



CUSTOMER PREMISES EQUIPMENT AND RELATED SERVICES

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6. DEFINITIONS

1. GENERAL

- 1.1 **Service Definition.** With Customer Premises Equipment (CPE) and Related Services, Verizon will provide Customer (a) title or use of CPE and license for Software (collectively, a System), and (b) related Deployment and Maintenance for Systems or for Customer-furnished equipment (CFE), subject to availability.

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1.2 **Platforms.** Except where explicitly stated otherwise, the terms of this Service Terms apply to Optimized Service (denoted with a + and sometimes referred to as Rapid Delivery) and non-Optimized Service. The non-Optimized Services include Services previously provided under the names Voice and Data Equipment and Related Services, CPE and Related Services, and CPE (as sold by MCI Communications Service, Inc. d/b/a Verizon Business Services).

2. **AVAILABLE VERSIONS OF CPE AND RELATED SERVICES:** Verizon offers three versions of CPE and Related Services: Equipment Procurement, Deployment and Maintenance.

2.1 **Equipment Procurement.**

2.1.1 **Service Definition.** With Equipment Procurement, Verizon provides a System to Customer – either for purchase, monthly recurring plan (MRP) or Direct Third Party Arrangement.

2.1.2 **Purchase.** With purchase, Verizon provides Customer title to hardware and a license for its software.

2.1.3 **MRP.** With MRP, Verizon provides Customer use of hardware and a license for its software.

2.1.4 **Direct Third Party Arrangement.** With Direct Third Party Arrangement, Verizon provides Customer use of CPE and a license for Software with the understanding that Customer enters into a separate financing arrangement with a third party from which Verizon has agreed to accept payments on Customer's behalf. Customer remains responsible to Verizon for payment and other obligations under these Service Terms if they are not fully satisfied by the third party.

2.2 **Deployment Services.**

2.2.1 **Service Definition.** With Deployment Services, Verizon provides staging, installation, implementation, move/add/change, de-installation, and/or custom services ordered by Customer.

2.2.2 **Standard Service Features.** Verizon provides Deployment Services in a timely manner, during Business Hours, and will make reasonable efforts to meet Customer-requested dates.

2.2.3 **Optional Service Features.** Customer may order any of the Deployment Service features below independently of any other, except for Basic and Enhanced Staging, which are alternative forms of the same feature.

2.2.3.1 **Basic Staging.** With Basic Staging, Verizon will stage and then ship the System to the Customer Site(s). Verizon will unpack and verify CPE with package documentation, record serial numbers, load operating system and incremental operating system updates, apply Customer-provided asset tags, power-up test, repackaging, and ship (as applicable).

2.2.3.2 **Enhanced Staging.** Enhanced Staging includes all of the features of Basic Staging plus Verizon will configure the System as requested by Customer.

2.2.3.3 **Installation.** With Installation, Verizon will install the System at the Customer Site(s), verify System power-up and operation of network interfaces.

2.2.3.4 **Implementation.** With Implementation, Verizon will install Service Equipment required for the relevant Verizon managed network services. Verizon also will perform on-Site tests to ensure management applications are properly applied and operational.

2.2.3.5 **Move, Add, Change (MAC)**

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- **Move.** For moves, Verizon will de-install the Customer designated equipment from the current designated Customer Site and then install the same equipment in the new designated Customer Site within the same building as shown in the applicable Service Order. Customer will provide packaging to protect the equipment to be moved.
- **Add.** For adds, Verizon will install the System at the Customer Site.
- **Change.** For Customer- requested changes, Verizon will deliver the System components required to implement the requested change to the Customer Site.

2.2.3.6 **De-installation.** With De-installation Services, Verizon will power down and pack equipment in Customer-provided packaging. Premises cables will be left in place.

2.2.3.7 **Custom.** Custom Deployment Services are provided as described in a statement of work (SOW) agreed upon under these Service Terms.

2.2.3.8 **Customer-Furnished Equipment (CFE).** Verizon will provide Deployment Services for approved CFE, which is treated as a System for that purpose.

2.3 **Maintenance Services.** Verizon offers both Verizon-branded and Third Party Services.

