain, modify, repair or interfere with the Blockwiring, the Local Box and the Owner's BIP.

8.11 The Requesting Operator acknowledges and agrees that where the Owner's obligations under this Agreement are contingent on it obtaining access and safe and reasonable access to a Subscriber's premise then the Owner is relieved of its obligations under this Agreement which are to the extent that such obligations are in any way affected by the Requesting Operator's delay in arranging and carrying out a joint visit under clause 8.6 of this Agreement or clause 9.2 of Schedule 2 or the Requesting Operator is unable to ensure access by the Owner under conditions described in clause 8.10(a).

9. CHARGES AND PAYMENT

9.1 The Requesting Operator must pay Blockwiring Charges in accordance with this clause and Schedule 3:

- (a) the BIP Charge which will become payable upon completion of the installation of a BIP provided by the Owner under clause 5.2, and if the Owner has already installed a BIP in the relevant building the BIP Charge will be payable when the Requesting Operator places the first Order in respect of that building;
- (b) the Blockwiring One-off Charges which will become payable [REDACTED];
- (c) the Blockwiring Recurrent Charge is payable [REDACTED], and the first payment of such charge in respect of a Blockwiring shall be calculated [REDACTED];
- (d) other charges identified as payable by the Requesting Operator in Schedules 1, 2 and 3.

9.2 The Requesting Operator must pay the Blockwiring Recurrent Charge for the full term of the Minimum Contract Period in respect of each Blockwiring irrespective of whether it actually utilises that Blockwiring during that period, unless :

- (a) the Blockwiring is the subject matter of an order placed by another telecommunication service provider for the provisioning of Blockwiring on substantially similar terms and conditions as the applicable Contract for the balance of the Minimum Contract Period or the Blockwiring is required by the Owner to provide telecommunications services for the balance of the

Minimum Contract Period, and the Requesting Operator has agreed to release the Blockwiring for the provision of those services; or

- (b) the Subscriber to which the Requesting Operator provides telecommunication services over that Blockwiring has notified the Requesting Operator to terminate all those services, and has applied to become a Subscriber of the Owner for services provided by the Owner over that Blockwiring,

in which case the Requesting Operator may terminate the Contract without further penalty or charges being payable (but not including accrued Charges).

The Parties agree that the amount of charge that the Requesting Operator is required to pay under this clause is an agreed pre-estimate of the anticipated losses suffered by the Owner if a Blockwiring is terminated by the Requesting Operator before the end of the relevant Minimum Contract Period.

- 9.3 The Parties must comply with the billing and settlement procedures set out in clause 14.2 to the Customer Access Agreement and clauses 8 and 9 of Schedule 2 to the Customer Access Agreement.
- 9.4 If any retrofit work or relocation is required, the Parties will negotiate to decide who will conduct such work and the terms and conditions for performing that work.
- 9.5 All Blockwiring Charges are subject to increase and CPI adjustment in accordance with Schedule 3 and this Agreement.
- 9.6 The Parties acknowledge and agree that the Blockwiring Charges will apply for a period from the date of this Agreement to [REDACTED]. If the Parties are unable to agree the new Blockwiring Charges before [REDACTED], the Blockwiring Charges will be amended on and from that date in accordance with Schedule 3 until any varied Blockwiring Charges are agreed.

10. TERM REVIEW AND TERMINATION

- 10.1 This Agreement and all Contracts may be terminated by either party giving [REDACTED] prior written notice to the other Party, and such notice may be given at any time only after [REDACTED] from the date of this Agreement.
- 10.2 Either Party will be entitled to terminate a Contract at any time with immediate effect by giving the other Party notice in writing if:
 - (a) the other Party breaches a material provision of that Contract other than payment of Charges and that breach is not remedied within [REDACTED] after receiving written notice to do so, and this paragraph (a) shall be without prejudice to the Owner's right of termination in accordance with clause 11.5; or
 - (b) the Requesting Operator breaches a payment provision of that Contract and that breach is not remedied within [REDACTED] after receiving written notice to

do so in which case payment of the relevant sum and any overdue interest will remedy the breach; or

- (c) Force Majeure event substantially and adversely affecting the ability of either Party to perform its obligations under that Contract continues for a period of [REDACTED]; or
- (d) an event described in clause 10.3 (c) occurs; or
- (e) an event described in clause 10.3 (d) occurs.

10.3 Either Party will be entitled to terminate this Agreement at any time with immediate effect by giving the other Party notice in writing if:

- (a) the other Party breaches a material provision of this Agreement (other than payment of Charges or a breach of clause 11), and that breach is not remedied within [REDACTED] after receiving written notice to do so; or
- (b) a Force Majeure, substantially and adversely affecting the ability of either Party to perform its obligations under this Agreement, continues for a period of [REDACTED] or more; or
- (c) the other Party becomes subject to any form of insolvency administration or winding-up, unless there is a bona fide dispute between that Party and the person(s) seeking to subject that Party to insolvency administration or winding-up; or
- (d) OFTA revokes that Party's FTNS Licence.

10.4 Either Party will be entitled to terminate the relevant Contract at any time with immediate effect if arrangements have been made between the Owner, the Requesting Operator and a third party telecommunication service provider for the release of the subject Blockwiring for use by that third party to serve a Subscriber who wishes to become the customer of that third party.

10.5 If a notice of termination of this Agreement (as opposed to an individual Contract) is issued in accordance with this clause 10, the Owner is not obliged to accept any new Orders from the Requesting Operator nor is the Owner obliged to fulfill any existing Orders from the Requesting Operator which have not been accepted pursuant to the provisions of Schedule 2.

10.6 If a terminating event for this Agreement also constitutes a terminating event for any Contract then that Contract may be terminated in accordance with its own terms and the notice of termination of this Agreement will be deemed as a notice for termination of each Contract affected by the same terminating event. This Agreement shall continue to apply to any ~~Sharing Licence~~ ^{Contract} existing at the time of termination of the Agreement until the expiry or termination of that ~~Sharing Licence~~ ^{Contract}. Upon giving notice to terminate this Agreement, the Owner may give notice to terminate a ~~Sharing Licence~~ ^{Contract} with effect on the date which is the earlier of

(a) the expiration of the Minimum Contract Period, or (b) termination date of the Agreement.

10.7 Termination of any Contract or this Agreement will not prejudice or affect any right of action or remedy which will have accrued or will thereafter accrue to either Party before the date of termination.

11. USE OF BLOCKWIRING

11.1 The Requesting Operator must not use any Blockwiring provisioned to it under this Agreement or allow any other person to use that Blockwiring in such a way that :

- (a) causes interference to the supply of telecommunications services by the Owner or any third party to the relevant Blockwiring Building or
- (b) threatens the safety or well-being of any person or property in the relevant Blockwiring Building,

and the Parties shall investigate that interference or threat in the manner set out in the O&M Manual but without prejudice to the Owner's rights under this clause.

11.2 If the Requesting Operator fails to remedy a breach of clause 11.1(b) forthwith upon receiving oral or written notice of such breach from the Owner, the Owner may immediately suspend the use of that Blockwiring.

11.3 If the Requesting Operator fails to remedy a breach of clause 11.1(a) within [REDACTED] of receiving oral or written notice of such breach from the Owner together with reasons for the issue of the notice, the Owner may suspend service of that Blockwiring and/or install a device to limit use of that Blockwiring provided that such device does not prevent the Blockwiring from being operated in accordance with the specifications set out in Schedule 2.

