

CONTRACT AGREEMENT
(LEASED LINE INTERNET SERVICE)

This Contract for leased line internet service executed is on at Thimphu, Kingdom of Bhutan

Among:

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, (Name), (Designation), (Office address), (Place), empowered by Bhutan Telecom Limited to execute this agreement, hereinafter referred to as 'Bhutan Telecom Ltd'; and

[For individual customer]

Mr./Ms.....(name), holder of
Bhutanese citizenship numberfrom
.....(Village),(Gewog)
and.....(Dzongkhag/Dungkhag);.....
.....(full
present address), hereinafter referred to as the 'Customer'.

[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';

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

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

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 Bhutan Telecom Ltd in the name of the office/organization mentioned above;

AND WHEREAS the Customer has requested/applied for the service and Bhutan Telecom Ltd 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 herein under, stated, mutually covenant and agree as follows:

1. **GENERAL TERMS**

- 1.1. The bandwidth of the leased line internet service subscribed by the Customer iswith the existing monthly subscription fee of Nuwhich may be revised by Bhutan Telecom Ltd from time to time.
- 1.2. One-time installation fee is free mentioned in clause 4.1 under Article-4. The provisions under Article-11 (Last Mile Connectivity and Conditions) ARE/ARE NOT (strike one) applicable.

2. **RIGHTS AND RESPONSIBILITIES OF BHUTAN TELECOM LTD**

- 2.1. Bhutan Telecom Ltd 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.
- 2.2. Bhutan Telecom Ltd shall endeavor 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 Bhutan Telecom Ltd.
- 2.3. Bhutan Telecom Ltd shall have the unencumbered rights to manage and control the access to computer systems connected to or information stored on Bhutan Telecom Ltd systems in a manner and at a time deemed appropriate by Bhutan Telecom Ltd.
- 2.4. Bhutan Telecom Ltd is responsible for transmission of internet service only till the point of customer-side modem beyond which the responsibility entirely lies with the Customer.
- 2.5. Bhutan Telecom Ltd shall inform the Customer if any new policy or rule on the use of internet service is being introduced either by Bhutan Telecom Ltd, Governmental agencies, security agencies, regulators, etc.
- 2.6. Bhutan Telecom Ltd 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.

2.7. The bills of the LL/P2P/IPVPN/IPLC Enterprise customer connection will be send to them through emails (E-billing) on monthly basis.

3. **RESPONSIBILITIES OF THE CUSTOMER**

- 3.1. 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 Bhutan Telecom Ltd; Internet Code of Practice; and any other regulations, 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.
- 3.2. The Customer shall be solely responsible for all terminal equipment at the Customer's premises.
- 3.3. 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.
- 3.4. 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 to claim waiver on the ground that password and/or username has been misused.
- 3.5. The Customer shall not sublease the service to another third party. The Customer shall be liable to compensate Bhutan Telecom Ltd for any loss of income or damages arising because of the Customer's subleasing of the service as may be calculated by Bhutan Telecom Ltd.
- 3.6. 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 Bhutan Telecom Ltd.
- 3.7. 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 Bhutan Telecom Ltd to do so to

eliminate such hazard, interference or service obstruction. Bhutan Telecom Ltd 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 Bhutan Telecom Ltd, to be inadequate to cope with his internet traffic and/or is likely to cause congestion in Bhutan Telecom Ltd's network.

3.8. The bills of the LL/P2P/IPVPN/IPLC Enterprise customer connection will be sent to them through emails (e-billing) on monthly basis. If the client does not receive monthly bill latest by 10th day of the month, he shall enquire for bills by contacting BT either calling our toll-free number 1600 or email at bia@bt.bt for bills. If the client changes his email Id, he shall intimate billing section for the update on new mailing address. The customers should provide valid email address for receiving the e-billing, failing which Bhutan Telecom Ltd will not be held responsible, if the customer does not receive bill through e-billing.

3.9. The customers shall visit/inform Bhutan Telecom if they do not receive the bills within two consecutive months. If the customer does not visit, the Service will be suspended in the period of two months and the penalty of 24% yearly will apply till the payment is made. The disconnection of the services will be done if it exceeds period of three months of non-payments.