2.3.1 **Verizon-branded Maintenance (Verizon Care)**

2.3.1.1 **Service Definition.** With Verizon Care, Verizon will repair or replace defective covered Systems.

2.3.1.2 **Standard Service Features.** Verizon offers four levels of Verizon Care, as indicated below.

Verizon Care

Support Level	Response Time
24 x 7 Onsite	4 hours
8 x 5 Onsite	Next Business Day
8 x 5 Remote	Next Business Day
8 x 5 Remote	Reasonable Efforts

- Verizon will isolate System defects of which it has received notice.
- Verizon will repair or replace defective Systems or parts as needed.
- Where Systems or parts are replaced, Verizon will use new or like new replacements of like kind and functionality from a manufacturer of Verizon's choice.
- Verizon will restore the System to its prior working condition, except that Verizon will restore software to the last configuration implemented by Verizon, or to a later configuration if provided to Verizon by Customer.
- Verizon will provide Verizon Care during the period of time that the manufacturer supports the affected System. After that, Verizon will use reasonable efforts to provide Verizon Care until Customer upgrades or replaces the affected System.
- **Fault Monitoring.** Fault Monitoring is available for approved devices at no additional charge. Verizon will monitor temperature, power, and fan operation against Verizon-defined thresholds. Verizon will e-mail a notification of fault to Customer. Customer may open a trouble-ticket at its discretion. Customer may enable CE monitoring services by provisioning and configuring their router for SNMP polling and providing CE IP address and read-only community strings.

2.3.1.3 **Optional Service Features.**

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- **Customer-Furnished Equipment.** For CFE, Verizon will provide Verizon Care for approved CFE, which is treated as a System for maintenance purposes.

2.3.1.4 **Optimized Service-Only Optional Features - Maintenance Reporting (which is also known as Verizon Advanced Care Reporting).** With Maintenance Reporting, Verizon provides reports on the Customer's installed Cisco network equipment inventory under Verizon Care.

2.3.2 Third Party Services

2.3.2.1 **Service Definition.** With Third Party Services, a vendor (as Verizon's subcontractor) provides Customer the level of service indicated in the applicable third party service agreement (TPSA) and end user license agreement (EULA), subject to the general terms of Customer's Agreement with Verizon.

2.3.2.2 **Standard Service Features.** The TPSA and EULA are generally available on the vendor's website as it may be updated from time to time. When ordering Third Party Services, Customer acknowledges having read and accepted the applicable TPSA and EULA. If a third party provides notice to Verizon that Customer has breached the TPSA and/or EULA, Verizon will have the right to terminate the applicable Third Party Service. A partial list of current TPSAs is provided below, however, additional TPSA may be provided to Customer from Verizon from time to time as required by a Service Order or via the vendor's website. Verizon provides no warranties, guarantees or assurances of quality for Third Party Services.

- **Cisco Services.** <http://www.cisco.com/go/servicedescriptions>
- **Juniper Services.** www.juniper.net/support/guidelines/990216.pdf.
- **Polycom Services.** www.polycom.com
- **Riverbed Services.** www.riverbed.com/license
- **Ribboncommunications.** <https://ribboncommunications.com/>
- **MobileIron.** MobileIron server software may only be installed in Customer owned, maintained and/or controlled servers housed on Customer's premise, or in data center space controlled by a third party, located within the United States.
- **AirWatch.** www.air-watch.com/downloads/legal/20130815_AirWatch_EULA.pdf. Customer's acceptance of a Service Order containing AirWatch software represents agreement to license such AirWatch software under the AirWatch EULA. Maintenance and Support is included as part of manufacturer's subscription license plan or at an additional annual fee under a perpetual license model as shown in a Service Order. In the case of a perpetual license, annual Maintenance and Support commences upon delivery of the software.
- **Actifio:** For EULA please see www.actifio.com/eula. Also for TSPA see www.actifio.com/resources/actifio-support-and-maintenance-policy/ for Actifio support and maintenance and www.actifio.com/resource-center/ for Actifio hardware, software and services descriptions.
- **iDirect:** <http://www.idirect.net/end-user-software-license-agreement.aspx>
- **SecureLogix Corp:** <https://securelogix.com/services>

