

Terms and Conditions

In consideration for Selectcom Telecom opening an account for me/us, I/we agree to the following:

- 1. Entire Agreement** - This service agreement (the "Contract") constitutes the entire agreement among the parties with respect to the service(s) provided under this agreement and supersedes any prior promises, representations, agreements or commitments and may be modified only by subsequent written instrument signed by both parties. This Agreement for service between the Customer, as identified on the reverse side hereof (The "Customer") and Selectcom Telecom incorporates by reference Selectcom Telecom's terms of services. All services and facilities are furnished subject strictly to the terms, conditions, and limitations set forth in this Agreement and the terms of service.
- 2. Service Term** - The Service Term shall commence on the date when service is operational and shall extend for the amount of years indicated on the contract and, thereafter, be automatically renewed for the same term unless either party provides the other with 30 days prior written notice of its intention to terminate this Contract and, in the case of the Customer, final payment is made for all services consumed up to the date of termination.
- 3. Charges** - Selectcom Telecom shall invoice the Customer in accordance with the Contract, including any applicable taxes and any tariffed carrier charges. The Customer shall pay for all long distance and directory assistance calls or services originated at the Customer's local telephone number(s); accepted at the Customer's local telephone number(s) via third number billing, or for the use of the calling card or special billing number (described on the reverse side of this Contract) involved, as the case may be, and for all long distance calls incurred at the Customer's request. The Customer shall pay to Selectcom Telecom any and all charges levied regarding the local telephone lines and/or Internet Service in accordance with tariffs filed with and approved by the CRTC. The customer hereby acknowledges and agrees that all authorization codes and personal identification numbers ("PIN's") whether activated by Selectcom Telecom or the Customer, are confidential. The Customer acknowledges that Selectcom Telecom cannot control distribution of PIN's or unauthorized access to the Customer's telephone system. The Customer agrees to take reasonable measures to prevent access to its PIN's and telephone system by unauthorized third parties. The Customer hereby assumes liability for usage associated with PIN's and unauthorized access to its telephone system until written notification of misuse is received by Selectcom Telecom. All charges may be revised by Selectcom Telecom upon 30 days' notice to the Customer or as a result of a tariff filed with and approved by the CRTC.
- 4. Credit** - The Customer hereby authorizes Selectcom Telecom to check the credit worthiness of the Customer using standard credit practices. If at any time Selectcom Telecom determines at its sole discretion that the financial condition or payment history of the Customer is unacceptable to Selectcom Telecom, Selectcom Telecom may require the Customer to provide a deposit not to exceed the estimated charges for three months' service. Failure to provide the required deposit may, at Selectcom Telecom's sole option, be treated as grounds for termination of the Contract and the Services and for acceleration of all moneys owing to Selectcom Telecom.
- 5. Payment** - The Customer shall pay for services upon receipt of the invoice. Unless the Customer gives Selectcom Telecom written notice to the contrary within 30 days of the invoice date, the



invoiced amount shall be deemed to be undisputed. The Customer is responsible for paying all calls originating from, and charged calls accepted, at its telephones, regardless of who made or accepted them. Payment for recurring local telephone service and internet service is due one month in advance. Selectcom Telecom may terminate this Contract if the Customer fails to make payments or to maintain security deposits in accordance with paragraph 4 as they become due. A service charge not to exceed 1.5% per month (being equivalent to an annual interest rate of 19.56%) may be assessed on all undisputed amounts more than 30 days past due.

