

PRIME COMMUNICATIONS TERMS AND CONDITIONS FOR INTERNET SERVICE

Use of Prime Communications shall be deemed an acceptance of the following terms and conditions:

1. Definitions.

"This Agreement" is the completed Application Form (and its attachment (s)) and the terms and conditions herein.

"Customer" is the person whose application to enter into this Agreement is accepted by Prime Communications and includes his successors and permitted assignees.

"Service" is access to the Internet together with such value-added features as may be introduced from time to time by "Prime Communications". The Service may take the form of Dial-up Access, Dedicated Access, and other services, as may be introduced from time to time by "Prime Communications".

"Dial-up Access Service" means that the Customer will be provided with a personal user identification ("UI") and password. The Customer will use his own equipment and means (for example, telephone service and modem) to establish connection to Prime Communications for accessing the Service. Unused hours under this service are not carried over to the succeeding month.

Dial-up access is made in two ways:

- (a) Individual and business class packages. (This is available to both personal and corporate Customers); and
- (b) Corporate package under the MUB, DDU, and MDNA services.

"Dedicated Access Service," means that Prime Communications will provide a dedicated Internet service to the Customer. A local line will be installed for the Customer, who will use his own equipment approved by Prime Communications to establish the connection.

"Minimum Period of Subscription" means twelve (12) full months.

"Person (s)" includes individual(s), corporation(s), other entities with juridical personality, unincorporated group(s)/associations of persons, and persons associated with an entity without juridical personality.

"Prime" or **"Prime Communications"** refers to Prime Communications Philippines, Inc.

"UI" is the user ID as provided and approved by Prime Communications. Words importing the singular shall include the plural and vice versa and words importing one gender shall include the other gender.

2. Commencement of Service. The service shall commence on the date when Prime Communications activates the service.

3. Fees.

3.1 The subscription fees for the Service ("Subscription Fees") shall be at the

applicable rate indicated in the Application Form accomplished by the Customer or such rates as may be prescribed by Prime from time to time upon 30 days written notice to the Customer.

3.2 Liability for the Subscription Fees shall accrue from the Commencement Date.

3.3 Prime shall effect promo discounts and impose charges (which shall be subject to change without prior notice) for, but not limited to, the following services: change of package, additional e-mail address/ mailbox space, change of User ID, domain name registration, home and walk-in installation of service, resetting of password, suspensions, reactivations, and/or terminations.

4. Payment.

4.1 The Subscription Fees and all other charges (i.e., global roaming, account changes, etc.) shall be payable on or before the dates or within such period of time as stated in the billing statement(s) issued by Prime to the Customer.

4.2 The Customer is responsible for all Internet usage under his account. Customer shall be liable for and shall pay for whatever is due from him notwithstanding that the Customer disputes the same for any reason. In the event that a dispute is decided by Prime in the Customer's favor, Prime shall refund to the Customer any excess amount paid by the Customer free of interest.

4.3 Payment should be made on or before due date indicated in the statement of account to avoid penalty fees and account suspension. Payments made after due date will be reflected in the next billing statement.

4.4 In the event of late payment by the Customer of any sums due under this Agreement, Prime shall have the right to charge interests on the outstanding amount at the prevailing bank rate per annum from the due date until the date of full payment. Non-payment is subject to suspension of the service.

4.5 The initial payment is non-refundable.

5. Prime's Rights and Responsibilities. Prime Communications shall have the exclusive right to manage and control the access to computer systems and information within the Prime Communications system in a manner considered appropriate by Prime Communications.

6. Customer's Rights and Responsibilities.

The Customer shall:

(a) be responsible for the setup or configuration of his equipment for access to the Service;

(b) comply with all notices and instructions given by Prime from time to time with respect to the use of the Service;

(c) be solely responsible for obtaining, at his own cost, all licenses, permits, consents, approvals and intellectual property or other rights as may be required for using the Service;

(d) be solely responsible for managing the use of the storage capacity provided so that it does not exceed the capacity allocated to him;

(e) obtain the prior written approval of Prime if he is using the Service for any activity that would or is likely to generate a change in traffic in excess of his

normal usage and/or is likely to cause congestion in Prime's network;

