

AGREEMENT № _____

**FOR EXCHANGE OF PROVISIONING OF TELECOMMUNICATION SERVICES
(Bilateral Agreement)**

On this _____, by and between:

Bulgartel AD, Sofia, registered pursuant to corporative case No. 13115/2004 as registered at the Company register at the Sofia City Court, having its seat and registered office at: kv. Darvenitsa, bl. 19, Kintex building, Bulgartel office, Sofia, VAT No BG131341659, represented by its Executive Director Mr. Stefan Voynov, hereinafter referred to as Bulgartel, on one hand,

and

_____, having its seat and registered _____, entered in the Commercial Register, VAT No _____, represented by _____ – _____, hereinafter referred to as _____, on the other hand,

All together hereinafter referred to as Parties and each of on them Party,

The following Bilateral Agreement for exchange provisioning of telecommunication services, hereinafter referred to as the Agreement, has been signed:

1. SUBJECT

1.1. Each Party shall supply the other Party with a reference of its conditions of use in sufficient stocks to enable it to carry out its obligations under this Agreement. The Parties shall jointly examine end-customer requests on a case-by-case basis to ensure that the intended applications conform to the conditions of use in force in each relevant country. The Parties undertake to inform one another of any change in their respective domestic regulations as they affect the use of these circuits. The Parties shall cooperate in order to provide Services to end-customers on the territory of the country where they operate as providers of telecommunication services.



1.2. The Party that provides the respective Service shall be defined as Service Provider below and the Party that uses the Service shall be defined as CUSTOMER. The Services offered between the Parties are domestic private leased circuits and telecommunications services according to Party's domestic portfolio as IPLC – International Private Leased Circuits on a full-time and part-time basis according to Service Order Form, IEthPL - International Ethernet Private Line, Transits, IP transit services and other specified in the Order Forms.

1.3. Other data transmission rates and configuration options may be provided on request wherever possible to meet CUSTOMER requirements, and will be agreed between the Parties before the acceptance of the specific order.

1.4. The Parties agree to offer their mutual end-customers a co-ordinated facility of Service Provider to enhance the service offering of Services under Item 1.2 and 1.3. This facility will not be promoted as an option to obtaining a preferential quality of service; however the end-customer will be made aware of the on-going developments between the Parties to achieve the aim for quality. When promoting Services to a mutual end-customer, a co-ordinated approach should be agreed between the Parties. The available literature of both Parties should be presented in joint support.

1.5. The order package presented to an end-customer will consist of:

1.5.1. Bilateral Agreement including SLA;

1.5.2. Service Order Form;

1.5.3. Each Party's terms and conditions will be made available to the end - customer upon request in English language;

1.5.4. Promotional Literature. Stocks of available literature relating to the Services should be maintained by both Parties for distribution to the end - customers upon request;

1.5.5. For the avoidance of doubt Service Order Form shall prevail the Agreement and the SLA unless no Supplementary Agreement signed after the date of signature of the Service Order Form.

1.6. Provisioning Phase

The primary objective in this stage is to take all possible measures to ensure that the provision of the Service, including all testing and acceptance is completed prior to the Ready for Service (RFS) date agreed with the end-customer, which will be in accordance with service provision date schedules previously discussed and agreed between the Parties. Lead time will commence from the date when each Party has received a copy of its signed order, not from the initial end-



customer enquiry. Inter-administration provisioning procedures will be conducted in usual manner. The CUSTOMER will monitor progress throughout the provisioning process. Each Contact Point will monitor the work that is its administration's responsibility and will liaise on a regular basis to advise of that progress. Any change to the previously agreed RFS date, due to problems or delays, will be discussed and a new date agreed by both Parties and the end-customer. It will be the CUSTOMER responsibility to keep the end-customer informed. The CUSTOMER is responsible for agreeing with the end-customer that the Service has been satisfactorily established end-to-end and will liaise with the Service Provider to arrive at an agreed date when billing should commence.

1.7. Service Provider undertakes to provide to the CUSTOMER telecommunications Service, described in detail in the relevant Service Order Form to the Agreement (hereinafter referred to as Service), and the CUSTOMER shall use the Service against payment as agreed between the Parties in this Agreement and the appendices/annexes thereto.

1.8. Service shall be defined by type, end points, price and all related elements per each Service as provided in the relevant Service Order Form.

1.9. Ready for Service (RFS) date for each new Service, or changes to the parameters of an existing Service provided by Service Provider, will be the date on which Service Provider hands over the properly functioning Service to the CUSTOMER and will be announced by a Delivery Notification. If the provided by e-mail Delivery Notification has not been reasonably objected by the CUSTOMER within 3 (three) working days from the day on which the Service Provider sent it by e-mail, the Service Provider will start billing accordingly.