6. Limitation of Liability - Selectcom Telecom is not liable for damages associated with service, channels or equipment which it does not furnish, nor for the use of services in any manner which is contrary to law, nor for damages to the Customer's premises or personal injury resulting from the performance of the Contract, including the installation and removal of equipment and associated wiring, unless the damage is caused by the negligence of Selectcom Telecom, nor for defamation or copyright infringement arising from material transmitted or received over Selectcom Telecom's facilities. EXCEPT AS EXPLICITLY STATED IN THIS CONTRACT, SELECTCOM TELECOM MAKES NO REPRESENTATIONS OR WARRANTIES AND THERE ARE NO CONDITIONS, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE. IN NO EVENT SHALL SELECTCOM TELECOM BE LIABLE FOR CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING LOST PROFIT, OR SUCH DAMAGES WERE OR SHOULD HAVE BEEN FORESEEN. THE TOTAL LIABILITY OF SELECTCOM TELECOM WHEN SERVICE IS INTERRUPTED, DISCONNECTED, UNAVAILABLE OR UNSATISFACTORY, FOR ANY REASON, FOR A PERIOD OF AT LEAST 24 HOURS AFTER NOTICE BY THE CUSTOMER TO SELECTCOM TELECOM IS AN ALLOWANCE OF NOT MORE THAN 1/30TH OF THE PREVIOUS MONTH'S CHARGES FOR THE SERVICES AND FACILITIES FURNISHED BY SELECTCOM TELECOM RENDERED USELESS OR SUBSTANTIALLY IMPAIRED TO EACH 24 HOUR PERIOD DURING WHICH THE INTERRUPTION CONTINUES. CREDIT IN ANY BILLING PERIOD SHALL NOT EXCEED THE TOTAL USAGE CHARGES FOR THAT PERIOD FOR THE SERVICES AND FACILITIES FURNISHED BY SELECTCOM TELECOM RENDERED USELESS OR SUBSTANTIALLY IMPAIRED.

7. Force Majeure - Neither party shall be liable for any delay for failure to perform due to unavoidable interruption in the working of transmission facilities, governmental orders, labour stoppages or shortages, acts of God, or other causes beyond the party's reasonable control, except with respect to the Customer's obligation to make payments on undisputed amounts as they become due.

8. Regulatory Changes - Either party may immediately cancel the Contract without penalty in the event of any regulatory or legislative change or governmental policy that renders the Contract unenforceable or illegal. The Customer shall remain obligated to pay any undisputed amounts that have accrued at the time of any such cancellation but, otherwise, the parties will have no further obligations to each other. In the event that the CRTC chooses to forbear from regulating, or to change the applicable tariffs, Selectcom Telecom shall have the option, at its sole discretion, of adjusting the amounts under this Contract accordingly.

9. Assignment - The Customer shall not transfer or assign this Contract or any obligation under it without Selectcom Telecom's prior written consent and any such attempted assignment shall be void. Notwithstanding the forgoing, the Customer agrees that Selectcom Telecom may assign its right,



title and interest in this Contract (either by way of transfer or security interest) to any corporation or its subsidiary or affiliate, or to a successor or surviving corporation of any such entity, without the Customer's consent and that, in the event of any such assignments, the Customer will continue to observe all of the provisions of this Contract including making all payment contemplated under this Contract. Upon receipt of written direction to do so, the Customer will make all payments called for under this Contract to any such assignee or Selectcom Telecom (or any party who has purchased the interest of Selectcom Telecom in this contract from any such assignee). The Customer also agrees to observe all of the terms of this Contract during any remaining term thereof in the event that the right, title and interest of Selectcom Telecom in the Contract is purchased from an assignee of Selectcom Telecom.

10. **Governing Law** - This Contract shall be governed and construed in accordance with the laws of Quebec and applicable laws of Canada without regard to the conflicts of law rules of that jurisdiction. Any litigation involving or arising under this Contract shall be conducted in a court of competent jurisdiction in Quebec.

11. **Use of Local Telephone Service, Long Distance Service and/or Internet Service** - The Customer may use Local Telephone Service, Long Distance Service and/or Internet Service for lawful general business purposes consistent with the transmission and switching parameters of the public telecommunications network. The Local Telephone Service may not be used for local outbound telemarketing or excessively lengthy local outbound modem connections or multiple call forwarding or any other similarly excessive use. Local Telephone Service, Long Distance Service and/or Internet Service furnished for use by Customer may be used non-concurrently by others authorized by the Customer.

