

General Terms of Business of Citycom Telekommunikation GmbH

Gadollaplatz 1, 8010 Graz

as amended on 22 December 2008

1. General provisions

These General Terms of Business (GTB) are a component of all contractual relationships which refer to said terms (hereinafter referred to as "Contract") concluded between the customer and Citycom Telekommunikation GmbH (hereinafter referred to as "Citycom"). The terms, definitions and abbreviations used in these General Terms of Business have the meaning given to them in the Contract. Citycom may amend these GTB if needed. If the GTB are amended, the customer will be notified in a suitable form and he is entitled to terminate the Contract in accordance with § 25(3) TKG (Telecommunications Act) 2003. Citycom will publish the full text of the applicable GTB on the company's homepage (currently www.citycom-austria.com) or in another form which will be promptly communicated to the customer. Citycom will send the customer a printed version of these terms on request. These GTB do not apply to consumers for the purposes of § 1 KschG (Employment Protection Act).

2. Subject matter of the contract, contractual relationship

The subject matter of the contract is the provision of telecommunication services beginning with service commencement as set forth in the contract. The contractual relationship will be established as soon as the customer signs the Contract. Offers from Citycom must be made in writing to be legally binding. Declarations of acceptance by Citycom which are generated automatically using data processing (EDP) require no signature. The technical performance specifications and these General Terms of Business are integral components of the Contract between the customer and Citycom.

3. Service commencement

Service commencement will be the earliest of the following dates:

3.1 the date agreed in the Contract or

3.2 any earlier date on which services were provided.

3.3 if service provision is delayed, the date under item 3.1 (unless the delay is Citycom's fault). Unless otherwise contractually agreed, the date three months after services are provided will be deemed service commencement. When Citycom provides telecommunication services, Citycom will perform a handover inspection and give the customer the report on that inspection.

4. Rights and obligations of the contract partners

The telecommunication services will be rendered by Citycom or the parent company, Holding Graz GmbH, based on the Telecommunications Act (TKG) as amended. Citycom will give the customer general information at no charge (as availability permits) about the provision of telecommunication services. The customer alone is responsible for the type and content of the information transmitted by him or by people whom he enables to use Citycom's telecommunication services. In particular, the customer will ensure that the provisions of criminal law and the Federal Data Protection Act are complied with. The customer will let Citycom know without undue delay if his name, address, paying agent, contact partner, company register number or legal structure changes. If the customer fails to do so, any written communication will be deemed received if sent to the most recently disclosed address or paying agent.

5. Citycom Equipment, installation and maintenance

To provide the telecommunication services, Citycom will use the equipment necessary to that end which is installed and maintained by it or by third parties on its behalf ("Citycom Equipment"). The customer will enable Citycom to install, maintain, modify or disassemble the Citycom Equipment as follows:

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The customer will provide Citycom and third parties it commissions with the space necessary to install and operate the Citycom Equipment, and will maintain that space during the contract period; the space must be in suitable condition, especially regarding moisture and temperature, and provided at no charge. Before the Citycom Equipment is installed, the customer will notify Citycom and its authorised third parties about the location of buried power supply lines, gas mains and water pipes as well as similar installations, and will provide an earth connector. For all properties, buildings and rooms which will be used for the installation, maintenance, modification or disassembly of Citycom Equipment, by Citycom or by its authorised third parties, the customer will obtain the consent of the party holding the respective right of disposal, notify Citycom thereof in writing on request, and obtain any necessary official permits for installing and operating the Citycom Equipment. The customer will provide at no charge the electrical energy and auxiliary and safety devices needed to properly render the telecommunication services. The customer will be responsible for avoiding or rectifying any interference with Citycom Equipment (especially from external voltage) if this lies within his area of influence; however, Citycom can undertake or initiate this itself on agreement. In any case, the customer will bear the necessary costs. The Citycom Equipment must be used as intended. Only end devices which are suited for Citycom Equipment may be attached to them, and only at the intended locations. Only Citycom or its authorised third parties may install, maintain, modify or disassemble Citycom Equipment. To that end, the customer will grant Citycom or its authorised third parties access to the Citycom Equipment, including an access road if appropriate, as well as a stopping or parking option for a service vehicle, on appointment or after receiving due notice. On contract conclusion, Citycom will give the customer the name of a contact partner who will be technically responsible for the customer's needs.

6. Rental of devices and equipment

The customer may rent from Citycom the devices he needs for the telecommunication services, subject to availability. These devices will be hereinafter referred to as "Rental Devices". The customer will be liable for lost or damaged Rental Devices starting with handover, unless the loss or damage was caused by Citycom or its authorised third parties. Even if the customer culpably damages the Rental Device, he will continue to pay the rental fee and the lease will continue in full force. The customer will maintain the Rental Devices in the condition in which they were handed over. The customer will inform Citycom without undue delay of any risks to the Rental Devices or ownership thereof. This mainly applies to risks through third-party intervention or government orders.

7. Retention of title

Devices and equipment sold to the customer will remain Citycom's property until they have been completely paid for.

8. Remuneration

The customer will pay Citycom a one-time fee for installing the Citycom Equipment, amounting to the actual expenses for time and materials, considering the costs for materials and wages or installation rates Citycom has disclosed. By way of derogation, however, Citycom and the customer may agree on a lump-sum fee. Beginning with service commencement, the customer will pay a regular fee for the contractual provision of the telecommunication services. During the first month, the fixed amount will be based on the aliquot regular fee, according to the number of the days in the month in question remaining after service commencement. The customer will bear all payable taxes and fees which are incurred due to a Contract with Citycom. If the costs change

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which are relevant to Citycom's calculations, and over which Citycom has no influence (such as road costs or damage compensation in accordance with § 8(1) TKG 2003), or if new taxes or other public levies are introduced, Citycom may increase or decrease the regular remuneration. This will not affect the right to terminate in accordance with § 25(3) TKG 2003.

9. Payment methods, objections, complaints, set-off and prepayment

Citycom will invoice the one-time fee ("One-Time Amount") in accordance with item 8 immediately after concluding the installation work on the Citycom Equipment, along with the first regular fee to be paid on an ongoing basis. The billing period for the regular ongoing fee must always be agreed in an individual contract. The invoices are broken down according to individual telecommunication services or types of fees. Unless the customer objects, the fee will be presented as an itemised bill which meets statutory provisions. Unless otherwise agreed under an individual contract, invoicing will occur in intervals no longer than three months. Consumption-based fees will always be calculated in intervals no longer than three months (§ 25(4)(6) TKG 2003). Claims by Citycom are due in full promptly after the invoice date. Either payment slips or booking orders may be used as payment methods. The customer will bear any ancillary fees, such as costs for bank transfers. If the customer objects to an invoiced claim, the customer will assert that objection in writing within 30 days after receiving the invoice ("Objection Period"), failing which the claim will be deemed acknowledged. If the customer is unsure whether the invoice is correct and initial attempts to clarify the matter with Citycom (over the telephone, for example) have failed, the customer will within the aforementioned Objection Period send Citycom a written request to review the invoice ("Solution Attempt" through written complaint) and Citycom will review all factors underlying the determination of the contested amount within 4 weeks and, based on the results of that review, either confirm to the customer that the invoice is correct, or correct it. Without prejudice to any complaint (including oral ones), the invoiced amount forming the subject of a complaint is due for immediate payment. If the regulatory authority learns of an objection against an invoice, the due date for the invoiced and contested amount will be suspended from that time forward. Nevertheless, Citycom may declare due for immediate payment an amount equal to the average of the last three invoiced amounts. If the customer is overcharged, the excess amounts will be refunded to the customer along with the statutory interest incurred since the collection date. If no reason is found to recalculate the contested amount, Citycom may charge statutory default interest beginning with the due date indicated on the invoice. If the customer's payment is late, default interest amounting to 4% above the 12-month Euribor rate will be due. The customer will also compensate Citycom for all running costs, expenses and cash expenses Citycom has incurred to adequately pursue its claims. No matter what the customer may have stated in an expression of will, Citycom is authorised to use any incoming amounts of money to first cover accumulated costs, expenses, cash expenses, and default interest, and last pay off the outstanding invoiced amount. The customer may set off outstanding claims against Citycom only if Citycom is insolvent, the reciprocal claims are legally connected, Citycom has acknowledged the counterclaim, or it has become res judicata. On contract conclusion, Citycom may demand a prepayment or provision of security if Citycom fears the customer will be unable to fulfil his payment obligations on time or at all.