1.10. Delivery Notification shall include Circuit ID, RFS date, Bit rate, End-points and Start billing date if it differs from the RFS date.

2. RIGHTS AND OBLIGATIONS OF THE PARTIES

2.1. CUSTOMER shall have the right to:

2.1.1. Use the Service 7 (seven) days a week, 24 (twenty-four) hours a day with the quality and technical characteristics as laid down in this Agreement and Service Level Agreement (SLA) for respective Service, attached hereto as relevant Appendix.



2.1.2. Notify the Service Provider about problems relating to the use of the Service on the contact telephones laid down in the relevant SLA.

2.1.3. File complaints, warnings, claims and suggestions to the Service Provider relating to the use of the Service.

2.1.4. Receive from Service Provider, within the term under Item 3.10, bills and invoices for due payments.

2.1.5. Receive, upon written request, a document establishing the occurrence and duration of Service faults or interruptions, which have not been caused by CUSTOMER, in manner and terms laid down in the relevant SLA.

2.1.6. Request performance tests of the Service. If discrepancies to the quality of the Service are not identified, the CUSTOMER will cover Service Provider reasonable cost for the performance of the tests.

2.1.7. Request the relocation of a Service end-point or change of speed, type, protocol or its interface.

2.1.8. Request the opening of new Services.

2.1.9. Request the termination of an existing Service, pursuant to the provisions of the Agreement with a written 30 (thirty) days pre-notice. When such a request is placed before the expiration of the initial term, and there is no material breach of Service Provider's obligations, the CUSTOMER shall pay the termination charges defined in Item 4.3 and 4.4 below.

2.2. CUSTOMER shall be obliged to:

2.2.1. Place written orders for the Service with Service Provider Headquarters in due time.

2.2.2. Observe the technological instructions of Service Provider for proper use of the Service and undertake no actions or inactions which could hinder the normal functioning and operation of the relevant Service.

2.2.3. Provide for connection to the Service only conformity assessed terminal telecommunications devices according to the essential requirements of the



applicable legislative acts. Maintain in working order, on its own account, the terminal devices connected to the Service and Service Provider network.

2.2.4. Provide possibility for access for Service Provider employees, sub-contractors and/or agents to its premises and equipment with regards to conducting checks of reported failures, performing measurements and checks in relation to warnings filed and complaints lodged. The time and date for the access shall be agreed between the Parties.

2.2.5. Render technical assistance to Service Provider employees to guarantee the quality of the Service provision in identification of Service failures in terminal devices and remedy of failures in terminal devices. The time for remedy of a failure in a CUSTOMER terminal device shall not be considered as a Service interruption.

2.2.6. Pay within the agreed time the installation charge, the monthly charge for functioning and maintenance of the Service as well as the price for the other administrative and additional services.

2.2.7. Not disclose and/or distribute the information submitted by Service Provider related to the performance of this Agreement except if otherwise agreed between the Parties.

2.2.8. Notify Service Provider, within 5 (five) days from the date of change, of any change in the identification data laid down in the initial section of this Agreement.

2.2.9. Ensure in its premises the conditions to install the relevant equipment of Service Provider required with regards to the Service provision at the requested end point. Such conditions may include, but without being limited to, the following: physical location for installation of equipment agreed with Service Provider, power supply, fire safety, air conditioning, in-house cabling etc.

2.2.10. Use the Service only in accordance with the requested type and purpose.

2.2.11. Pay the installation fee and the prices for the Service within the term specified in Item 3.10.



2.3. Service Provider shall have the right to:

2.3.1. Receive in time and in whole the amounts due for the Service.

2.3.2. Terminate the Service provision in case the CUSTOMER does not pay the invoices within 45 (forty-five) days after the invoice's date of issue.

2.3.3. In case of scheduled and incidental outages and tests conducted, obtain access to the locations for connecting the end-points of a Service in the CUSTOMER's premises.

2.3.4. Demand the required information and documents related to the conclusion and execution of the Agreement.

2.4. Service Provider shall be obliged to:

2.4.1. Respond to Service requests within 30 (thirty) calendar days from the date they were submitted.

2.4.2. Connect the end-points of the Service within the term laid down in the confirmed Service Order Form and the installation charge payment.

2.4.3. Provide the Service with the required quality and with the due diligence.

2.4.4. Provide the necessary equipment for the provisioning of the Service in accordance with the specifications in the relevant Service Order Form.