4. FEES AND TERMS OF PAYMENT

4.1 The customer shall be billed a monthly subscription fee of Nu.....which is payable within 15th calendar day 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 Bhutan Telecom Ltd from time to time.

4.2 The clients availing bandwidth of more than 3 Mbps shall not downgrade the bandwidth at least for six months. If clients downgrade the bandwidth within 6 months then the client should make the full payment of media convertor, provided for free of cost.

4.3 The monthly subscription fee shall be applied from the first day of
(Month),..... (Year).

4.4 In the event that the Customer fails to pay the MRC by the due date, Bhutan Telecom Ltd shall suspend the service with notice provided through SMS or emails. The service shall be reconnected without additional costs if full payment is made within 15 days from the date of suspension. The re-registration of service is free. The monthly subscription fee mentioned in clause 4.1 above is subject to revision by Bhutan Telecom Ltd from time to time. The Customer shall be notified of any revision in the said fee and Bhutan Telecom Ltd shall charge and Customer shall pay the revised fee thereafter.

5. **TAXES**

5.1. The monthly subscription fees and all other charges payable by the Customer to Bhutan Telecom Ltd are inclusive of **5% Telecom Service Tax** and the Customer shall not make any deduction from the amounts payable to Bhutan Telecom Ltd. All taxes and other deductions required to be made on the amounts payable to Bhutan Telecom Ltd shall be fully borne by the Customer.

6. **TERM AND TERMINATION**

6.1. 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.

6.2. Bhutan Telecom Ltd 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:

6.1.1 The Customer fails to comply with the terms of this contract; Acceptable Use Policy and any other policy of Bhutan Telecom Ltd; Internet Code of Practice; and any other regulation, rule, guidelines, codes, directives, etc. as may be issued by governmental, security, and/or regulatory agencies.

6.1.2 It is found that the Customer has provided false, misleading or incomplete information to Bhutan Telecom Ltd.

6.1.3 In the opinion of Bhutan Telecom Ltd, regulators or other lawful authority, it would be against the public interest to continue providing the service to the Customer.

- 6.2 Termination of contract and/or service under this clause shall not encumber the rights of Bhutan Telecom Ltd over or against the Customer in any manner.
- 6.3 Bhutan Telecom Ltd 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.
- 6.4 The Customer, if Article-11 (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 Bhutan Telecom Ltd in lieu of such a notice.
- 6.5 The Customer, if Article-11 (Last Mile Connectivity and Conditions) is applicable, may terminate this contract subject to the conditions mentioned under Article-11.
- 6.6 This contract shall remain terminated upon the death of the Customer or when the office/organization ceases to exist. Bhutan Telecom Ltd shall have the right to realize 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.
- 6.7 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.
- 6.8 Upon termination of the contract by any party, Bhutan Telecom Ltd 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.
- 6.9 All equipment and facilities until the point of the Customer's modem belong to Bhutan Telecom Ltd and shall remain the exclusive properties of Bhutan Telecom Ltd. Upon termination of the contract under any circumstance or provision of this contract, Bhutan Telecom Ltd shall have the right to remove and take possession of all such equipment.

7 USE OF SOFTWARE

- 7.1 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 Bhutan Telecom Ltd.
- 7.2 The Customer shall adhere to and comply with all instructions and notice given, in whatever form, by Bhutan Telecom Ltd from time to time regarding the use of software.
- 7.3 Bhutan Telecom Ltd 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 Bhutan Telecom Ltd.

8. DISCLAIMER

8.1 Bhutan Telecom Ltd gives no warranty in respect of any software provided to the Customer. Therefore, Bhutan Telecom Ltd 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 Bhutan Telecom Ltd.

8.2 The service under this contract are provided on an “AS IS” and “AS AVAILABLE” basis and Bhutan Telecom Ltd does not warrant that the service will be free of interruptions or errors. Bhutan Telecom Ltd 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 Bhutan Telecom Ltd and under no circumstance shall such information, advice or service create a warranty or liability whatsoever.

8.3 While every care is taken by Bhutan Telecom Ltd in the provision of the service, Bhutan Telecom Ltd 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.

8.4 Bhutan Telecom Ltd 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.

- 8.5 Bhutan Telecom Ltd 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. Bhutan Telecom Ltd shall not be held liable under any circumstance for any error, omission or inaccuracy of information so disclosed.
- 8.6 Customer shall not held Bhutan Telecom Limited responsible for issue arising from the used of lease line services by customer.