11.4 The Requesting Operator must rectify any breach of clause 11.1 over a further period of [REDACTED] following notice under clauses 11.2 or 11.3. The Owner may terminate the Contract of the relevant Blockwiring if the breach has not been remedied at the expiration of that period.

11.5 The Owner will:

- (a) discontinue suspension of the use of the Blockwiring; or
- (b) in the case of the first occurrence of a breach of clause 11.1(a) in respect of the relevant Blockwiring but not subsequent occurrences, remove the limiting device installed pursuant to clause 11.3,

if the Requesting Operator proves to the Owner's reasonable satisfaction before termination of the relevant Contract becomes effective, that the breach has been remedied and that resumption of use of the Blockwiring by the Requesting Operator will not result in a breach of clause 11.1(a) or 11.1(b).

12. PROPERTY INTEREST

12.1 The Owner retains all title to the BIP if it is provided by the Owner, the Blockwiring, the Local Box, and the Termination Socket.

12.2 The Parties expressly acknowledge that the fact that [REDACTED] may use Blockwiring provisioned and maintained under this Agreement to comply with special conditions of its fixed telecommunications network services licence will have no effect on the manner in which this Agreement is interpreted or on the extent of their respective obligations under this Agreement, nor will this clause result in [REDACTED] obligation to do an act on or before a particular date being less than it would have had this clause not been included in this Agreement.

13. FORCE MAJEURE

13.1 If in relation to a Blockwiring, a Party is unable to perform an obligation under a Contract or this Agreement (other than an obligation to pay charges) by reason of an event of Force Majeure, that obligation is suspended to the extent that it is affected by, and during the continuance of, the Force Majeure, if that Party :

- (a) gives the other Party prompt notice of the Force Majeure setting out the details of the Force Majeure and an estimate of the extent and duration of its inability to perform; and
- (b) uses all possible diligence to remove that Force Majeure as quickly as possible.

13.2 If the Force Majeure continues for a period of [REDACTED] after a notice given under this clause, without prejudice to each Party's rights under clause 10.2(c) and 10.3(c) the Parties must meet to discuss in good faith a mutually satisfactory resolution to the problem.

13.3 The requirement that a Force Majeure be removed with all possible diligence does not require the settlement of strikes, lockouts or other labour disputes or claims or demands by any government on terms contrary to the wishes of the Owner.

13.4 A Party may not rely on an act or omission of an Associate Company as an event of force majeure except where that act or omission is beyond the reasonable control of that Associate Company.

14. CONFIDENTIALITY

[REDACTED]

[REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

15. NOTICES

15.1 A notice, consent, request or any other communication under this Agreement (“communication”) must be in writing and must be left at the address of the addressee, or sent by prepaid post (airmail if posted to or from a place outside Hong Kong) to the address of the addressee or sent by facsimile to the facsimile number of the addressee specified below or any other address or facsimile number the addressee requests.

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED]

[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]

15.2 A communication is deemed to be received:

- (a) if by hand delivery, when it is delivered;
- (b) if a letter, [REDACTED] after posting ([REDACTED], if posted to or from a place outside Hong Kong); and
- (c) if a facsimile, at the time of dispatch if the sender receives a transmission report which confirms that the facsimile was sent in its entirety to the facsimile number of the recipient.

15.3 If a Party intends that communications on operational issues be sent to another addressee and facsimile number within its company, it may notify the other Party of the same by issuing a notice in the manner stated above in clause 15.1.

15.4 Communications received by a Party outside of normal working hours (being 9:00am to 5:00pm on any Business Day) will be regarded as being received on the immediately following Business Day.

16. INCORPORATION OF PROVISIONS

16.1 Clauses 22 (dispute resolution) and 24 (general) of the Customer Access Agreement are incorporated by reference in this Agreement.

17. INDEMNITY AND LIMITATION OF LIABILITY

17.1 Each Party acknowledges that this clause:

- (a) provides for certain exclusions and limitations by each Party of liability to the other Party for the other Party's Losses;

- (b) does not exclude or limit the application of any provision of any law where to do so would:
 - (i) contravene that law; or
 - (ii) cause any part of this clause to be void; and
- (c) does not exclude or limit a Party's right to seek or obtain any remedy that may be available at law or in equity when damages are not an adequate remedy, including but not limited to an injunction or specific performance.

17.2 Notwithstanding clause 17.4 and 17.5 or any other provision of this Agreement, each Party excludes all liability to the other Party (whether under contract, tort, statute or otherwise) for any:

- (a) consequential or indirect Loss (including loss of revenue or profits) of the other Party;
- (b) liability of the other Party to any third party for any:
 - (i) consequential or indirect Loss (including loss of revenue or profits) of that third party (other than consequential or indirect Loss of a natural person for personal injury or death under a claim by a natural person referred to in clause 17.4(a) and 17.5(a));
 - (ii) direct Loss of that third party other than direct Loss of a type referred to in clause 17.4(a) or (b) and clause 17.5(a) or (b); and
- (c) liability of the other Party to a Government Agency under or in relation to the other Party's Licence (including under any performance bond relating to that Party's Licence);

suffered or incurred by the other Party during or after the term of this Agreement arising under or in any way out of or in connection with this Agreement and/or any Contract, the performance of this Agreement and/or any Contract, or the termination of this Agreement and/or any Contract.

17.3 Other than Loss of a type referred to in clause 17.4, the liability of one Party to the other in contract, tort or otherwise (including any liability for negligence) arising by reason of or in connection with this Agreement and all Contracts is limited to [REDACTED] for any one incident or series of events arising from a single incident or common cause and in no case will a Party be liable for aggregate amount of in excess of [REDACTED] for all liability arising by reason of or in connection with this Agreement and all Contracts.

17.4 Subject to clause 17.2, nothing in this Agreement and/or any Contract in any way excludes or restricts a Party's ("Indemnifying Party") liability to the other Party ("Innocent Party") for:

- (a) Losses of the Innocent Party arising from any claim against the Innocent Party by any natural person for any injury to or death of:
 - (i) any of the Indemnifying Party's personnel;
 - (ii) any of the Innocent Party's personnel; and
 - (iii) any other person;

caused by the Indemnifying Party or its employees, agents or contractors arising out of or in connection with this Agreement and/or any Contract;

- (b) direct Losses arising from damage to or loss of any equipment, facility or other tangible property of the Innocent Party or any other person caused by the negligence of the Indemnifying Party or its employees, agents or contractors arising out of or in connection with this Agreement and/or any Contract; and
- (c) direct Losses arising from an intentional breach of this Agreement and/or any Contract by the Indemnifying Party or its employees, agents or contractors or any fraud.

17.5 Subject to clause 17.2 each Party ("Indemnifying Party") indemnifies the other Party ("Innocent Party") against all:

- (a) Losses of the Innocent Party arising from any claim against the Innocent Party in relation to any injury to or death of:
 - (i) any of the Indemnifying Party's personnel; and
 - (ii) any of the Innocent Party's personnel; and
 - (iii) any other person;

caused by the Indemnifying Party or its employees, agents or contractors arising out of or in connection with this Agreement and/or any Contract;

- (b) direct Losses arising from damage to or loss of any equipment, facility or other tangible property of the Innocent Party or any other person caused by the negligence of the Indemnifying Party or its employees, agents or contractors arising out of or in connection with this Agreement and/or any Contract; and
- (c) direct Losses arising from an intentional breach of this Agreement and/or any Contract by the Indemnifying Party or its employees, agents or contractors or any fraud.