2.4.5. Maintain its network in a state that ensures a continuing proper functioning of the Service according to the technical characteristics specified in the relevant Service Order Form, including the provision of scheduled repairs and reconstructions, preventive activities related to the Service maintenance, development and improvement.

2.4.6. Receive notifications to the contact points, laid down in the relevant SLA, by the CUSTOMER on interruptions and non-fulfilment of the technical characteristics of the Service provided, registering them by the date and hour.

2.4.7. Correct the reported faults within the terms and conditions laid down in the relevant SLA.



2.4.8. Issue a document, upon request by CUSTOMER, on establishing the occurrence and duration of failures and/or interruptions of the Service within the term and manner provided for in the relevant SLA.

2.4.9. Prepare on time the bills for the amounts due by CUSTOMER under the Agreement, and issue invoices for execution of the payments.

2.4.10. Keep bills, invoices and other information relevant to the Agreement for the period of the Service duration.

2.4.11. Provide, upon written request by the CUSTOMER, information or verifications for amounts due or paid-up during the last 12 (twelve) months from the date of issue of the relevant invoice. Information to third parties is only provided in cases specified by law.

2.4.12. Conduct performance tests to the Service upon CUSTOMER request.

2.4.13. Reply to complaints, warnings, claims and suggestions related to the Service within 30 (thirty) days and keep a register on their reporting.

2.4.14. Render technical assistance for the proper use of the Service, connecting the CUSTOMER terminal devices and the operation of Service Provider services and equipment.

2.4.15. In case a request for an opening of a new Service is submitted, Service Provider will study the technical possibilities for the provision of the new Service between the requested locations and forward a relevant documentation for the ordering of the Service to the CUSTOMER within 15 (fifteen) calendar days from the date of request submission. If the order cannot be realized, Service Provider shall forward a relevant refusal to CUSTOMER within the term specified in the sentence above.

2.4.16. If a Service Order from for the Service provision signed by the CUSTOMER has been submitted by e-mail, fax or courier and Service Provider has confirmed it in accordance with Item 2.4.15 above and the CUSTOMER cancels this order, Service Provider shall be entitled to receive compensation by CUSTOMER for all expenses incurred on the execution of the order.



2.4.17. To terminate Services within 30 (thirty) calendar days from the request submission to Service Provider, provided that the conditions of Item 2.1.9 are fulfilled.

2.4.18. In case of two or more requests of the CUSTOMER for Service's failures because of reasons outside the reach of the Service Provider and outside its net, the CUSTOMER shall owe the Service Provider reimbursement of all made expenses, including for the time, for testing the net's failure despite the absence of such.

3. PRICES AND MANNER OF PAYMENT

3.1. CUSTOMER shall pay for the Service provided by the Service Provider according to the prices and price conditions in the relevant Service Order Form.

3.2. The prices for each ordered and provided Service in total and per its separate elements according to the configuration, shall be laid down in the relevant Service Order Form as follows:

3.2.1. NRC - non-recurring charge (installation charge) for the Service;

3.2.2. MRC - monthly recurring charge (month to month) for use of the Service;

3.2.3. Other charges for additional services if any.

3.3. Due payments as per Items 3.2.1, 3.2.2 and 3.2.3. are payable simultaneously for all Service elements.

3.4. The first invoice for each Service will include:

3.4.1. NRC for the Service;

3.4.2. MRC for the month of the Service activation on a pro-rata basis;

3.4.3. MRC for the next month;

3.4.4. Other charges for additional services if any.

3.5. Further invoices shall be issued on a monthly basis in advance by the 15th date of each month for the Services to be provided during the month following the month of the invoice issue.



3.6. The prices, according to the relevant Service Order Form, apply from the next date of Service provision date stated in the Delivery Notification and the last payment date shall be the date of Service termination bilaterally agreed accordingly.

3.7. The monthly charge due for the months of Service commencement and Service termination will be on a pro-rata basis (MRC divided into 30).

3.8. The prices specified in Items 3.2 do not include VAT. If VAT is due, the CUSTOMER shall pay the VAT within the term under Item 3.10.

3.9. CUSTOMER shall make the payments via bank transfer or collection on demand. The payment is considered made as of the date on which the due amounts are received in Service Provider's bank account

3.10. The CUSTOMER is obliged to pay them within 30 (thirty) days of the invoice's date of issue. The bank charges in relation to the payment of the invoices shall be distributed between the Parties, where the Debtor Party shall born the charges for ordering the payment and the Creditor Party – for receiving the payment ordered by the Debtor Party.