3. SUPPLEMENTAL TERMS

3.1 **Delivery.** ~~Where Verizon has a legal presence, System delivery to Customer Sites will be Delivered Duty Paid (DDP). Otherwise, delivery will be Delivered At Place (DAP).~~

3.1.1 Purchase and Direct Third Party Arrangement. ~~Where a System is purchased and delivered within the same jurisdiction, delivery will be FOB Destination, freight paid and added to the invoice as defined in Article 2 of the Uniform Commercial Code from the Commission on Uniform State Laws. Where a System is purchased locally, but delivered from another jurisdiction, provided Verizon has a legal~~

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presence that can serve as importer of record, delivery will be DDP. Otherwise, in all other circumstances, delivery will be DAP.

3.1.2 MRP. For MRP, provided Verizon has a legal presence and serves as importer of record, System delivery to Customer Sites will be DDP. Otherwise, delivery will be DAP.

3.1.3 Where the delivery term is DAP, Customer will act as importer of Record and pay all import duties, fees, and taxes, if any, using Customer's Tax Registration Number. Where the delivery term is DDP, Verizon will act as importer of record.

3.2 Title and Security Interest.

3.2.1 Purchases. Where a System is purchased and delivered within the same jurisdiction ~~where Verizon has established a legal presence~~ Verizon keeps title until fully paid; then title passes to Customer. Customer shall not give anyone else other than a Customer Affiliate, a security interest in the System, or allow a lien to be placed on it, until Customer has paid Verizon in full. For other purchase transactions, title to the System passes to Customer ~~when it is shipped to Customer, or at the time indicated on the Service Order if different~~ at the designated delivery point. As between Verizon and Customer, Verizon retains all right, title and interest in and to all software provided by Verizon.

3.2.2 Direct Third Party Arrangement. Where a System is purchased and delivered within the same jurisdiction, Verizon keeps title until fully paid then title passes to the Customer's chosen third party finance company. For other purchase transactions, title to the System passes to the third party finance company at the designated delivery point.

~~3.2.13.2.3~~ **MRP.** Title and security interest terms for MRP transactions are located in the "Title and Security for Systems Under MRP" section below.

~~3.2.23.2.4~~ **Maintenance.** For Systems to which Customer holds title, upon replacement, Customer will hold title to the exchanged unit and Verizon will hold title to the replaced System or the part of a System that was replaced.

3.3 Risk of Loss.

3.3.1 Risk of Loss to a System. Risk of loss or damage to a System passes to Customer when delivered to the Customer Site, or co-located in Verizon's facilities, or Customer takes shipping responsibility (e.g. when Customer takes over shipping from point of import), whichever is earlier. Customer will give notice to Verizon if the System is lost or damaged as soon as Customer becomes aware of it.

3.3.2 Risk of Loss to Customer Furnished Equipment. Risk of loss or damage to CFE passes to Verizon when delivered to the Verizon-designated location, or Verizon takes shipping responsibility, whichever is earlier. After delivery to the Verizon-designated location, risk of loss or damage to CFE passes back to Customer when delivered to the Customer Site or Customer takes shipping responsibility, whichever is earlier.

3.4 Cancellation and Early Termination of CPE Services. Prior to Customer Acceptance, either Party may cancel a Service Order or a SOW for convenience, in whole or in part, upon written notice to the other Party. Except for MRP, after Customer Acceptance, either Party may terminate a Service Order for CPE Services for convenience, in whole or in part, upon 60 days prior written notice to the other Party. Except for MRP, if a CPE Service is terminated by Customer pursuant to this section, Verizon has no further responsibility under the Service Order and Customer will promptly pay Verizon an amount up to the full amount of the remaining payments that would have been due under the Service Order if not terminated and any expenses incurred by Verizon, which Customer acknowledges are liquidated damages reflecting a reasonable measure of actual damages and not a penalty. Where multiple SOWs

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are associated with these Service Terms, the termination of one or fewer than all of the SOWs will only affect the terminated SOWs, and any additional SOWs will remain in effect.