9. CONFIDENTIALITY

- 9.1 All confidential information owned by one party and disclosed to the other party, will remain solely the property of the disclosing party and confidentiality will be maintained and protected by the other. BT and Customer agree to provide all necessary information to each other to enable satisfactory implementation of the agreement.
- 9.2 Both parties hereby undertake that they shall keep secrets and shall not disclose, divulge or reveal about the said information gained or otherwise acquired by the parties from each other, pursuant to this agreement or by virtue of or as a result of the implementation or performance of the agreement unless permitted by disclosing party in writing, to any person, firm, corporate body or authority whatsoever, and shall ensure that the same is kept secret and confidential at all times.
- 9.3 Both parties are free to disclose such information to any person in order to comply with any order or discretion of a judicial, quasi-judicial, administrative or other authority after getting confirmation in writing from the other party. Either party shall not unreasonably withhold such confirmation.
- 9.4 Provided, however, that nothing herein contained shall prevent BT or Customer from disclosing or imparting the same to their responsible senior employees or staff members, but only in so far as may be necessary for the satisfactory and proper performance and discharge of their duties and obligation as the case may be hereunder.

10. LAST MILE CONNECTIVITY AND CONDITIONS

- 10.1 Provisions under this Article are applicable only if they are made applicable through clause 1.2 of Article-1(General Terms).
- 10.2 In consideration of Customer availing a minimum of 4 Mbps of connectivity for a minimum duration of 2 years, Bhutan Telecom Ltd shall provide the last mile connectivity with fiber free of cost to the Customer. The full and unencumbered ownership of the equipment will be given to Customers at all times if payment for equipment is paid in full, and the cost of fiber installation (involving ground digging 3feet deep) calculated at Nu 350 per meter shall be borne by the Bhutan Telecom.
- 10.3 In lieu of Bhutan Telecom Ltd providing the last mile fiber 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.
- 10.4 If the Customer terminates the contract within one year from the commencement date, the Customer shall pay Bhutan Telecom Ltd a sum of Nu which is equivalent to 80% of the cost of fiber last mile equipment as a compensation for the customer's failure to fulfil its commitment of 2 years.
- 10.5 If the Customer terminates the contract after one year but before two years from the commencement date, the Customer shall pay Bhutan Telecom Ltd a sum of Nu..... Which is equivalent to 50% of the cost of fiber last mile equipment as a compensation for the Customer's failure to fulfil its commitment of 2 years.
- 10.6 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 Bhutan Telecom Ltd as may have accrued.

11. ADDRESS FOR CORRESPONDENCE

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

If to Bhutan Telecom Ltd:

- 11.1.1.1 Designation:
- 11.1.1.2 Office Address:
- 11.1.1.3 Email:
- 11.1.1.4 Phone:

If to the Customer:

- 11.1.1.5 Name:
- 11.1.1.6 Full Address:
- 11.1.1.7 Email:.....
- 11.1.1.8 Phone:.....

12. WAIVER

12.1 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.

13. SEVERABILITY

13.1 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.

14. FORCE MAJEURE

14.1 If performance under this contract is prevented or delayed by force majeure events like, without limitation, acts of God, riots, fire, floods, earthquakes, 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.

15. DISPUTE RESOLUTION

- 15.1 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 in good faith.
- 15.2 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.
- 15.3 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.

16. AMENDMENT

- 16.1 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 Bhutan Telecom Ltd.

17. CONTRACT PERIOD

- 17.1 The time period for the agreement will be for one year and it will be automatically renewed on yearly basis until the customers surrender the service by giving written notice of intent not to continue the services at least 30 days prior.
- 17.2 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.

18. ENTIRE CONTRACT

- 18.1 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, Mr./Mrs. (Customer's name), the Customer, affirm that I have read and fully understand the contents of this contract document.

BHUTAN TELECOM LTD.

CUSTOMER

Name:
Address:
Contact:

Name:.....
Address:.....
Contact:

WITNESSES:

FOR BHUTAN TELECOM LTD.

FOR CUSTOMER

Name:
Address:
Contact.....

Name:
Address:
Contact.....