3.11. The invoices prepared by Service Provider shall be forwarded by registered letter mail with advice of delivery or via email to the following addresses:

For Bulgartel

1756 Sofia, Bulgaria
kv. Darvenitza blok 19
Kintex building
Office Bulgartel
invoice@bulgartel.bg

For _____

All mail costs for the invoices' delivery and for the communications between the Parties shall be for the Party sender.



3.12. In case of change in the mailing address specified above, CUSTOMER shall be obliged to notify Service Provider of its new address within 2 (two) working days in writing.

3.13. Non-receipt and returning a letter with advice of delivery in case of changed address without having notified Service Provider under Item 3.12 or due to other reasons beyond the control of Service Provider shall not exempt CUSTOMER from paying the amounts due to Service Provider within the relevant terms under Item 3.10.

3.14. For default of outstanding payments due in accordance with Items 3.1 and 3.2, CUSTOMER shall owe a penalty in the amount of an interest amounting to one and one-half percent (1.5%) per month compounded monthly, from the time such payment is due until the time payment is made in full but not more than 10% from the total outstanding amount

3.15. Claims on invoices shall be done within 2 (two) months after the period to which they refer and disputes shall be solved under Item 5. Payments shall not be deferred when disputes have arisen on certain amounts. In case of ascertaining that an invoiced amount actually exceeds the due one, Service Provider shall reimburse the difference to CUSTOMER.

3.16. A payment shall be deemed to have been executed on the date of receipt of the full amounts at an account of Service Provider. Partial payments shall not be considered as executed payments of the liabilities. In case of partial payments not covering all outstanding liabilities of the CUSTOMER (including for penalties), the Service Provider shall be entitled upon its discretion to cover with each received partial payment the CUSTOMER's liabilities applying the following order: penalties, interests, principals. The specified order shall apply despite the payment reference made by the CUSTOMER and despite any other payment specifications of the CUSTOMER. All liabilities shall be covered from the oldest to the newest one applying the order stipulated in the previous sentence.

3.17. In case of non-payment of the monthly subscription for each of the elements of the Service within 45 (forty-five) days after expiry of the payment term, Service Provider has the right to terminate the Service.



3.18. The simultaneous relocation of two end-points of a Service shall be considered as an opening up of a new Service and the CUSTOMER will owe new installation charge in regard to Item 3.2.1.

3.19. The payments shall be remitted to the following bank accounts:

For Bulgatrel

Central Cooperative Bank
Sofia – zapad Branch
BIC - CECBBGSF;
IBAN BG72 CECB 9790 1442 575903

For _____

3.20 Before the signing of a specific Order Form, either Party may request that the other Party at its own expense provides a bank guarantee or a cash deposit for that service in an amount, and a form, to be specified by the demanding Party as the “Security” for the other Party’s payments hereunder. In the event of non-payment of undisputed amounts, the demanding Party may apply this “Security” to satisfy undisputed payment obligations.

3.21. In case of cross-payments the Parties are entitled to make a set-off of the payments by a bilateral protocol signed by their legal representatives. As a result of the made set-off the payments are considered to be satisfied (paid) to the extent of the minor one. If the Parties do not agree to sign a protocol for settling the cross-payments, each of the Party shall be entitled to serve a set-off statement to the other Party stating that it sets-off all its receivable (including for due penalties) against the receivable of the other Party recipient of the set-off statement. In that case the result is also satisfaction to the payments to the extent of the minor one of them.

4. TERMS AND TERMINATION



4.1. This Agreement shall be in force for a minimum term of 12 (twelve) months. Thereafter, it shall automatically renew for new period of 12 (twelve) months.

4.2. Any Service Order shall be deemed made for a term of 12 (twelve) months unless otherwise provided in each Service Order.

4.3. The CUSTOMER may terminate the Service Order, subject of this Agreement, as well as terminate the Agreement during the minimum term due to reasons not related with Service Provider, if he pays to the Service Provider the amount of 100% of the monthly recurring charges contained in or related to the Service Order for the remainder of the Minimum Term of the Service Order/s.

4.4. After expiration of the initial term of any Service, the same shall be automatically renewed for a period of time equivalent to 12 (twelve) months. The CUSTOMER shall have the right to terminate the Service in the renewed period with at least 30 (thirty) days pre-notice.

4.5. The CUSTOMER will not be obliged to pay any compensation under Item 4.3 and 4.4, if the CUSTOMER places an order for a new Service with higher capacity between the same demarcation points at the moment of termination of Service.