- (f) provide his own expenses, when so required by Prime and within a reasonable time there from, all facilities or resources necessary for the proper provision of the Service including without limitation power points, electricity, conduits, pipes, access, license, way leave or easement;
- (g) comply with Prime's advice to upgrade and make use of anti-virus programs, within a reasonable time from such advice, at his own expense for his existing facilities, if in the opinion of Prime the same is inadequate to cope with his telecommunications traffic and/or is likely to cause congestion in Prime's network;
- (h) be responsible for all charges reflected in his account;
- (i) be responsible in investigating alleged unauthorized use of his account; and
- (j) should there be any error(s) in the billing statement, it is the responsibility of the Customer to report to Prime such error(s) within thirty (30) days from due date.

7. Prohibited Use.

The Customer undertakes:

- (a) to comply with all applicable laws (and shall not contravene any applicable law) of the Republic of the Philippines relating to the Service including without limitation the Broadcasting and Television Act, Copyright Act, Penal Code, Telecommunications Act of 1995 (including any regulation made pursuant thereto and any terms and conditions of any license granted to Prime by the Philippine National Telecommunications Commission), the Undesirable Publications Act, and the Electronic Commerce Act of 2000;
- (b) not to allow any person other than the authorized person(s) named in the Application Form to use the Service;
- (c) not to use the Service for any unlawful purpose including without limitation criminal purposes;
- (d) not to use the Service to send or receive any message and/or information, which is offensive on moral, religious, racial, or political grounds, or of an abusive, indecent, obscene or menacing nature;
- (e) not to persistently send messages without reasonable cause or cause any threat, harassment, annoyance, inconvenience, or anxiety to any person;
- (f) not to introduce any computer virus into the Internet or Prime Communications' system;
- (g) not to infringe any intellectual property rights of any person or retain information in any computer system or otherwise with an intention to do so;
- (h) not to gain unauthorized access to any computer system connected to the Internet or any information regarded as private by other persons; and
- (i) not to share with or resell the Service to any person without the prior written approval of Prime and shall use the Service only for the purpose for which it is subscribed.

8. Security and Other Features.

8.1 The Customer shall take all such measures as may be necessary (including, but not limited to, changing his password regularly) to protect the secrecy of his UI and/or password and shall not reveal the same to any other person(s). Prime shall at all times be free from any liabilities arising from any damages suffered by Customer as a result of any unauthorized disclosure or use of such UI and/or password without fault or negligence on the part of Prime.

8.2 Where a UI is necessary to access the Service, the Customer shall use only his own UI.

8.3 The Customer acquires no rights to any mailbox number, the UI, circuit reference and any code assigned to him by Prime and except as otherwise provided herein, Prime reserves the right to change or reassign the same to the Customer at its sole discretion without being liable to the Customer for damages or otherwise.

8.4 For the Dial-Up Access Service, an automatic log-out will occur after 15 minutes of idle log-in time subject to such changes as may be introduced by Prime.

8.5 For Unlimited 888 dial-up access, service will be automatically cut-off after four (4) hours of continuous usage. Subscriber may reconnect after 15 minutes.

8.6 Prime Communications does not allow simultaneous use of UI (i.e., two (2) or more persons using the same UI at the same time). Prime reserves the right to disable access, should our system detect simultaneous use of UI.

8.7 Prime Communications requires caller-id registration. All telephone numbers to be used

by the account holder must be registered. Should the account holder opt not to provide a caller-id listing, all access registered under the account is the responsibility of the account holder. Prime Communications shall not be liable for any unauthorized usage. Unlimited 888 subscribers are required to provide a caller-ID list.

8.8 Prime Communications employs a credit limit policy equivalent to triple the hours of the

package available. The account shall be reactivated upon receipt of payment and upon submission of a request.

8.9 Global roaming is activated on a per request basis and is subject to traffic or per minute charges, the rate of which is dependent on the location and dial-up number used. A written request or a request made via our web page must be submitted prior to activation.

9. Software.

In connection with any software provided by Prime for use with the Service:

(a) the Customer shall be solely responsible for ensuring that such software is suitable for his needs and the compatibility of such software for use with any equipment used by him, whether or not any changes are introduced to the Service by Prime; and

(b) the Customer shall adhere to all instructions and notices (written or otherwise) within a reasonable time from such instruction or notice given by Prime from time to time regarding the use of such software.