10. Liability

In addition to the limitations of liability under the Telecommunications Act (TKG) as amended, the following will apply:

Citycom will be liable for damages only in the event of intent or gross negligence. Citycom's liability for slight negligence (except in the event of personal injury), compensation for

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consequential damages and financial losses, loss of potential profit or damages from third-party claims against the customer, is excluded. Citycom 's liability per damage-causing event is limited to 75,000 euros toward the entirety of damaged parties and 7,500 euros toward individuals. Citycom will not be liable for damages which the customer has caused due to failure to observe the Contract and its components, especially these General Terms of Business. Citycom will not be liable for damages attributable to third-party actions, force majeure (such as atmospheric discharges) or interference from devices the customer has connected. The customer will use as intended the equipment and telecommunication services surrendered by Citycom or its authorised third parties. The customer will be liable to Citycom for damages Citycom sustains because its equipment was lost, damaged or surrendered to third parties. This obligation to pay compensation will be omitted if the customer and the third party have exercised due diligence under the circumstances of the case.

11. Service quality – Modifications

The “service level agreements”, which are components of the technical performance specification, regulate the individual service qualities (type and quality of the telecommunication services). If these service qualities are not met, discounts will be credited to the next invoices as contractually agreed, to cover all the customer's claims. The service qualities will be determined separately for each telecommunication service provided. Citycom or an authorised third party may modify or exchange the Citycom Equipment if necessary, or if doing so constitutes a technical improvement to Citycom's provision of the telecommunication services. If this occurs, Citycom will give the customer at least two weeks' advance notice. The customer will enable the exchange or modification and grant Citycom or its authorised third parties access to the equipment and devices at any time.

12. Faults and maintenance work not included in the service qualities

The following time periods are not included in the service qualities: faults, or delays in curing them, for which the customer is to blame; faults for which third parties are to blame, especially because they occur in transmission paths leased from third parties; faults due to force majeure; service interruptions which are necessary to perform work required for operations or to avoid network disturbances and of which the customer is informed at least 48 hours in advance; and necessary maintenance work. In such cases, neither Citycom nor its vicarious agents will be liable for non-compliance with contractually agreed service qualities, except in cases of intent or gross negligence.

13. Curing faults

Citycom or its authorised third parties will begin curing faults in accordance with the fault elimination classes, without culpable delay, whereby the customer will support Citycom in localising the fault within the scope of his capabilities. In particular, the customer will grant Citycom and its authorised third parties access during fault elimination, after Citycom has made an appointment or given the customer due notice. If the customer calls Citycom in to cure a fault and Citycom determines that the telecommunication services were provided without a fault, or that the customer is to blame for the fault, the customer will compensate Citycom for expenses incurred.

14. Performance specification

Citycom's services are described in detail in the telecommunication licenses granted by us and can be viewed on Citycom's homepage (www.citycom-austria.com). Regarding the exact specification

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of the individual telecommunication services, technical performance specifications or contractually agreed, detailed technical information and values which are available in supplement to the product information will apply.

15. Transfer rights

Citycom may transfer rights and obligations under the Contract to its affiliated companies or additional subsidiaries of Holding Graz GmbH, with debt-discharging effect and without the customer's consent. Citycom will inform the customer if it does so. No third party may fully or partially enter into the customer's rights and obligations under this Contract without Citycom's written consent. If this occurs, both customers will be jointly liable for the obligations of the old customer.

16. Data protection, protection of trade and business secrets

In compliance with the Data Protection Act and the Telecommunications Act (TKG), Citycom collects and processes master data only to conclude, execute, amend or terminate the Contract, for invoicing, and to issue a list of participants. The master data will be erased after the contractual relationship has ended, or on the customer's request, subject to exceptions which are permitted by law (§ 69(5) TKG 2003). Citycom will anonymise or erase traffic data without undue delay after the connection has ended, including but not limited to the participant number, date, time and duration of the connection. This does not apply if the storage and processing is necessary to settle remuneration or handle complaints, and especially when bringing a case to the courts or regulatory authority or asserting claims for payment. After expiry of the Objection Period (item 9.), the traffic data will be erased or anonymised in any case. Retention requirements in accordance with other statutory provisions remain unaffected. Content data will not be stored unless this is necessary for the short term for technical reasons. If Citycom is obligated to forward data in accordance with the Telecommunications Act (TKG) 2003, Citycom will comply with that statutory obligation. Furthermore, both contract partners will maintain secrecy regarding each other's technical, commercial and personal matters, and will not disclose such information to third parties. This does not apply in cases of exercising transfer rights in accordance with item 15., or to people or companies which Citycom appoints to provide telecommunication services.