17.6 [REDACTED] must ensure that each agreement with a [REDACTED] Customer ("Customer Contract") includes a provision that, in so far as [REDACTED] is legally able, seeks to :

- (a) exclude and limit the liability of [REDACTED] (or one or more of [REDACTED]'s subcontractors or suppliers of transmission capacity which include [REDACTED]) to no lesser extent than the Customer Contract excludes and limits [REDACTED]'s liability to that [REDACTED] Customer for Loss suffered or incurred by the [REDACTED] Customer during or after the term of this Agreement and/or the relevant Contract arising under or in any way out of or in connection with this Agreement and/or the relevant Contract, the performance of this Agreement and/or the relevant Contract or the termination of this Agreement and/or the relevant Contract; and
- (b) exclude [REDACTED]'s liability for all consequential and indirect Loss of the [REDACTED] Customer (including loss of revenue or profits); and
- (c) limit [REDACTED]'s liability for all Loss other than Loss referred to in paragraph (b) to a maximum amount which is no different to the limit to [REDACTED]'s liability for activities undertaken by [REDACTED] under that Customer Contract;

provided that this clause does not require [REDACTED] to include a provision in any Customer Contract that would exclude or limit the application of any provision of any law in a manner that would contravene that law or cause any part of that provision to be void.

17.7 By virtue of and subject to this clause, [REDACTED] in so far as it is legally able confers on [REDACTED] the benefit of the provision in the Customer Contract referred to in clause 17.6. [REDACTED] must act as [REDACTED]'s bare trustee and agent for the sole purpose of conferring the benefit of such a provision on [REDACTED] as beneficiary. [REDACTED] must hold the benefit of that provision which is conferred on [REDACTED] as a bare trustee for [REDACTED]. [REDACTED] will not have any obligation or responsibility to [REDACTED] in any capacity as agent, trustee or otherwise except to the extent expressly set out in this clause. [REDACTED] will not have any right to act on behalf of [REDACTED] as agent, trustee or otherwise except as expressly set out in this clause.

17.8 The limitations of liability under this clause do not apply to any liability to pay Charges under this Agreement and/or any Contract.

17.9 The exclusions and limitations of liability under this clause apply in aggregate for all Contracts and not as separate limitations or exclusions of liability under separate Contracts.

17.10 This clause 17 survives termination of this Agreement.

17.11 For the avoidance of doubt the limitation of liability under clause 16.3 of the Customer Access Agreement applies to liability under this Agreement and the Customer Access Agreement as if they were a single agreement.

17.12 The limitation of liability clauses are to be applied such that a Party's limitation liability under this Agreement and/or any Contract are not exceeded as a result of any separate liability for the same event under any other agreement between the Parties.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SCHEDULE 1

PROVISIONING AND MAINTENANCE OF BIP

Terms defined in the Blockwiring Agreement apply in this Schedule.

Part A - Specifications

1. BIP Specifications
 - 1.1 A typical module of BIP has a capacity for termination of 10 pairs of insulated copper wires on each side of the BIP module complying with the following specifications :
 - Connector Type : using Insulation Displacement Contacts (IDC) technique
 - Type of Contact : Normally closed with disconnection facility (disconnection module)
 - Copper Wire Dimensions : 0.7 - 1.4 mm (including insulation) per slot to accommodate two 0.4 - 0.65 mm copper cores per slot
or one 0.7 - 0.9 mm copper core per slot
 - Insulation Resistance : $\geq 5 \times 10^4 \text{ M}\Omega$
 - Dielectric Strength : $\geq 2000 \text{ V}_{\text{r.m.s}}$
 - 1.2 The Owner may from time to time inform the Requesting Operator by written notice of any change to the specifications set out in clause 1.1, and BIP that are installed after the date of such notice shall comply with the new specifications.
2. A BIP that is provided by the Owner must comply with the BIP Specifications and will have a capacity that is capable of provisioning pairs of Blockwiring circuit to the Requesting Operator. The Owner will be responsible for increasing the capacity of that BIP to provision any Blockwiring in excess of pairs which the Requesting Operator orders for in accordance with Schedule 2.
3. A BIP that is provided by the Requesting Operator must comply with the BIP Specifications.
4. Each time when the Owner provisions Blockwiring requested in an Order, it will connect a pair of jumper wires from the BIP to the Owner's MDF and shall maintain that connection throughout the term of the relevant Contract.

Part B - Application Procedures

5. BIP Application
 - 5.1 Each BIP Application must be in writing and must state whether :

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- (a) the Requesting Operator requests that the Owner provides the BIP, in which case the BIP Application must contain information specified in clause 5.2 and must state whether it is for new installation or expansion of installed capacity.
- (b) the Requesting Operator is providing its own BIP, in which case the BIP Application must be in accordance with clause 5.3 and must state whether it is for new installation or expansion of installed capacity.

5.2 Each BIP Application under clause 5.1(a) must contain the following information :

- (a) name of building;
- (b) desired quantity of circuit pairs to be terminated to BIP;
- (c) proposed date for which the BIP is to be ready for the Requesting Operator to pre-wire its own tie cable to the BIP; and
- (d) contact person of the Requesting Operator.

5.3 If the Requesting Operator provides the BIP,

- (a) it must ensure that the BIP is installed as close as practically possible to the Owner's MDF in the relevant Blockwiring Building,
- (b) the location and diagram of the BIP if it is to be provided by the Requesting Operator;
- (c) it must include the information specified in clause 5.2(a), (c) and (d) in the BIP Application.

6. Response to Application

6.1 Within [REDACTED] of the receipt of a BIP Application, the Owner will inform the Requesting Operator whether that BIP Application is accepted. If the Owner does not respond in writing within [REDACTED] it will be deemed to have accepted the BIP Application. The Owner may only reject a BIP Application if :

- (a) the proposed location of the BIP is not suitable or currently being used for another purpose and no solution is agreed under clause 6.3 within a reasonable time; or
- (b) the BIP Application does not contain information required by the Agreement or this Schedule; or
- (c) the provision of the BIP is restricted by availability of space on the Owner's main distribution frame and no alternative solution is agreed under clause 6.4 within a reasonable time.

If the Owner rejects a BIP Application it will provide written reasons for that rejection to the Requesting Operator.

- 6.2 If the Owner accepts or is deemed to have accepted a BIP Application for the Owner to provide the BIP, the Owner will inform the Requesting Operator of the number and details of termination points available to the Requesting Operator for that BIP if specified capacity of BIP is allocated to the Requesting Operator in advance, and the targeted date when the BIP will be available for the Requesting Operator to run its own tie cable and the location of BIP.
- 6.3 If the BIP Application for the Requesting Operator to provide its own BIP is not accepted because of the proposed location of the BIP, the Owner will in its written reason provided to the Requesting Operator propose an alternative location and the Parties will negotiate in good faith for an alternative location for the BIP.
- 6.4 If the BIP application by the Requesting Operator for the Owner to provide the BIP is not accepted by the Owner because of availability of space on the Owner's main distribution frame, the Parties will negotiate in good faith and agree the terms and conditions for alternative solutions.