10. Change in Service Feature.

Unless otherwise agreed to by Prime:

10.1 Usage Plans. The Customer may change the usage plan selected by him on the Application Form by giving prior notice in writing to Prime Internet on or before the 25th day of each calendar month. The effective date of such change shall be the next month after receipt of such notice or such other date as may be prescribed by Prime.

11. Termination of Service.

11.1 Either Prime or the Customer may terminate this Agreement by giving

prior notice in writing of 30 days (for individual and business class packages) or 60 days (for corporate packages) to the other. A handling fee will be charged to the Customer's account if termination is within the minimum subscription period.

11.2 Prime may in its sole discretion waive or accept in writing a shorter period of notice from the Customer than those referred to in clause 11.1.

11.3 Clause 11.1 is subject to the condition that where notice, in writing, is given by the Customer on or after the 25th day of a calendar month, this Agreement will be terminated only on the last day of the following calendar month.

11.4 Notwithstanding clause 11.1, Prime may terminate this Agreement with immediate effect:

(a) if in the opinion of Prime, the Customer has breached any of the terms or conditions of this Agreement (including without limitation clauses 6 and 7);
(b) the Customer has provided any false or incomplete information to Prime;
(c) if in the opinion of Prime or any regulatory authority, it is not in the public interest to continue providing the Service to the Customer for any reason; or
(d) if the Customer has declared bankruptcy; or the Customer enters into any compromise or arrangement with its creditors; or an encumbrance lawfully takes possession or a receiver is validly appointed over the whole or part of the undertaking of the Customer; or proceedings are taken for the appointment of an administrator of or the winding up of the Customer.

11.5 Prime Communications reserves the right to terminate an account that has been inactive (no usage) for three (3) months, without prior notice.

12. Liabilities for Subscription Fees Upon Termination.

12.1 In the event of termination of this Agreement pursuant to clause 11.1, without prejudice to any other remedies available to Prime, the Customer shall be liable for Subscription Fees and all other charges up to and including the expiry date of the relevant Minimum Period of Subscription or the date of termination stated in the notice given in accordance with clause 11.1, whichever is later ("Date of Termination").

12.2 In the event of termination of this Agreement other than in accordance with clause 11.1, without prejudice to other remedies available to Prime, the Customer shall be liable for Subscription Fees up to and including the expiry date of the relevant Minimum Period of Subscription or up to the end of the duration of notice required to be given in respect of the Service, whichever is later ("Date of Termination").

12.3 The above amounts payable by the Customer upon termination shall be payable within 30 days of the relevant Date of Termination.

12.4 Upon termination of this Agreement, Prime may use such deposits (paid by the Customer) as may be held by Prime to offset any amount due from the Customer under this Agreement or any other agreement between Prime and the Customer, and the balance thereof shall be refunded to the Customer free of interest.

13. Suspension of Service.

13.1 Without prejudice to any other rights or remedies of Prime and notwithstanding any waiver by Prime of any previous breach, Prime may suspend any Service or any other service provided by Prime:

(a) wherein the credit limit (clause 8.8) has been exceeded, access will be

temporarily suspended;

(b) in the event that any amounts payable by the Customer for the Service or any other service is not settled in full or any deposit or increase thereof required by Prime is not paid by the Customer;

(c) if in the opinion of Prime, the Customer has breached any of the terms or conditions of this Agreement (including without limitation clauses 6 and 7);

(d) the Customer has provided any false or incomplete information to Prime;

(e) if in the opinion of Prime or any regulatory authority, it is not in the public interest to continue providing the Service to the Customer for any reason;

(f) the Customer failed to provide the documentation as required by Prime Communications, including but not limited to proof of billing, valid id, signed application form, etc. within three (3) working days; or

(g) the Customer failed to settle the initial payment within three (3) working days.

13.2 Upon such suspension, the Service or such other service shall be deemed terminated as from the date of suspension stipulated by Prime and the Customer shall be liable for all charges and fees incurred up to and including the date of such suspension and in the case of a service for which there is a relevant Minimum Period of Subscription, the Customer shall in addition, be liable for the charges up to the end of the relevant Minimum Period of Subscription if the same is unexposed and clauses 12.3 and 12.4 shall apply.