- 3.5 **Acceptance and Service Activation.** With respect to Deployment Services, the Service Activation Date for a System occurs upon Customer Acceptance. Customer will test the System and either accept or reject it within five Business Days after installation (the Test Period). Customer accepts the System by signing the Verizon-provided acceptance document or other mutually-agreed procedure (Customer Acceptance). Customer rejects the System by giving Verizon written notice of its specific material failure. Verizon will address within 10 days any issues documented by Customer during the Test Period. If during the Test Period, Customer does not reject the System, or begins using it for non-testing purposes, Customer will be deemed to have accepted the System after the ending of the Test Period.
- 3.6 **Accrual for Maintenance Services.** Maintenance Services start 30 days after Verizon accepts Customer's Service Order. After the maintenance period stated in the Service Order ends, Verizon will continue to provide that Maintenance Service(s) at the then current rate available with Verizon, until Customer and Verizon agree to a new Service Order (with new period(s) and rate(s)) or one of them terminates the Maintenance Service(s) under the terms of the Agreement.
- 3.7 **Maintenance Coverage.** Customer will confirm with Verizon that Verizon is able to provide Maintenance Service(s) before ordering if, i) Verizon did not install the equipment or software intended to be covered by maintenance, ii) the equipment or software is out of warranty or out of third party maintenance coverage, or iii) Verizon has not provided Maintenance on the equipment or software for more than 60 days. If Verizon did not install the CPE, Customer warrants that such CPE is in good working order and meets all applicable manufacturer specifications. If the CPE is found not to be in good working order and/or not in compliance with all applicable manufacturer specifications, Verizon will be under no obligation to provide CPE Services; provided however, Customer may, upon written notice, request Verizon to upgrade and/or repair such CPE at Verizon's then current rate.
- 3.8 **Additional Terms for Maintenance.** If (i) Verizon did not install the System intended to be covered by maintenance, ii) the System is out of warranty or out of third party maintenance coverage, or iii) Verizon has not provided Maintenance Service on the System for more than 60 days, then the System must be accepted by Verizon prior to being eligible for Maintenance Service. Customer warrants that such System is in good working order and meets all applicable manufacturer specifications. Verizon may recommend corrections or improvements to operating environments or configuration to be performed at Customer's cost and expense. Failure to comply with Verizon's recommended corrections or improvements may cause Verizon to reject the specific part or System and remove it from the Maintenance Service. If the System is found not to be in good working order and/or not in compliance with all applicable manufacturer specifications, Verizon will be under no obligation to provide Maintenance Service; provided however, Customer may, upon written notice, request Verizon to upgrade and/or repair such System at Verizon's then current time and material rate.
- 3.9 **Warranty.**
- 3.9.1 **CPE Services.** Verizon warrants it will perform the CPE Services (excluding Third Party Services) under these Service Terms in a good and workmanlike manner. Customer's sole remedy for a breach of this warranty is for Verizon to re-perform the defective work.
- 3.9.2 **Systems.** Verizon is not the manufacturer or licensor of the System but will transfer or pass through to Customer the benefit of any and all manufacturer warranties on the same terms as offered by the manufacturers which are capable of being transferred or passed through. In China where a manufacturer may be required to obtain licenses and permits for equipment, Verizon does not warrant that the manufacturer has obtained all relevant licenses and permits for the provision of the System. If the System is not under Maintenance Services and becomes defective within the manufacturer's warranty period, Customer may contact the manufacturer directly for their warranty policy.