7. Provisioning Lead Time of BIP

- 7.1 The Owner will use its reasonable endeavours to provision the BIP within [REDACTED] from the date it informs the Requesting Operator that the BIP Application is accepted or deemed to be accepted.
- 7.2 The Parties acknowledge that the above provisioning lead time does not apply if:
- (a) the Owner receives a large number of request to provision BIP within a short time frame;
 - (b) permission of building management is required for installing BIP and that permission is not obtained or is delayed;
 - (c) the Blockwiring Building is on an outlying island, a restricted area or a hill top; or
 - (d) Subscriber's premises is not readily accessible.
- 7.3 If the BIP cannot be provided within the standard provisioning lead time, the Owner will provide reasons to the Requesting Operators and an alternative available date. The Owner will use its reasonable endeavours to minimize the provisioning lead time.

8. BIP Expansion

- 8.1 If the BIP is provided by the Requesting Operator, the Requesting Operator is responsible to install additional BIP modules. If the Requesting Operator replaces an installed BIP or add an additional BIP and the replaced or additional BIP modules are installed in space outside that agreed for the existing BIP, the Requesting Operator has to make a new BIP Application to the Owner under clause 5.1(b).

- 8.2 If the BIP is provided by the Owner, the Requesting Operator will keep track of the usage rate of the installed BIP. When the Requesting Operator reasonably foresees that the spare BIP capacity cannot meet the forecasted growth [REDACTED], it will make a new BIP Application to the Owner for additional BIP modules according to clause 5.1(a).
- 8.3 The Party who provisions the BIP will be responsible for any cost to expand the capacity of that BIP.
9. This Schedule does not cover the situation for replacing a BIP which has already been installed and provisioned by the Owner not due to reasons for maintaining the BIP in which case the Parties will negotiate in good faith in relation to that replacement.

- End of Schedule 1-

SCHEDULE 2

SPECIFICATIONS, ORDERING, PROVISIONING AND MAINTENANCE OF BLOCKWIRING

Terms defined in the Blockwiring Agreement apply in the Schedule.

Part A - Specifications

1. Blockwiring Specifications

The specifications for the Blockwiring are.

- (a) Physical Characteristics: two wire copper cable connection for voice grade application
- (b) Bandwidth: 300 to 3400 Hz (measured at 3dB below maximum signal response)
- (c) Signal Attenuation: nominal 1.7 dB per km at 1600Hz
- (d) Circuit Random Noise: - 45 dBmp maximum
- (e) Typical Loop Resistance: 300 Ω maximum
- (f) Insulation Resistance to Earth: 250K Ω minimum
- (g) DC continuity for supporting basic DC signalling required for operation of basic voice telephony

Part B - Ordering Procedures for Blockwiring

2. Order

2.1 From time to time, the Requesting Operator may apply in writing for provisioning of Blockwiring by the Owner in a Blockwiring Building. The request for a Blockwiring circuit will constitute an individual Order, but the Requesting Operator may include several Orders in the same Order Form if all these Orders are in respect of the same Subscriber, the same premises and the same Blockwiring Building and have the same proposed Available Dates.

2.2 Each Order in respect of a Blockwiring circuit should include:

- (a) the name of the Blockwiring Building;
- (b) whether Vertical Blockwiring or Vertical Blockwiring combined with Horizontal Blockwiring is required;

- (c) the floor for which a Vertical Blockwiring is required, and the floor and room/flat number if Horizontal Blockwiring is required;
- (d) diagrams showing location of BIP if it is provided by the Requesting Operator;
- (e) if only Vertical Blockwiring is required, whether the Requesting Operator will provide a sub-local box and a location diagram of the sub-local box (if any);
- (f) the terminating point at the BIP
 - if it is provided by the Requesting Operator; or
 - if the BIP is provided by the Owner and specific capacity has been allocated to the Requesting Operator in accordance with Schedule 1;
- (g) the location of the Requesting Operator's sub local box if the Requesting Operator only requires Vertical Blockwiring from the Owner; or if the Requesting Operator provides Horizontal Blockwiring without sub local box, the location of the end of the Requesting Operator's Horizontal Blockwiring.
- (h) the proposed Available Dates; and
- (i) contact person of the Requesting Operator.

3. Response to Order

3.1 The Owner must respond within [REDACTED] of the date of receipt of an Order, in writing:

- (a) to accept that Order and, if the BIP is provided by the Owner but no capacity has been allocated to the Requesting Operator in advance under Schedule 1, the Owner will specify the terminating point at the BIP for provisioning the Blockwiring requested under that accepted Order; or
- (b) to notify the Requesting Operator that the Owner's acceptance of the Order requires the resolution of a Review Event as set out in clause 3.2 below in which case clause 3.3 will apply; or
- (c) to reject that Order because the requested Blockwiring is not available as set out in clause 2 of the Agreement.

If the Owner does not respond in writing within the above-mentioned [REDACTED] it will be deemed to have accepted the Order. If requested by the Requesting Operator, the Owner will inform the Requesting Operator of the reason for rejecting the Order.

3.2 The Owner will notify the Requesting Operator if any of the following matters affect an Order ("Review Event"):

- (a) the Order does not contain all the required information;
 - (b) the period between the date of the Order is accepted and the proposed Available Date is less than the Standard Provisioning Period;
 - (c) if retrofit work is necessary to provision Horizontal Blockwiring and/or Termination Socket;
 - (d) arrangements for BIP in the relevant building have not been made in accordance with the Agreement;
 - (e) capacity of the existing BIP has to be expanded to provision the Blockwiring requested in the Order;
 - (f) the Owner has received requests for a large number of Blockwiring to be provisioned within a short period of time;
 - (g) if the Order Form contains several Orders and circumstances will require more than one site visit for provisioning Blockwiring under those Orders; or
 - (h) other circumstance which makes it difficult and/or impractical for the Owner to provision the requested Blockwiring in accordance with the terms and conditions of the Agreement.
- 3.3 If the Owner withholds acceptance of an Order due to a Review Event, it will notify the Requesting Operator as soon as practicable of the general nature of the relevant Review Event and the further time required to complete that review (which must be the least time that is practicable for the Owner to complete that review using its reasonable efforts).
- 3.4 If notice of a Review Event is given under clause 3.2(c), the Owner will provide details of the work and costs involved to the Requesting Operator for its consideration. If notice of a Review Event is given under clause 3.2(e), the Owner will propose an alternative arrangement for Requesting Operator to consider.
- 3.5 If notice of a Review Event is given under clause 3.2 (f), the Owner will propose alternative Available Dates for the Requesting Operator to consider and subject to an agreement between the Parties on the alternative arrangement, the Owner will use its reasonable endeavours to procure those alternative Available Dates are as close as possible to the Available Date proposed by the Requesting Operator in the Order.
- 3.6 If notice of a Review Event is given under clause 3.2(g), the Owner will propose the number of required site visits and the alternative Available Dates for the Requesting Operator to consider and subject to an agreement between the Parties on the alternative arrangement, the Owner will use its reasonable endeavours to procure those alternative Available Dates are as close as possible to the Available Date proposed by the Requesting Operator in the Order.
- 3.7 If a notice of Review Event is given under clause 3.2(h), the Owner will propose an alternative arrangement for the Requesting Operator to consider. Subject to an agreement between the Parties on the alternative arrangement, the Owner will use its reasonable

endeavours to procure that the alternative Available Date is as close as possible to the Available Date proposed by the Requesting Operator in the original Order.

- 3.8 Upon receipt of a written proposal from the Owner under clauses 3.4, 3.5, 3.6 and/or 3.7, the Requesting Operator will inform the Owner in writing whether the Owner's proposal is acceptable within [REDACTED]. The Owner is deemed to have accepted the Order based on the Owner's proposal upon receipt of the Requesting Operator's acceptance of that proposal. If the Owner does not receive written confirmation or response from the Requesting Operator within this time period, the Requesting Operator is deemed to have cancelled the relevant Order.
- 3.9 If the Owner requires further information under clause 3.2(a), the Requesting Operator must provide the requested information within [REDACTED]. If the Owner does not receive the requested information within this time period, the Requesting Operator is deemed to have cancelled the relevant Order. After receiving the requested information, the Owner will inform the Requesting Operator within [REDACTED] whether the Order is accepted in accordance with clause 3.1, and if the Owner does not respond within the above-mentioned [REDACTED] it will be deemed to have accepted the Order.
- 3.10 Acceptance of Order must be in writing and must specify the planned Available Date for each circuit ("Planned Available Date") which must not be earlier than the proposed Available Date stated in the Order. The Planned Available Date will be the date calculated by adding the Standard Provisioning Period to the date of acceptance or deemed acceptance of the Order.
- 3.11 If the Requesting Operator requires Blockwiring to be provisioned earlier than the date they would otherwise be provisioned under this clause it will notify the Owner that it requests earlier provisioning of the Blockwiring in which case:
- (a) the Owner will notify the Requesting Operator of any overtime charges for provisioning the Blockwiring by that earlier date to be calculated according to the prevailing man-hour rates described in Schedule 3; and
 - (b) the Blockwiring will be provisioned in accordance with the timetable agreed by the Parties.
- 3.12 If the schedule for making Blockwiring available as requested by the Requesting Operator will require commitment of resources by the Owner other than in accordance with its usual provisioning practices during normal office hours, the Owner may propose and shall promptly inform the Requesting Operator of the relevant charges for the Owner to meet the requirements. The Owner shall not commit any additional resources outside business hours under this clause for which the Owner has prior knowledge that the Requesting Operator would be required to pay additional charges under this clause, without the prior consent of the Requesting Operator. Any such delay in seeking and gaining such consent will be taken into account by the Owner and the Requesting Operator in relation to the time for the provision of the Blockwiring by the Owner to the Requesting Operator under this Agreement. Any charges for labour incurred by the Owner under these circumstances will be calculated in accordance with the prevailing man-hour rates described in Schedule 3.

4. Rejection of Order

COMMERCIAL IN CONFIDENCE

4.1 The Owner may reject an Application if:

- (a) the Requesting Operator is in material breach of the Agreement; or
- (b) in the event that any of the Review Events apply and the Parties are not able to resolve that Review Event having negotiated in good faith in an effort to do so.

5. Variation or Cancellation

5.1 If the Requesting Operator wishes to vary or cancel, in whole or in part, an Order which has been accepted by the Owner, it must:

- (a) notify the Owner of that variation or cancellation in writing; and
- (b) pay the Owner the applicable variation or cancellation charge set out below:

<u>Variation/ Cancellation</u>	Variation / Cancellation Charges
	■ [REDACTED]
On the date of acceptance	■
Between date of acceptance and [REDACTED] before the Planned Available Date	■
Within [REDACTED] days before the Planned Available Date	■

For the purpose of calculating the variation or cancellation charge, the amount of Blockwiring One-off Charges that will be included are the site-visit charge and the installation charge specified in Schedule 3.

- 5.2 Order variation is limited to variation of Planned Available Date only. If the Requesting Operator varies the Planned Available Date, the Parties will negotiate in good faith to agree on a new Available Date. The Owner will inform the Requesting Operator of any over-time work which is necessary for the Owner to agree to the newly proposed Available Date and the charges for such over-time work which will be payable by the Requesting Operator. For this purpose, the over-time work will be charged at the prevailing man-hour rates described in the Charges Schedule. If the Parties cannot agree on a new Available Date which is no later than [REDACTED] after the original Planned Available Date, the Order is deemed to be cancelled and the Requesting Operator must pay cancellation charge.
- 5.3 An Order for a specified Blockwiring circuit is deemed to be cancelled if the Requesting Operator informs the Owner that :
- (a) the Requesting Operator cancels the Order for that circuit, or
 - (b) the Requesting Operator varies a matter specified in clause 2.2 (a) or (c), or
 - (c) the Requesting Operator requests variation of other matter, and that variation will require substantial change to the provisioning work already performed by the Owner, including arrangement or location of BIP or sub-local box (if any).

6. Normal Working Hours

- 6.1 Order must be received by the Owner and acceptance of Order must be received by the Requesting Operator during normal working hours.
- 6.2 Normal Working Hours are from 9:00am to 5:00pm of a Business Day.
- 6.3 Order or acceptance of Order received after 5:00pm of a Business Day will be regarded as received on the immediately following Business Day by the receiving Party.

Part C - Standard Provisioning Period

7. Standard Provisioning Period

- 7.1 The Owner will use its reasonable efforts to provision the Blockwiring requested in an Order so that its Available Date is within a period from the date of acceptance or deemed acceptance of that Order of :
- (a) [REDACTED] in the case of Blockwiring in Blockwiring Buildings for commercial use;
 - (b) [REDACTED] in the case of Blockwiring in Blockwiring Buildings for residential use.
- 7.2 The Parties acknowledge that the following factors may affect the ability of the Owner to meet the above provisioning targets, and if any of the circumstances arises the Owner will as

soon as reasonably practical notify and provide the Requesting Operator with an estimate of the provisioning period for that case :

- (a) a site visit is required;
- (b) line removal and line upgrade is required;
- (c) provisioning of a number of Blockwiring is required within a short time frame;
- (d) work by the Requesting Operator or Subscriber is required;
- (e) the Blockwiring Building is not readily accessible, or is located in outlying island, restricted areas or hill tops;
- (f) installation, expansion or replacement of BIP for the relevant Blockwiring Building is not yet completed;
- (g) relocation of the Termination Socket; or
- (h) the Owner has received a large number of requests from other parties for Blockwiring to be provisioned within a short time period.

7.3 If the event specified in clause 7.2 (h), the Owner will treat all the parties in a non-discriminatory manner and negotiate with the Requesting Operator in good faith for a plan to meet the Order.

7.4 If at any time after acceptance of an Order,

- (a) during its site visit to fulfill that Order, the Owner discovers that no suitable wiring is available, or
- (b) the Owner has reason to believe that it will not be reasonably practical in all relevant circumstances to provision the Blockwiring circuit by the Planned Available Date,

the Owner will inform the Requesting Operator immediately and negotiate in good faith for an alternative solution or Available Date.

8. Notice of Available Date

8.1 When the Owner completes the provisioning of a requested Blockwiring, it will issue a completion notice to inform the Requesting Operator of the Available Date of that Blockwiring.

Part D - Maintenance

9. Target Restoration Time

COMMERCIAL IN CONFIDENCE

9.1 If the Owner receives a fault notification during its normal working hours which is given by the Requesting Operator in accordance with the Agreement, the Owner will use its reasonable endeavours to restore service of the faulty Blockwiring on or before the end of next day after receipt of fault notification by the Owner.

9.2 The Owner may only enter the Subscriber's premises to perform maintenance work if accompanied by a representative of the Requesting Operator. The Owner and the Requesting Operator will agree on a time for the joint visit.