4.7. Termination of the Agreement:

4.7.1. By mutual consent between Service Provider and the CUSTOMER.

4.7.2. Unilaterally by Service Provider, after 30 (thirty) days written pre-notice from Service Provider to the CUSTOMER in the following cases:

a) If the CUSTOMER becomes subject of a bankruptcy or insolvency, if any due amounts are unpaid by the CUSTOMER and if the liquidators or assignees in bankruptcy did not request a contract prolongation.

b) If the CUSTOMER fails to fulfil his obligations twice in one calendar year.

c) In case of changes in the legislative administration for the provision of the Service.

4.7.3. Unilaterally by Service Provider without an explicit written advance notice when the payment of liabilities has been delayed by CUSTOMER with 30 (thirty) days, after the term under Item 3.10.

4.7.4. Unilaterally by the CUSTOMER with 30 (thirty) days prior written notification in case Service Provider fails to fulfil its obligations under these conditions.

4.7.5. Upon force majeure circumstances.

4.7.6. If ordered by any governmental or regulatory authority.



4.8. In the event of Agreement termination, all Services shall be suspended.

4.9. The equipment, property of Service Provider, which is placed at CUSTOMER's disposal for the time of using the Service should be returned back to Service Provider in shortest period, after the expiration of the Service term or after termination of the Agreement or Service Order. Each Party will put all reasonable efforts to return back the relevant equipment from premises controlled by third parties.

4.10. In the event that 30 (thirty) days after the expiration of the Service term or after termination of the Agreement, either Party is not able to return the relevant equipment in good condition (notwithstanding the normal tear out) and this is a result of action or inaction of the other Party (or third party supervising premises with the certain equipment), the Party which provides the equipment may claim a reasonable compensation from the other Party, which have to be paid in 10 (ten) days period after the date of such claim.

4.11. In case of unilateral termination by the Service Provider, the CUSTOMER shall be obliged to pay a penalty to the Service Provider amounting to the total sum of the monthly payments' dues until the end of the initial term of the Services under the respective Service Order Form.

5. SETTLEMENT OF DISPUTES

5.1. In case of disputes or difference of opinion arising from this Agreement or future agreements on its implementation, the Parties to the Agreement shall make all efforts to settle the issues in the spirit of understanding. In case the Parties are not able to resolve the disputes with negotiations, they agree to apply the following procedure:

5.1.1. One or more representatives of each Party shall meet and will attempt in good faith to resolve the dispute in 7 (seven) days after a claim or controversy arise. The attempts to find mutually acceptable agreement shall be deemed to have failed when one of the Parties hereto notifies the other Party in writing to that effect.



5.1.2. If the Parties are not able to resolve the dispute within the term in Item 5.1.1, either Party may bring the case to be settled by the Court of Arbitration to the Bulgarian Chamber of Commerce and Industry where:

5.1.2.1. The dispute before the Court of Arbitration shall be settled by three arbiters appointed under the Rules of the Court of Arbitration to the Bulgarian Chamber of Commerce and Industry.

5.1.2.2. The place of the arbitration procedure shall be in Sofia.

5.1.2.3. The Court of Arbitration shall also rule on the sharing of costs pertaining to the Arbitration procedure.

5.1.2.4. All proceedings of the Court of Arbitration shall be conducted in the English language. All evidence and documents shall be presented in the English language.

5.1.2.5. The arbitration award shall be final for the Parties to the Agreement.

6. GENERAL PROVISIONS

6.1. This Agreement may not be amended, or modified in any manner, except by an instrument in writing signed by each of the Parties.

6.2. This Agreement shall be applied and interpreted according to the provisions of the law in the Republic of Bulgaria.

6.3. CUSTOMER shall sign all the protocols and documents relating to the implementation of this Agreement.

6.4. Any communications regarding this Agreement (including with reference to the arbitration proceedings) shall be sent to the following addresses, emails and faxes:

Bulgartel AD

VP Sales, Marketing & Operations and
EVP

Mr./Mrs.
Tel:



Tel: +359 2 819 40 68
Fax: +359 2 819 40 50
E-mail: vp@bulgartel.bg

Fax:
E-mail:

The present Agreement and the attachments thereto are executed and signed in two equal counterparts, each for one of the Parties thereto, in English language and shall enter into effect on the date of signature by both Parties.

Business Address:

Signed for and on behalf of

_____ **a.s.**

Name:

Title:

Signature:

Date:

Bulgartel

Business Address:

Bulgaria

1756 Sofia

kv. Darvenitza block 19

Kintex building

Office Bulgartel

Signed for and on behalf of

Bulgartel AD

Name: **Stefan Voynov**

Title: **CEO**

Signature:

Date:

