

LEASED LINE INTERNET SERVICE CONTRACT

This contract for leased line internet service executed is on by and between Bhutan Telecom Limited, a company incorporated and existing under the Companies Act of the Kingdom of Bhutan and having its registered office at 2/28 Drophen Lam, Thimphu, through its duly authorized signatory, Bhutan Telecom Limited, Thimphu, empowered by Bhutan Telecom Limited to execute this agreement, hereinafter referred to as '**DrukNet**'; and

[for official connection]

.....
..... (mention full address of the office/organization), through its duly authorized signatory,
..... (name), (designation),
..... (office address), (place),
empowered by (office/organization name), through the stamping of its official seal at the end of this document, to execute this agreement, hereinafter referred to as the '**Customer**';

DrukNet and Customer are also known in this contract individually as the 'party' and collectively as 'parties'.

WHEREAS DrukNet, as the ISP department of Bhutan Telecom Limited, is engaged in the business of providing various internet services throughout Bhutan;

AND WHEREAS the Customer, in case the service is being taken in the name of an office/organization, warrants that it has been duly authorized by its office/organization to avail the service from DrukNet in the name of the office/organization mentioned above;

AND WHEREAS the Customer has requested/applied for the service and DrukNet agrees to provide the service on the terms and conditions set forth herein under;

NOW THEREFORE, the parties hereto, intending to be unconditionally and legally bound by the representations made above and the terms and conditions hereinunder stated, mutually covenant and agree as follows:

A. GENERAL TERMS

1. The bandwidth of the leased line internet service subscribed by the Customer iswith the existing monthly subscription fee ofwhich may be revised by DrukNet from time to time.
2. One-time installation fee mentioned in clause 1 under Article D IS/IS NOT (strike one) applicable.
3. The provisions under Article K (Last Mile Connectivity and Conditions) ARE/ARE NOT (strike one) applicable.

B. RIGHTS AND RESPONSIBILITIES OF DRUKNET

1. DrukNet shall activate the service applied for by the Customer on the first working day of the month following the acceptance of application. However, should the Customer wish, the service will be activated within ten (10) working days after the feasibility study on the condition that the Customer will be billed for the entire month during which the service is activated.
2. DrukNet shall endeavour to provide the internet service to the Customer 24 hours a day and 7 days a week. However, the provision of uninterrupted service shall be subject to elements and circumstances beyond the reasonable control of DrukNet.
3. DrukNet shall have the unencumbered rights to manage and control the access to computer systems connected to or information stored on DrukNet systems in a manner and at a time deemed appropriate by DrukNet.
4. DrukNet is responsible for transmission of internet service only till the pointof customer-side modem beyond which the responsibility entirely lies with the Customer.
5. DrukNet shall inform the Customer if any new policy or rule on the use of internet service is being introduced either by DrukNet, Governmental agencies, security agencies, regulators, etc.
6. DrukNet shall have the right, without liability to any party in any way, to suspend or terminate the service provided to the Customer if the latter fails to abide by any of the terms of this contract.

C. RESPONSIBILITIES OF THE CUSTOMER

1. The Customer shall comply with the terms of this contract; Acceptable Use Policy; other Policies put in place or may be put in place by DrukNet; Internet Code of Practice; and any other regulation, rule, guidelines, codes, directives, etc as may be issued by governmental, security, and/or regulatory agencies. The use of or continuing to use the service availed under this contract shall be treated as Customer's acceptance of the various policies, codes, directives, rules, regulations, guidelines, etc.

2. The Customer shall be solely responsible for all terminal equipment at the Customer's premises.
3. It shall be the Customer's responsibility to set up and maintain all internal building wiring for the purpose of using the service availed under this contract.
4. It shall be the Customer's responsibility to protect and maintain the secrecy of the password assigned to him at all times. The Customer will be fully responsible and liable for all charges, losses or damage arising from the use of its username and password and shall have no rights whatsoever to claim waiver on the ground that password and/or username has been misused.
5. The Customer shall have no right to sublease the service. The Customer shall be liable to compensate DrukNet for any loss of income or damages arising because of the Customer's subleasing of the service as may be calculated by DrukNet.
6. The Customer shall under no circumstance interconnect two or more leased lines without the prior written (which can also be in the form of an email) permission from DrukNet.
7. If the hardware or software used by the Customer is causing or likely to cause any hazard, interference or service obstruction, the Customer shall act forthwith upon receipt of notice, whether written or not, from DrukNet to do so to eliminate such hazard, interference or service obstruction. DrukNet may advise and the Customer shall comply with such advice and upgrade his existing facilities, at his own cost, if the facilities are found, in the opinion of DrukNet, to be inadequate to cope with his internet traffic and/or is likely to cause congestion in DrukNet's network.

D. FEES AND TERMS OF PAYMENT

1. The Customer shall pay a one-time installation fee of Nuwhich shall be included in the first bill.
2. The Customer shall be billed a monthly subscription fee of Nuwhich is payable within 15 calendar days from the date of the bill or by the due date reflected in the bill. The monthly subscription fee mentioned in this clause may be revised by DrukNet from time to time.
3. The monthly subscription fee shall be applied from the first day of _____ (month), _____ (year).
4. In the event that the Customer fails to pay the subscription fee by the due date, DrukNet shall suspend the service without notice and liability until full payment is made. The service shall be reconnected without additional costs if full payment is made within 15 days from the date of suspension. However, the Customer shall be liable to pay a re-registration fee equivalent to the initial installation fees paid by the Customer.
5. The monthly subscription fee mentioned in clause 2 above is subject to revision by DrukNet from time to time. The Customer shall be notified of any revision in the said fee and DrukNet shall charge and Customer shall pay the revised fee thereafter.

E. TAXES

1. Installation fees, monthly subscription fees and all other charges payable by the Customer to DrukNet are exclusive of all taxes and any other deduction and the Customer shall not make any deduction from the amounts payable to DrukNet. All taxes and other deductions required to be made on the amounts payable to DrukNet shall be fully borne by the Customer.
2. The Customer will pay **5% taxon** MRC in accordance with the Tax Bill on all telecommunication services with effect from.....

F. TERM AND TERMINATION

1. This contract shall commence from the date of execution of this contract and shall continue to be effective unless terminated as per the subsequent provisions below.
2. DrukNet shall have the right to terminate this contract and service provided under this contract, without notice and liability, with immediate effect under the following conditions:
 - a. The Customer fails to comply with the terms of this contract; Acceptable Use Policy and any other policy of DrukNet; Internet Code of Practice; and any other regulation, rule, guidelines, codes, directives, etc as may be issued by governmental, security, and/or regulatory agencies.
 - b. It is found that the Customer has provided false, misleading or incomplete information to DrukNet.
 - c. In the opinion of DrukNet, regulators or other lawful authority, it would be against the public interest to continue providing the service to the Customer.

Termination of contract and/or service under this clause shall not encumber the rights of DrukNet over or against the Customer in any manner.

3. DrukNet may terminate this contract at any time by giving to the Customer a written notice of one month, or waiver of a month's subscription fee in lieu of such a notice, if conditions in clause (a-c) above are not applicable.
4. The Customer, if Article K (Last Mile Connectivity and Conditions) is not applicable, may terminate this contract at any time by giving a written notice of one month or payment of one month's subscription fee to DrukNet in lieu of such a notice.
5. The Customer, if Article K (Last Mile Connectivity and Conditions) is applicable, may terminate this contract subject to the conditions mentioned under Article K.
6. This contract shall remain terminated upon the death of the Customer or when the office/organization ceases to exist. DrukNet shall have the right to realise the dues

accrued from the deceased Customer's successors/heirs or the organization's parent agency in case of termination by death of the Customer or cessation of the office/organization which has availed the service.

7. The Customer shall be liable to pay the full monthly subscription fee for the month during which the contract termination becomes effective even if the effective date falls at the beginning or middle of the said month.
8. Upon termination of the contract by any party, DrukNet shall generate and issue to the Customer a bill for final settlement. The Customer shall pay all the dues reflected in such a bill within 15 calendar days of the bill date or by the due date mentioned therein.
9. All equipment and facilities until the point of the Customer's modem belong to DrukNet and shall remain the exclusive properties of DrukNet. Upon termination of the contract under any circumstance or provision of this contract, DrukNet shall have the right to remove and take possession of all such equipment.

G. USE OF SOFTWARE

1. The Customer shall ensure that use of any software is suitable for his needs and that use of such software is fully compatible with the equipment used by him, whether or not any changes are made to the service by DrukNet.
2. The Customer shall adhere to and comply with all instructions and notice given, in whatever form, by DrukNet from time to time regarding the use of software.
3. DrukNet shall not be liable in any manner for any inconvenience, damage, loss or other forms of harm caused to the Customer by his failure to ensure the suitability and/or compatibility of the software or adhere and comply with the instructions given by DrukNet.

H. DISCLAIMER

1. DrukNet gives no warranty in respect of any software provided to the Customer. Therefore, DrukNet shall not be liable in any manner for any inconvenience, damage, loss or other forms of harms caused by the use of or inability to use the software provided by DrukNet.
2. The service under this contract are provided on an "AS IS" and "AS AVAILABLE" basis and DrukNet does not warrant that the service will be free of interruptions or errors. DrukNet makes no express warranties and waives all implied warranties of non-infringement and fitness for a particular purpose regarding any information, advice or service provided by DrukNet and under no circumstance shall such information, advice or service create a warranty or liability whatsoever.
3. While every care is taken by DrukNet in the provision of the service, DrukNet 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, or for the contents, accuracy or quality of information available, received or transmitted through the service.

4. DrukNet shall not be liable in any manner whatsoever for the Customer's failure to ensure that all applicable laws, rules and regulations and all the terms prescribed for the use of any telecommunications systems, service or equipment are complied with at all times in using the service. The Customer shall be solely and fully responsible for its failure to comply with the various requirements.
5. DrukNet shall not be liable in any manner whatsoever for any loss or damage caused by reason of any disclosure, whether inadvertent or otherwise, of any information concerning the Customer's account or particulars. DrukNet shall not be held liable under any circumstance for any error, omission or inaccuracy of information so disclosed.