13.3 Notwithstanding the foregoing, upon subsequent payment by the Customer of such sums as demanded by Prime, Prime may, if it deems feasible, at its sole discretion and subject to such terms as it deems proper, reconnect the service or services, as the case may be, in which event this Agreement shall continue as if the same has not been terminated.

13.4 The Customer may opt to suspend his account. The account will automatically be terminated if not reactivated after three (3) months.

14. Other Charges. In the event that Pacific's employees or agents are called upon to attend to a fault at the Customer's premises, Prime reserves the right to impose charges for the service if the fault is not directly attributable to any of Prime's equipment or networks. Prime's Job Completion Form (JCF) shall be conclusive evidence of the Customer's request for such services.

15. Unlawful Use. In the event of unlawful use of the Service, Prime reserves the right to prosecute users of the service to the full extent of all applicable laws of the Republic of the Philippines including without limitation the Electronic Commerce Act of 2000.

16. Disclaimer.

16.1 Prime gives no warranty with respect to any equipment, facility, software or Service provided to the Customer and is not liable to the Customer for any cost, claim, liability, expense, demand or damages by any means (including any loss of profits, lost savings or incidental or consequential damages), arising from Customer's use of or inability to use such equipment, facility, software or Service, even if Prime or any of its authorized representatives have been advised of the possibility of such damages, or for any claim by any other person whomsoever.

16.2 While every care is taken by Prime in the provision of the Service, Prime shall not be liable for any loss of information howsoever caused whether as a result of any interruption, suspension, or termination of the Service or otherwise. Prime is

likewise not liable for the contents, accuracy, or quality of information available, received, or transmitted through the Service.

16.3 The Customer will be solely responsible, and Prime shall not be liable in any manner whatsoever, for ensuring that in using the Service, all applicable laws, rules and regulations and all the terms prescribed by the National Telecommunications Commission for the use of any telecommunications systems, service or equipment are, at all times, complied with.

16.4 Prime shall not be liable for any loss or damages sustained by reason of any disclosure (inadvertent or otherwise) of any information concerning the Customer's account and particulars nor for any error, omission or inaccuracy with respect to any information so disclosed.

16.5 Prime shall not be liable for any global roaming related charges.

17. Indemnity. The Customer holds Prime harmless at all times against actions, proceedings, costs, claims, expenses, demands, liabilities, losses, and damages whatsoever including without limitation to defamation, infringement of intellectual property rights, death, bodily injury, property damage, or financial (pecuniary) losses by whatever cause which Prime may sustain, incur, suffer, or pay arising out of or in connection with the use of the Service by the Customer or any act or omission of the Customer thereof.

18. Confidentiality. The Customer must not divulge or communicate to any person (other than those whose province it is to know the same) or use or exploit for any purpose (other than that contemplated in this Agreement) any confidential information, which may or may not have come to his knowledge by reason of or in connection with this Agreement, and shall use all reasonable efforts to prevent its employees, officers, agents, consultants, or any other person permitted by him from so acting, except where the prior written consent of Prime is obtained or where required to be disclosed pursuant to any applicable law or legal process issued by any court or the rules of any relevant regulatory body.

19. Variation.

19.1 Prime reserves the right to amend the terms and conditions contained herein at any time upon notice (in such forms as may be determined by Prime) to the Customer.

19.2 Without limitation to the generality of the foregoing, this Agreement is deemed to be varied to the extent that the Customer requests for any variation in the Service and such is agreed to in writing by Prime.

20. Assignment. The Customer should not assign any of its rights and obligations under this Agreement without the prior written consent of Prime.

21. Force Majeure. Prime will not be held liable for any delay or failure in performance under this Agreement resulting from acts beyond the control of Prime, including without limitation acts of God, acts or regulations of any national or local government agency, war or national emergency, accident, fire, lightning, riot, strikes, lock-outs, industrial disputes (whether or not involving Prime's employees), epidemics, or any other occurrence analogous to the foregoing.

22. Governing Law and Jurisdiction. The laws of the Republic of the Philippines govern this Agreement and the Customer and Prime hereby submit to the exclusive

jurisdiction of the courts of Pasig City, Philippines.