9.3 The Parties acknowledge that the following factors may affect the ability of the Owner to meet the above maintenance targets :

- (a) the Subscriber's premise is inaccessible where work on the Horizontal Blockwiring and/or the Termination Socket is required;
- (b) power failure at the relevant Blockwiring Building;
- (c) additional time awaiting approval from the Requesting Operator, management of the relevant Blockwiring Building, and/or the Subscriber;
- (d) natural disaster;
- (e) major cable fault;
- (f) weather constraints;
- (g) public transportation is not available;
- (h) the Blockwiring Building is not readily accessible, or is located in outlying island, restricted areas or hill tops;
- (i) replacement / removal of wiring is required; or
- (j) the Parties cannot agree on a time for joint maintenance visit to Subscriber's premises if access to Subscriber's premises is required by the Owner for performing maintenance work.

* Weather constraints are defined as thunderstorm, black rain storm or typhoon warnings which may affect staff safety on carrying out repair duties.

10. Maintenance Responsibilities

10.1 The Requesting Operator will be responsible for the maintenance of those facilities which it provides in respect of a specified Blockwiring, including (a) the BIP, (b) the sub-local box, (c) the horizontal wiring, and (d) the customer termination socket that the Requesting Operator provides.

10.2 The Owner will be responsible for the maintenance of those facilities it provides in respect of a specified Blockwiring including :

- a. the Owner's BIP, or alternatively the jumpers for connecting the Requesting Operator's BIP to the Owner's MDF, as may be applicable;
- b. the Vertical Blockwiring and the Local Box if only Vertical Blockwiring is being provisioned by the Owner;
- c. the Vertical Blockwiring and Horizontal Blockwiring if both are being provisioned by the Owner;
- d. the short run of jumpers for connecting the Local Box and the Requesting Operator's sub-local box, or alternatively the B-wire connector and the jumper for connecting the Local Box and the B-wire connector, as may be applicable;
- e. the Termination Socket provided by the Owner except in instances described in clause 10.3 (d) in relation to Termination Socket.

10.3 While performing maintenance work, the Parties must not interfere with the wiring circuits and other facilities of the other Party, except :

- (a) the demarcation point at the BIP;
- (b) the demarcation point at Requesting Operator' sub local box;
- (c) the B-Wire connector end of the Horizontal Blockwiring provided by the Requesting Operator; and
- (d) the Termination Socket but subject to and in accordance with the terms and conditions of the Agreement.

11. **Fault Handling and Reporting**

11.1 Each Blockwiring will be given a circuit identity in the notice of Available Date given by the Owner in accordance with this Schedule, and this identity is used for reference in all communications between the Parties.

11.2 The Parties will operate a fault reporting contact point to deal with faults or service problems relating to Blockwiring. The Requesting Operator will receive and handle fault reports from its Subscriber and will perform the necessary fault investigation . If the faults are identified as located in Owner's Blockwiring section, the Requesting Operator should report them to the Owner together with the necessary information and identification in accordance with clause 8 of the Agreement.

11.3 If the maintenance work to be performed by the Owner involves replacement of any circuit or any planned outage, the Owner will give at least [REDACTED] prior notice to the Requesting Operator. The Owner will use its reasonable endeavour to minimize the possible service interruption.

COMMERCIAL IN CONFIDENCE

Part E - Relocation

12. Relocation of Subscriber

- 12.1 If a Subscriber of the Requesting Operator is planning to move from its existing premises to which the Blockwiring is being provisioned to another premises within the same Blockwiring Building, the Requesting Operator may place a relocation order with the Owner which must contain the following information :
- (a) the address of the original premises;
 - (b) all the information required for an Order described in clause 2.2;
 - (c) confirmation that the user of services provided over the Blockwiring before relocation and after relocation is the same party.
- 12.2 The provisions of the Agreement and this Schedule in relation to Orders will apply to the orders for relocation under this clause.
- 12.3 The Requesting Operator agrees to pay the relocation charge specified in Schedule 3, which charge will include relocation of the Vertical Blockwiring and/or Horizontal Blockwiring within the same Blockwiring Building.
- 12.4 If the relocation order is received within the Minimum Contract Period of the applicable Contract, the Requesting Operator will not have to pay the Blockwiring Recurrent Charges for the remaining Minimum Contract Period if the user of services provided over that Blockwiring before and after the relocation is the same party.
- 12.5 The Blockwiring after relocation will be subject to a new Contract with a Minimum Contract Period which commences on the Available Date when the relocation is completed.
- 12.6 This clause 12 does not cover relocation of Termination Socket within the same Subscriber premises.

- End of Schedule 2 -

SCHEDULE 3

CHARGES SCHEDULE

Terms defined in the Blockwiring Agreement apply in this Schedule unless the context requires otherwise.

Blockwiring Charges

1. BIP Charge:
 - 1.1 The BIP Charge is HK\$4,275, and is one-off charge payable by the Requesting Operator on every occasion where the BIP is provisioned by the Owner.
2. Blockwiring One-off Charges:
 - 2.1 Blockwiring One-off Charge in respect of each Blockwiring consists of :
 - (a) a site-visit charge of HK\$200 for each visit made by the Owner for provisioning;
 - (b) an installation charge of HK\$20 for each Vertical Blockwiring (if only Vertical Blockwiring is requested); and
 - (c) an installation charge of HK\$100 for each Vertical Blockwiring combined with Horizontal Blockwiring.
 - 2.2 In respect of Orders that are contained in one Order form duly issued in accordance with Schedule 2 and which are in respect of provisioning Blockwiring to the same Subscriber at the same premises with the same Available Date, the Owner may be able to complete several Orders during the same site-visit. In these circumstances where no separate visit is required for provisioning each Order, the site-visit charge specified in clause 2.1(a) is payable for only the actual visits made.
3. Blockwiring Recurrent Charge :
 - 3.1 HK\$9.00 per month in respect of each Vertical Blockwiring; or
 - 3.2 HK\$14.00 per month in respect of each combined Vertical Blockwiring and Horizontal Blockwiring.
4. Relocation Charge
 - 4.1 HK\$300 for each relocation as defined in Schedule 2.
5. If the Owner agrees to the Requesting Operator's request to arrange site visits for gathering information of Blockwiring in a Blockwiring Building, the Owner will charge the Requesting Operator in accordance with clause 11 of this Schedule.

COMMERCIAL IN CONFIDENCE

Adjustments of Blockwiring Charges

6. During the period from the date of the Agreement to _____, each of the above Blockwiring Charges set out in clauses 1 to 4 (inclusive) will be subject to an annual increase on and from each Review Date (defined in clause 9 below) until the next Review Date to be calculated in accordance with the following formula:

$$A = B \times C/D.$$

7. If the Parties are not able to agree new amount for the Blockwiring Charges set out in clauses 1 to 4 (inclusive) before _____, then each of the above Blockwiring Charges in respect of each Contract (whether that Contract commences before or after _____) will be increased in accordance with the following formula on and from _____ until the next Review Date :

$$A = B \times (C/D + 0.03).$$

8. After _____, the adjusted amount of Blockwiring Charges which are derived from clause 7 will be subject to an annual increase on and from each Review Date until the next Review Date in accordance with the same formula set out in clause 7 unless the Parties agree otherwise.

9. For the purpose of the above clauses, the following will apply:

A is the adjusted amount which applies on and from the Review Date;

B is the amount of the relevant charge as at the Base Date;

C is the CPI (A) index for Hong Kong last published before the Review Date;

D is the CPI (A) index for Hong Kong last published before the Base Date;

The Base Date is _____ and for each subsequent review after the first review, is the anniversary of that date immediately prior to that Review Date; and

The Review Date is _____ of each year.

If the CPI (A) for Hong Kong ceases to be published quarterly, then for the purposes of applying this clause, the CPI(A) for Hong Kong is to be replaced by the nearest equivalent index published at that time. The average figure of the CPI(A) over the relevant 12 month period will be used for the purpose of this clause.

If any adjustments are made in accordance with this clause, and the adjustment commences on a date other than the first day of a calendar month, the charges due for that month should be the pro-rata amount calculated on a 30-day month basis.

10. No adjustment will be made under clauses 6, 7 or 8 if the resultant amount after making an adjustment would be lower than the amount payable without making that adjustment.

11. Man-hour rate

11.1 The prevailing man-hour rate referred to in this Schedule 3 and clauses 3.11, 3.12 and 5.2 of Schedule 2 is the Owner's prevailing man-hour rate at the material time. The Owner will notify the Requesting Operator of the prevailing man-hour rate from time to time and on request by the Requesting Operator.

11.2 As of _____ prevailing man-hour rates for work performed during normal working hours is HK\$361. In respect of each occasion of visit or work for which _____ has to pay _____ based on prevailing man-hour rate under the Agreement or any of the Schedules, _____ must pay for a minimum of _____ man-hours and any travelling expenses incurred to attend to or perform work at the relevant Blockwiring Building.

DRAFT SECTIONS TO BE INCLUDED IN THE O&M MANUAL FOR BLOCKWIRING AGREEMENT

Terms defined in the Blockwiring Agreement apply in this O&M Manual.

1. Specification of B-Wire Connector



2. Provisioning of Blockwiring

2.1. Provisioning at BIP

2.1.1. BIP provided by the Requesting Operator

- ◇ the Requesting Operator to identify the BIP termination point when placing order
- ◇ the Owner to run a tie circuit connecting the blockwiring circuit and the corresponding termination point at BIP

2.1.2. BIP provided by the Owner and solely used by the Requesting Operator

- ◇ the Requesting Operator to identify the BIP termination point when placing order
- ◇ the Owner to connect the blockwiring circuit to the corresponding termination point at BIP

2.1.3. BIP provided by the Owner but not solely used by the Requesting Operator

- ◇ the Owner to identify the BIP termination point when confirming order
- ◇ the Requesting Operator to connect the cable pairs from its network to the termination point at BIP

2.2. Provisioning at sub-local box

In case the horizontal section is provided by the Requesting Operator and

- a) the Requesting Operator has sub-local box
 - ◇ the sub local box should be as close as practically possible to the Owner's local box

- ◇ the Owner to extend a short run of jumper wires from its local box, with suitable identification, and the Requesting Operator to connect the jumper wires to the Requesting Operator sub local box
- b) the Requesting Operator has no sub-local box
 - ◇ the Requesting Operator to extend the horizontal blockwiring circuit, with suitable identification, for joining to the Owner's local box
 - ◇ the Owner to connect the Requesting Operator's horizontal blockwiring circuit to the vertical section using B-wire connector
 - ◇ the Requesting Operator is recommended to provide suitable protection to the horizontal blockwiring, including the B-wire connector

2.3. Termination Socket

- ◇ In case the horizontal section is provided by the Owner, the provision will also include its standard Termination Socket if it has been provisioned and is in-situ.
- ◇ the Requesting Operator may apply a branded removable adhesive sticker to the termination socket or replace the socket with the Requesting Operator's own socket. However, the Requesting Operator has to reinstate the termination socket to the condition when the horizontal blockwiring section was provisioned on the RFU date.
- ◇ If the Requesting Operator decides to replace the socket with the Requesting Operator's own socket, the Requesting Operator has to inform the Owner.

3. Provisioning of Blockwiring Interface Point

If the BIP is provided by the Requesting Operator, the BIP must be as close as practically possible to the Owner's MDF in the building MDF room. The Requesting Operator can either :

- a. connect cable(s) from its equipment to the BIP termination points given by the Owner when the Requesting Operator places order for the Blockwiring; or
- b. prewire cables from its equipment to the BIP termination points allocated to the Requesting Operator giving the Owner [REDACTED] prior notice. The Requesting Operator has to inform the Owner the termination point for each Blockwiring circuit when placing orders to the Owner.

4. Identification of BIP and Blockwiring Circuits

4.1. Identification of BIP

The BIP provider, either the Owner or the Requesting Operator, will provide proper visual identification to the BIP. Besides, the parties agreed to the following naming identification.

<to be agreed, e.g. [REDACTED]

4.2. Identification of Blockwiring Circuit

<to be agreed>

5. Maintenance Procedures

5.1. Maintenance of BIP

The party providing the BIP is responsible for its maintenance.

5.2. Fault Reporting Procedures

Both the Requesting Operator and the Owner will operate a fault reporting point to deal with faults or service problems relating to Blockwiring. The Requesting Operator will receive and handle all fault reports from its customer and will perform the necessary fault localization. If faults are found residing in the Owner's Blockwiring section, the Requesting Operator will notify the Owner via the nominated fault reporting point, giving the following details.

- ◇ circuit identity
- ◇ address information
- ◇ fault symptoms
- ◇ time of occurrence
- ◇ suspected faulty section
- ◇ any other information which the Requesting Operator considered useful to the Owner for rectifying the faults

The Owner and the Requesting Operator will exchange a unique fault reference number for each fault reported and that number will be used at all times when referring to that particular fault case.

5.3. Fault Handling

During the fault investigation period by the Owner, the Owner may need to disconnect the Blockwiring circuits at the BIP or at the sub local box. The Owner may also require assistance from the Requesting Operator in testing the faulty circuits.

Besides, there may be cases that the Owner staff have to enter the customer premises to perform the fault investigation / restoration and if this is the case, the Owner will notify the Requesting Operator to arrange the joint visit.

Upon clearing the fault, the Owner will provide the Requesting Operator the fault restoration time and action taken to restore the fault. The fault docket is then closed.

The Owner will work towards the agreed target restoration time specified in Schedule 2 of the Blockwiring agreement. The performance will be reviewed in the Service Review meeting as per para 7.

5.4. Replacement of Blockwiring

If the Requesting Operator notifies the Owner a fault in the Blockwiring leased to the Requesting Operator and the Owner confirms that replacement of the Blockwiring is required, the Owner will inform the Requesting Operator before replacing that Blockwiring.

If in any case replacement of a cable is required and the cable has some Blockwiring circuits leased to the Requesting Operator, the Owner will give [REDACTED] prior notice to the Requesting Operator for such replacement together with an estimation of time required for the replacement.

6. Suspension and Resumption of Blockwiring Services

6.1. Suspension of Blockwiring Services

The Owner may suspend service provisioned to the Requesting Operator for failing to remedy a breach of clause 11.1 of the Agreement within the period specified after receiving suspension notice from the Owner.

The Owner will provide reasons for the suspension in the suspension notice.

6.2. Investigation before Suspension

The Parties will start to negotiate in good faith within [REDACTED], unless the suspension is immediate, of the issue of suspension notice to investigate the reasons for the suspension and to resolve in a mutually acceptable manner. If any possible solutions can be made before the suspension date, the breach is regarded as remedied and the Owner will not suspend the service.