I. INDEMNITY

The Customer shall indemnify and hold DrukNet harmless at all times against all actions, proceedings, costs, claims, expenses, demands, liabilities, losses, and damages whatsoever including, without limitation, for defamation, infringement of intellectual property rights, deaths, bodily injury, property damage or pecuniary losses howsoever arising which DrukNet 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.

J. CONFIDENTIALITY

1. The Customer shall not disclose or communicate to any person, other than those who have the lawful authority to know the same, or use or exploit for any purpose whatsoever, other than those contemplated in this contract, any confidential information which may have come to his knowledge by reason of or in connection with this contract, and shall use all reasonable efforts to prevent his employees, officers, agents, consultants, friends, etc from so acting, except where the prior written consent of DrukNet is obtained or where required to be disclosed in compliance with any applicable law or legal process issued by any court or rules of any relevant regulatory body.
2. The Customer shall be singly and fully responsible and liable for all consequences arising from its failure to maintain confidentiality and shall indemnify DrukNet if the latter is held liable in any manner whatsoever towards any party because of the former's failure to maintain confidentiality as required by this contract.

K. LAST MILE CONNECTIVITY AND CONDITIONS

Provisions under this Article are applicable only if they are made applicable through clause 3 of Article A (General Terms).

1. In consideration of Customer availing a minimum of 4 Mbps of connectivity for a minimum duration of 2 years, DrukNet shall provide the last mile connectivity with fibre free of cost to the Customer. However, the full and unencumbered ownership of the equipment shall remain with DrukNet at all times, and the cost of fibre installation (involving ground digging 3-feet deep) calculated at Nu 350 per meter shall be borne by the Customer. Alternatively, the Customer shall arrange its own resources for the digging work.
2. In lieu of DrukNet providing the last mile fibre connectivity free, the Customer agrees and commits to use the service under this contract for a minimum period of two years and pay the applicable fees or charges without fail.
3. If the Customer terminates the contract within one year from the commencement date, the Customer shall pay DrukNet a sum of Nu which is equivalent to 80% of the cost of fibre last mile equipment as a compensation for the Customer's failure to fulfil its commitment of 2 years.
4. If the Customer terminates the contract after one year but before two years from the commencement date, the Customer shall pay DrukNet a sum of Nu which is equivalent to 50% of the cost of fibre last mile equipment as a compensation for the Customer's failure to fulfil its commitment of 2 years.
5. Payment of compensation stipulated in the above two clauses does not absolve the Customer of its responsibility and liability to pay all other dues to DrukNet as may have accrued.

L. ADDRESS FOR CORRESPONDENCE

Notices and other communications between the parties to this contract shall be addressed as follows:

- a. If to BT:

Designation:

Office Address:

Email:

b. If to the Customer

Name:

Full Address:

Email:

M. WAIVER

Under no circumstance shall failure of either party to insist upon strict performance by the other party of any provision of this contract shall be deemed or construed to affect in any way the right of that party to require such performance.

N. SEVERABILITY

If any part of this contract is or becomes illegal, invalid or unenforceable because of any reason, such illegal, invalid or unenforceable part shall not affect the validity or enforceability of other parts of the contract.

O. FORCE MAJEURE

If performance under this contract is prevented or delayed by force majeure events like, without limitation, acts of God, riots, fire, flood, earthquake, acts of the government or local authority, or other causes beyond the reasonable control of the affected party, such a party shall not be liable for failure to perform under this contract.

P. DISPUTE RESOLUTION

- a. The parties to this contract shall put all efforts to settle any dispute or misunderstanding arising out of or related to this contract in an amicable way and in good faith.
- b. In the unfortunate event of any dispute remaining unresolved, such dispute shall be, at the option of the aggrieved party, resolved as per the arbitration provisions of the Alternative Dispute Resolution Act 2013 or submitted to the court of competent jurisdiction for settlement through litigation.
- c. The costs for dispute resolution shall be borne by the respective parties and under no circumstance shall one party be made to bear the costs incurred by the other party.

Q. AMENDMENT

- a. No variation in or modification of the provisions of this contract shall be made except by a written amendment signed by both the parties. However, this requirement does not apply to revision of the monthly subscription fees by DrukNet.
- b. Amendment to this contract shall become effective from the date agreed by the parties or, if no such date is agreed, from the day both parties have put their signature on the amendment.

R. ENTIRE CONTRACT

This contract, along with the completed application form submitted by the Customer, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements or communications in all forms between the parties with respect to the subject matter hereof.

The parties have signed and executed this contract in two originals in the presence of the following witnesses and taken one each.

By signing this contract, I,(customer to write his/her name), the Customer, affirm that I have read and fully understand the contents of this contract document.

BT

CUSTOMER

Name:

Address:

Name:

Address:

WITNESSES:

BT

CUSTOMER

Name:

Address:

Name:

CID #:

Address:

SIGNING NOTE:

1. Both the company and the customer should initial each page of this document. Both the party should sign over a legal stamp of a minimum value of Nu. 10.
2. The customer has to provide a copy of his/her trade license, citizenship ID Card and his/her witness' ID Card.