17. Blocking of telecommunication services

Citycom may discontinue rendering services in part or in full if the customer breaches essential contractual obligations or circumstances exist which make Citycom's rendering of services unfeasible, especially if the operation of its other telecommunication services or those of its contract partners are impaired by the customer's equipment or actions, if criminal actions are performed with the help of its telecommunication services, if a contractual obligation is not fulfilled although Citycom issues a written warning, threatens to discontinue services and set a two-week grace period, if insolvency proceedings are initiated against the customer's assets, if a petition for bankruptcy is rejected due to lack of assets to cover the cost, or if the customer is otherwise insolvent. Citycom will inform the customer before blocking or disconnecting telecommunication services. Regardless of whether an administrative penalty procedure is introduced, Citycom may ask the customer to remove disruptive or forbidden end devices from the network connection point without undue delay. If the customer fails to comply with that request, thereby impairing other users of the network or service or jeopardising other people, Citycom may sever the connection to the network or service. But if the customer objects to the request and there

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is no impairment or risk, Citycom may not sever the connection from the service or network, but will call in the regulatory authorities to decide.

18. Contractual period, ordinary termination

The contractual period and termination options are regulated in the respective individual agreements. Unless otherwise contractually agreed, contracts are concluded for an indefinite period. Termination is always possible at the end of a month with one month's notice.

19. Extraordinary termination

Citycom may terminate the Contract without setting a grace period and with immediate effect if, despite a request to the contrary (item 17.), the customer breaches essential contractual obligations repeatedly or with gross negligence, if the customer dies or his business is liquidated, if criminal actions are performed with the help of Citycom's telecommunication services, if insolvency proceedings are initiated against the customer's assets, if a petition for bankruptcy is rejected due to lack of assets to cover the cost, or if the customer otherwise becomes insolvent. If the Contract is continued by the liquidator during bankruptcy proceedings against the customer's assets, Citycom may make the further rendering of telecommunication services contingent on a prepayment or reasonable provision of security. Without prejudice to Citycom's damage compensation claims in the event of extraordinary termination, the customer will pay for any telecommunication services already rendered, for which he will be charged in accordance with the Contract. This also applies to telecommunication services the customer has not taken over and preparatory actions Citycom has rendered. Citycom may also demand that devices and equipment already delivered be returned.

20. Subject matter, area of application, place of fulfilment

The General Terms of Business apply to all business relationships between the contract partners in the telecommunication sector, including those in the future, even if this is not expressly agreed once more in subsequent individual contracts. Any agreements which deviate from these terms of business will apply only if Citycom has expressly agreed to them in writing. Amendments to this Contract or its components must be in written form. Any waiver of this requirement must be in writing. Finding individual provisions of the Contract and its components (especially these General Terms of Business) to be invalid will not invalidate the remaining provisions. The invalid provision must be replaced by a valid one that comes closest to its purpose and rationale, and therefore to the intent of the business partners. This does not apply if adhering to the Contract would constitute an undue hardship for one of the contract partners. The place of fulfilment and place of jurisdiction is Graz.

21. Amending the GTB, modifying the remuneration

Citycom will announce in suitable form any amendments of these General Terms of Business or the remuneration provisions. Citycom will notify the customer of the essential content of any amendments which do not work exclusively in the customer's favour, at least one month before they take effect and in a suitable form, such as by printout on a periodically created invoice. At the same time, Citycom will notify the customer of the date on which the amendments will take effect, and of the customer's option to terminate the Contract before that date at no charge. Citycom will send the customer the complete text of the amendments on request.

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22. Dispute resolution

If disputes arise between the customer and Citycom regarding a claimed breach of the Telecommunications Act, either Citycom or the customer may call in the regulatory authorities for the purposes of § 122 TKG 2003. Without prejudice to the competence of the ordinary courts, Citycom, the customer and interest groups may present disputes or complaints to the regulatory authority, especially those regarding 1. the quality of the services, or payment disputes which cannot be satisfyingly settled, or

2. an alleged breach of this statute.

Citycom will cooperate in such a procedure, and will disclose all information and submit all documents necessary to make an evaluation. The regulatory authority will either bring about an amicable solution to that end or will notify Citycom and the customer of its opinion regarding the case in question. Citycom expressly points out that, in accordance with the procedural guidelines of the regulatory authority, that authority may be called in only after the customer has contacted Citycom with a complaint (see item 9.).

23. Miscellaneous

The option for Citycom or the customer to take ordinary legal action remains unaffected. The application of the UNCITRAL United Nations Convention on Contracts for the International Sale of Goods is excluded. These General Terms of Business and the entire legal relationship between the customer and Citycom will be exclusively subject to Austrian law, without its norms which refer to foreign laws.