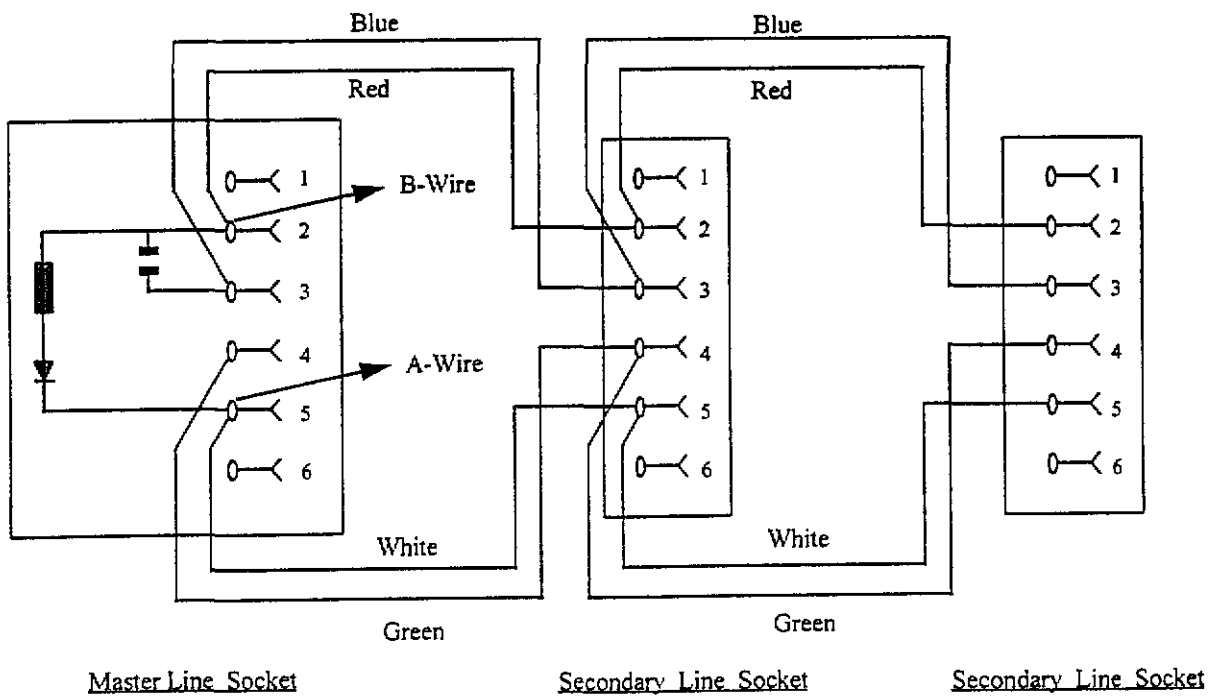
6.3. Resumption of Service

The Owner will resume the Blockwiring service to the Requesting Operator if the Requesting Operator provides confirmation to the Owner that the reasons for suspension had been removed within a period of [REDACTED] after the suspension.

7. Procedures for Disconnection / Reconnection of Termination Socket

The first termination point at customer premises for a typical Horizontal Blockwiring Circuit provided by the Owner is a standard master-line modular socket. The circuit may be further extended within the same premises and reterminated to a number of secondary-line sockets for parallel line operation.

If the Requesting Operator has replaced the Owner's sockets, the Requesting Operator has to reinstate the termination sockets to the condition when the horizontal blockwiring section was provisioned on the RFU date. [REDACTED]



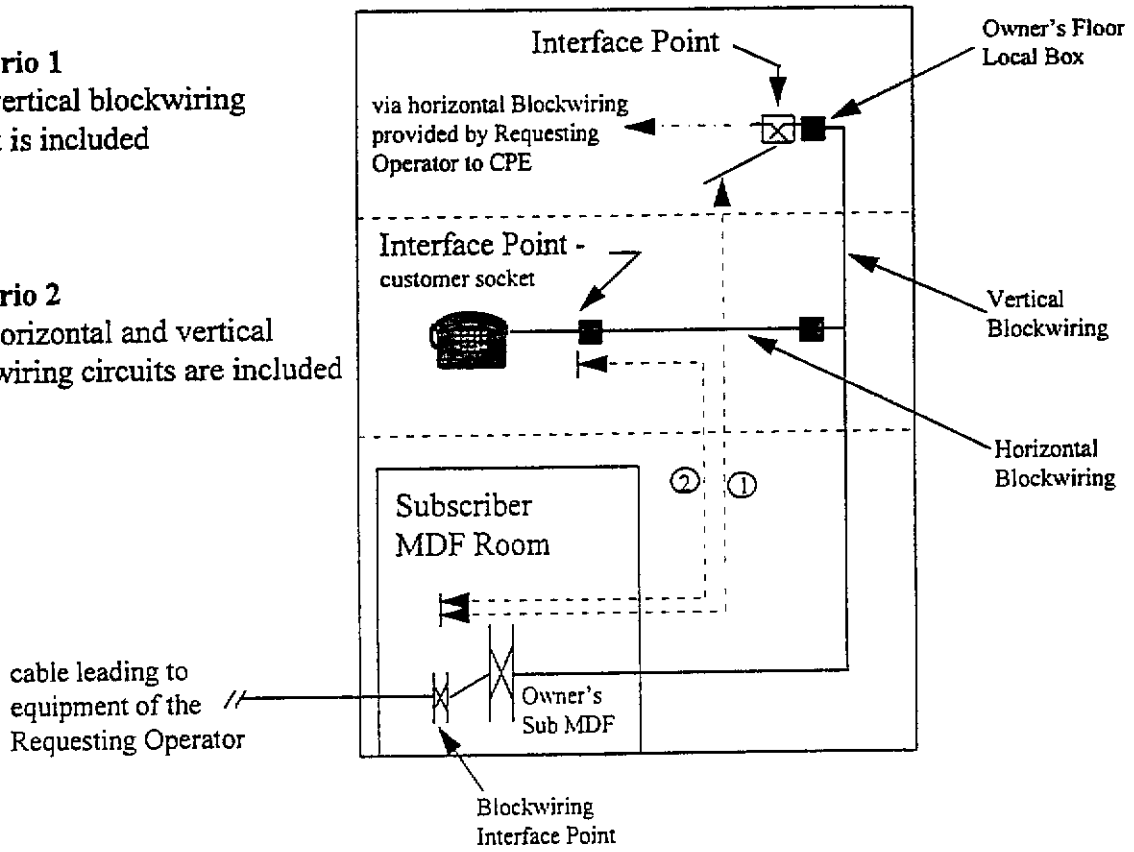
Notes :

1. The capacitor will be connected in series with the ringing detection circuit of the telephone.
2. The secondary line socket is identical to the master line socket except without electronic components.
3. Terminals 2 & 5 are connected to the exchange line.

Configuration Diagram - Blockwiring Provision

Scenario 1
only vertical blockwiring circuit is included

Scenario 2
both horizontal and vertical blockwiring circuits are included



8. **Procedures for Relocation**

(to be discussed by the Parties)

9. **Service Review**

The Owner and the Requesting Operator will make ready the draft version of this O&M Manual [REDACTED] of the date of signing the Agreement. The procedures stated in the Manual will be adopted for provisioning and maintenance of Blockwiring services. After both parties have gained hand-on experience on the procedures, the procedures, service lead time will be reviewed.

The Owner and the Requesting Operator will review the overall provisioning and maintenance procedures and service standard in service review meeting. The frequency will be monthly initially and the frequency will be reviewed. In the meeting, Problems / difficulties encountered and possibility for further improvement, both to the operational procedures and service level, will be reviewed.