12. **Warranty** - Local Telephone Service and/or Long Distance Service shall be suitable for the transmission of voice communications, and may also be used for voice-grade data, facsimile, or other similar communications. The Customer shall be solely responsible for determining the adequacy of Local Telephone Service, Long Distance Service and/or Internet Service for any and all uses to which the Customer may apply it. Selectcom Telecom makes no guarantees or warranties with respect to the service, whether written or oral, other than as set out in this Agreement, and hereby specifically excludes and denies any representations made to the Customer by any employee or agent of Selectcom Telecom with respect to the service provided under this Agreement.

13. **Co-operation** - Strictly for purposes of co-ordinating the provision of ordered Local Telephone Service, Long Distance Service and/or Internet Service with any affected Local Telephone Service, Inter-Exchange Carriers and/or Internet Service Providers, the Customer shall co-operate with Selectcom Telecom by executing any necessary documentation or obtaining any necessary documentation from the existing carrier to assist in the provision of the service.

14. **Termination** - In addition to the right to terminate for non-payment of accounts or deposits, Selectcom Telecom may immediately terminate the Contract in the event that the Customer utilizes the service excessively or for an illegal purpose; fails to provide reasonable co-operation, causes or permits any condition that might tend to harm or impair the Selectcom Telecom or public telecommunications network, fraudulently circumvents the ability of Selectcom Telecom to charge for its services, or if Selectcom Telecom determines that termination is necessary to prevent or to protect



against fraud or misuse. The client may terminate this agreement by acquitting a cancellation fee equal to the monthly usage amount on the contract multiplied by the number of months remaining on the contract.

15. **Indemnity** - The Customer shall indemnify Selectcom Telecom against all claims, losses or damage arising from the use of Local Telephone Service, Long Distance Service and/or Internet Service provided pursuant to this Contract (or prior to this Contract), including without limitation, previous telecommunication services, claims for libel, harassment, slander, invasion of privacy or infringement of copyright's and claims for patent infringement arising from combining or using Local Telephone Service, Long Distance Service and/or Internet Service in connection with facilities or equipment furnished by others. The Customer shall be free to use alternative long distance services or any other telecommunications services in connection with the Local Telephone Service provided by Selectcom Telecom and the Customer shall indemnify Selectcom Telecom against any claims, losses or damage that may arise as a result thereof.

16. **Confidentiality** - Subject to the provisions of section 9, unless the Customer consents in writing or disclosure is pursuant to a legal power, all information kept by Selectcom Telecom, regarding the Customer, other than the Customer's name, address or listed telephone number is confidential and may not be disclosed by Selectcom Telecom to anyone other than the Customer, its agents, representatives, employees or any assignee of Selectcom Telecom.

17. **Local Exchange Carrier** - The Customer hereby confirms that there are no disputed or undisputed amounts owed by them to the incumbent Local Exchange Carrier other than current month's service charges and Customer agrees to pay all charges due prior to conversion to Selectcom Telecom and to provide Selectcom Telecom with proof of such payment. The Customer may deal directly with the incumbent local service provider at any time after the initial Service Term has expired upon 30 days written notice to Selectcom Telecom and final payment for all services consumed.

18. **Further Assurances** - The Customer agrees to execute any further documentation, at the request of Selectcom Telecom, as may be reasonably necessary to give effect to the provisions of this agreement.

19. **Resale and Sharing** - Selectcom Telecom's services may only be resold or shared with the consent of Selectcom Telecom and in accordance with the terms of a separate contract between Selectcom Telecom and the Customer and any applicable terms and conditions of the CRTC.

20. **Equipment** - All equipment provided by Selectcom Telecom necessary for the service shall at all times remain the property of Selectcom Telecom, and the Customer assumes responsibility for any theft, loss or damage.

21. **Language** - The Customer and Selectcom Telecom hereby agree that this Agreement and any related documents, including the terms of service, may properly be drafted in the English language only. Les parties ci-présentes confirment leur volonté que la présente convention, de même que tous les documents s'y rattachant y compris tout avis, soient rédigés en langue anglaise seulement.