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- 3.9.3 **CPE Deployment Services Warranties.** Verizon warrants that any cables and connectors between the System and any other equipment on Customer's premises that are provided by Verizon will be in good working order for a period of 30 days after installation unless the failure of the cables and connectors is caused by Customer's misuse or abuse.
- 3.9.4 THE WARRANTIES IN THESE SERVICE TERMS ARE IN LIEU OF ALL OTHER WARRANTIES FROM VERIZON TO THE EXTENT PERMITTED BY LAW. **These warranties do not cover damage to or malfunction of the System caused in whole or in part by Customer or third parties through other than normal use of the System or caused by an event external to the System.**
- 3.10 **Customer Obligations.** In order for Verizon to provide CPE and related Services quickly and effectively, Customer will do the following:
- Assist Verizon as necessary with local requirements for bringing the System into the countries where Customer Sites are located including acting as the importer of record and paying import duties, fees and taxes, if any, using Customer's Tax Registration Number (without limitation). As importer of record, Customer may be subject to the obligations placed on 'Producers' under the Waste Electrical and Electronic Equipment Directive 2002/96/EC or similar local directives or regulations.
 - Immediately notify Verizon of any anticipated delay.
 - Provide System interconnection requirements, non-Verizon facilities and permits.
 - Be responsible for (i) repairs or replacement necessitated by accident, casualty, neglect, misuse, intentional acts, harmful code (i.e., any virus or machine-readable instructions and data designed to intentionally disrupt the operation of the System or intentionally destroy or damage System or data) or any cause other than normal use of the System; (ii) damage caused by Customer, Customer facilities; and (iii) use of the System with any other device or system not supplied or approved by Verizon, or any use of any part of the System in a manner not recommended by a manufacturer.
 - Designate an authorized point of contact.
 - With respect to Maintenance Services:
 - Return replaced parts within 15 Business Days, at Verizon's expense.
 - Ensure System is not moved or modified by anyone other than a Verizon representative.
 - Allow Verizon to inspect, test, repair, and replace System(s), including suspending normal operations of the System to do so. Verizon will use reasonable efforts to minimize the impact of its work on Customer's network.
 - Provide remote connectivity which Verizon can use to quickly and remotely diagnose all Systems under a Maintenance Service.
 - Notify Verizon immediately in writing of any material modifications made to Customer's network, and provide Verizon with information reasonably requested in order to perform Maintenance Service(s).
 - Maintain back-up copies of the original software, current platform configurations, and operating system and make copies available to Verizon when requested to aid in troubleshooting and/or problem resolution.
- 3.11 **Limitation of Liability.** SUBJECT TO THE "EXCLUSIONS" SECTION OF THESE SERVICE TERMS, VERIZON'S, VERIZON'S AFFILIATES, AND ANY VERIZON ASSIGNEE'S TOTAL LIABILITY FOR ANY DAMAGE WHICH MAY ARISE HEREUNDER, FOR ANY CAUSE WHATSOEVER, AND REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR IN TORT, INCLUDING VERIZON'S, VERIZON'S AFFILIATES AND ANY VERIZON ASSIGNEES' NEGLIGENCE, OR OTHERWISE, IS LIMITED TO THE LESSER OF I) THE PURCHASE PRICE OF THE SPECIFIC SERVICE ORDER GIVING RISE TO THE CLAIM; AND II) THE LIMITATION OF LIABILITY IN THE AGREEMENT.
- 3.12 **Hazardous Substances and Conditions.** Customer certifies that it is not aware of the presence of any asbestos or other hazardous substance (as defined by any applicable hazardous waste or

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environmental law or regulation) or hazardous conditions at any Customer Site. If Verizon representatives encounter any such hazardous substance or condition, Verizon may immediately suspend performance of Services and Customer agrees to take all necessary steps to remediate such hazardous substance or condition, at its own expense. If Customer does not adequately remediate the hazardous substance or condition, Verizon may terminate for Cause.

3.13 **Export, Import and Sanctions Compliance.**

3.13.1 **Compliance Obligations.** Consistent with its obligation to comply with applicable law, including restrictions on the export, import, and use of certain hardware, software, and technical data provided under these Service Terms, in particular Customer commits not to:

- export, re-export, transfer or retransfer the System and/or CPE Services without first complying fully with all applicable export laws and obtaining any and all required export, import and/or sanctions licenses.
- conduct business with any company, individual, organization or country that is subject to trade sanctions, embargoes, or other restrictions under applicable laws, or for any end-use prohibited under applicable law without complying fully with all applicable law and obtaining any and all required export, import and/or sanctions licenses.

3.13.2 **Exclusion of CISG.** The United Nations Convention for the International Sale of Goods does not apply.

3.14 **CPE Manufacturer End of Support.** In the event the manufacturer of the CPE covered by these Service Terms discontinues a piece of CPE, and/or the associated support of such CPE, Verizon will only be obligated to provide CPE Services on the affected CPE for the period of time that the manufacturer continues to support such CPE. At the end of such period Verizon will cease to support such CPE, but will use reasonable efforts to provide CPE Services on the affected CPE until Customer upgrades or replaces such CPE.

3.15 **MRP-Specific Terms.**

3.15.1 **System Use.** Customer may use a System only on a Customer Site or co-located in Verizon's facilities. The System must be dedicated to use for Customer's benefit and only for Verizon Services in accordance with Verizon's reasonable instructions from time to time. All moves, modifications, or relocations of a System must be performed by Verizon. Systems may not be moved across international borders. To obtain MRP for Equipment Procurement, Customer also must purchase Verizon Deployment with Enhanced Staging and Implementation, and Maintenance Service as applicable.

3.15.2 **Term.** The duration of the financing commitment for each System is specified in the Service Order as a Service Commitment (Financing Commitment) and begins on Customer Acceptance.

3.15.3 **Title and Security for Systems under MRP.** With MRP, Customer does not have title to the System or any of its sub-element. Customer waives and releases any right, title and interest that it may have in a System, other than its right to use the System.

3.15.4 **Event of Loss.** Customer will promptly notify Verizon in writing if any item of the System becomes unfit or unavailable for use (e.g. lost, stolen, damaged, or destroyed) (an Event of Loss). Customer may choose to repair or restore the System to the condition it had prior to the Event of Loss, or replace the damaged System with Like Equipment, each at Customer's cost and expense. Otherwise, Customer will pay Verizon within 60 days after such Event of Loss the System Casualty Value as of the date of the Event of Loss, and title to the damaged System will pass to Customer upon such payment. Like Equipment is equipment which (a) has been manufactured by the same manufacturer as the System; (b) is of the same type and model as the System (or the manufacturer's equivalent

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type and model), with all engineering changes incorporated as specified by the manufacturer; (c) has an equal or greater market value as the System Element replaced by Like Equipment; and (d) meets all requirements for the System as set forth in the Service Order or these Service Terms. System Casualty Value is an amount equal to (i) the present value of all remaining MRC for the System, or affected element, from the date of the Event of Loss through the end of the Financing Commitment, plus (ii) for MRP, the purchase price as of the date of the Event of Loss for such System, or affected element, as provided by Verizon promptly after its receipt of a notice of Event of Loss.

3.15.5 Condition of the System. Customer will ensure that the System is covered by Verizon Care for the duration of the Financing Commitment or its renewal.

3.15.6 No Customer Assignment; Lien. Customer will not: (a) assign, transfer or otherwise dispose of any System or its individual elements, or any right or obligation relating to the System or CPE Services under these Service Terms, (b) provide a right of use of any of the System and CPE Services to any other person, (c) permit the System and CPE Services to be under the dominion and control of any other person, or any maintenance provider acting on behalf of Customer other than Verizon, or (d) create, incur, or permit to exist any security interest, lien or encumbrance with respect to any System.

3.15.7 Insurance. For Systems under MRP, Customer will obtain and maintain for the duration of the Agreement, including the full Financing Commitment and any extension of it, at its own expense, (a) commercial general liability insurance in an amount not less than \$2,000,000 per occurrence, with a separate \$4,000,000 annual general aggregate and products-completed operations aggregate, including coverage for, but not limited to, premises-operations, products/completed operations, and the tort liability of Verizon assumed by Customer in the Agreement; and (b) all risk property insurance against loss or damage to the System as a result of fire, explosion, theft, vandalism, natural catastrophe and such other risks of loss as are normally maintained under an all-risk property insurance policy, for the full replacement cost value of the System, without a coinsurance provision, in such form and with such insurers having an A.M. Best rating of at least A- VII or an equivalent rating from a recognized rating agency or, as is otherwise reasonably satisfactory to Verizon. Each insurance policy will waive the subrogation rights of the insurance company against Verizon and name Customer as insured and Verizon and its successors and assigns as additional insureds and loss payees as their interests may appear on a primary and non-contributory basis and provide that it may not be cancelled or materially altered to the detriment of Verizon without at least 30 days' prior written notice thereof being given to Verizon (14 days for Contracts under Swiss law) in the event of non-payment of premium. Customer will provide Verizon with a certificate of insurance evidencing the coverage required by these MRP terms. Where applicable, if at any time Customer fails to provide the necessary insurance and Customer does not provide insurance from another insurance company, the required insurance may be provided on behalf of Customer at Customer's sole cost and expense, i.e., forced place insurance.

3.15.8 Early Termination. Notwithstanding any other provision in these Service Terms, if Customer terminates MRP early for any reason (including without limitation a Force Majeure Event) except for Cause, or if Verizon terminates for Cause, Customer will: (i) pay to Verizon an amount equal to the aggregate of all remaining monthly recurring charges as set forth in the Service Order from the date of termination through the end of the Financing Commitment; and (ii) return the System as provided below. Customer acknowledges that this amount is liquidated damages reflecting a reasonable measure of actual damages and not a penalty. Customer agrees that as between Verizon and Customer Verizon has the right to determine which portion of Customer's MRP charges represents Services and which represent the System.

3.15.9 Return of Equipment. Upon any termination of MRP, Customer will return the complete System at its expense, to Verizon or Verizon's designee so that it is received: (i) no later than 15 Business Days after the termination is effective; and (ii) at the location as provided in writing by Verizon and in the

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condition provided below. If Customer fails to return the System within the above time period, then that failure constitutes Cause.

- 3.15.10 Condition of Returned Equipment.** When a System is returned to Verizon or its designee, Verizon will cause the System to be inspected and certified acceptable for the manufacturer's maintenance service. If any of the System is not in good repair, condition and working order, excluding ordinary wear and tear, Customer will pay Verizon the reasonable out-of-pocket expenses incurred in bringing the System up to that status, but not in excess of the System Casualty Value.
- 3.15.11 End of MRP Financing Commitment.** At the end of the Financing Commitment, the MRP Services will continue until terminated by either Party, with or without Cause, effective 90 days after written notice of termination is given to the other Party.
- 3.15.12 Property Taxes.** In addition to any Taxes or Governmental Charges, Customer will pay Verizon the amount of any personal property taxes incurred on the System. Such personal property taxes will be included in the charges shown in the Service Order, provided however, that changes to such taxes (e.g. for tax rate increases) may require that a new Service Order be issued.
- 3.15.13 No Warranties or Representations.** To the extent permitted by law, under MRP, Verizon or its assignee makes no warranty or representation, express or implied, including but not limited to fitness for a particular purpose, merchantability, quality, design, condition, capacity, suitability or performance of the System, the material and workmanship thereof or as to intellectual property rights, it being agreed that all such risks as between Verizon and Customer are to be borne by Customer alone and at Customer's expense. For the avoidance of doubt, Verizon will transfer or pass through to Customer the benefit of any and all manufacturer or licensor and/or owner(s) warranties for the System on the same terms as offered by such manufacturers, licensors and/or owner(s) which are capable of being transferred or passed through. To the extent deemed applicable and to the extent permitted by applicable law, Customer waives any and all rights or remedies conferred upon a lessee under section 2a-508 through 2a-522 of the United States uniform commercial code or similar provisions under another commercial code or statute with respect to a default by a lessor as such sections may be applied to MRP.
- 3.15.14 Cancellation.** A Customer cancelling any Service Order or a SOW for convenience before it has been accepted is subject to cancellation charges, based on the stage the CPE Services or System has reached toward such acceptance, which may include charges: (i) for all System elements and CPE Services provided up to the date of cancellation; (ii) for all expenses incurred up to the date of cancellation, including but not limited to the costs of cancelling purchase orders, shipping charges for the return of System elements, if permitted by Verizon, removal of System elements and other contractual obligations made by Verizon to meet its obligations under the Contract, and (iii) a minimum restocking fee of 35% of the price of the System, as shown on the applicable quote, Service Order or SOW, for any System elements returned, provided such return is permitted by the provider of the System element, and as authorized by Verizon. Customer acknowledges that this amount is liquidated damages reflecting a reasonable measure of actual damages and not a penalty.

4. COUNTRY SPECIFIC PROVISIONS FOR SYSTEMS AND CPE SERVICES

- 4.1 Italy.** For CPE Services and Systems provided in Italy, in accordance with articles 1341 and 1342 of the Italian Civil Code, Customer acknowledges it has carefully read the entire text of these Service Terms and hereby specifically approves the provisions contained in the following Clauses of these Service Terms: "Charges"; "Customer Obligations"; "Risk of Loss"; "Delivery"; "Import of Equipment"; "Cancellation and Early Termination"; "Warranty"; "Limitation of Liability"; "Insurance"; "Hazardous Substances"; "Third Party Services"; "Export, Import and Sanctions Compliance".
- 4.2 Turkey.**

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- **Notice of Termination and Default.** Termination, suspension or cancellation of a Service Order provided in Turkey by Customer is valid only upon at least 30 days prior written notice to Verizon with the requested termination date falling on the last day of the following calendar month. Notice of default by either Verizon or Customer in Turkey under these Service Terms will be served on the non-defaulting Party either: (i) through a notary; or (ii) by registered mail with an acknowledgement of receipt of such notice.
 - **No Retention of Title; Bank Guarantee.** No provision in these Service Terms granting to Verizon a post-transfer retention of title in a System applies where the System is to be delivered in Turkey. Where a System is delivered in Turkey, title passes to the Customer upon physical transfer, provided that Customer has first issued an irrevocable bank guarantee issued by a bank lawfully established in Turkey in an amount no less than the value of the relevant System component(s).
- 4.3 **Poland - Notification Requirements for Encryption.** When Customer serves as the importer of record for Verizon-provided System in Poland, Customer is responsible for obtaining all import-related authorizations or permits, including but not limited to, submitting any required “Notification of the Intended Import,” or “Intra-EU Transfer of Dual-Use Items Used for Telecommunications,” or for “Information Security with the Polish Internal Security Agency” (the “Agencja Bezpieczeństwa Wewnętrznego”).
- 4.4 **India - Restriction on Selling Encryption Services.** Customer will not employ bulk encryption equipment in connection with Verizon Facilities in India. Customer is permitted to use encryption up to 40 bit key length in RSA algorithm. If Customer requires encryption higher than this limit, then Customer must obtain approval from the relevant telecom authority and deposit the encryption key.
- 4.5 **IPT Covenants for Asia Pacific (AP) Countries.**
- **Toll Bypass.** The Parties will not use the System and the underlying network service upon which IP Telephony (IPT) is provided to bypass international/long distance charges in contravention of applicable law or regulation, specifically inclusive of telecommunications law and regulations in any country where any part of the underlying network service or the System is used.
 - **PSTN Interaction.** The underlying network service and the System may permit egress/ingress to/from the local PSTN for international IPT sessions only in the so-called PSTN Countries: Australia, the European Union member countries, Switzerland, Japan, Korea, Singapore and the United States. In all other countries (the Excluded Countries), the international communications capabilities of the System and underlying network service will be used only for on-net-to-on-net sessions among a pre-defined set of end-users located at Customer and Customer Affiliate premise locations or connected via secure connection to a pre-defined PC/laptop (Closed User Groups). Customer and Customer’s Affiliates will prevent use by the general public, and the System and underlying network service cannot be used to provide any part of a ‘for-hire’ telecommunications service.
 - **Third Party Solutions.** If Customer desires to connect a Verizon IPT solution with a third party’s IPT solution not under Verizon management or control, Customer will ensure that the third party IPT functionality complies with all the terms of these Service Terms.
 - **India OSP Requirement.** If any users in India of the System or underlying network service are in call centers or network operation centers, engaged in business process outsourcing, tele-marketing, tele-education, tele-medicine, tele-trading, or provision of e-commerce services, Customer will obtain Other Service Provider (OSP) registration from the Indian Department of Telecommunication covering those activities and associated infrastructure prior to using the CPE or the underlying network service.
 - **Indemnity for Service.** Customer will comply and cause each of its Affiliates and any direct or indirect users of the System or the underlying network service to comply with the terms this IPT Covenants for Asia Pacific (AP) Countries section and Customer will indemnify, defend and hold Verizon and its Affiliates harmless for breach of any of the IPT Covenants for Asia Pacific (AP) Countries section conditions by it or any of its Affiliates or any direct or indirect user of the System or underlying network service.

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- **Information.** Customer will cooperate with Verizon to provide any relevant information regarding Customer's IPT solution to any national regulatory authority upon their request, and Customer will provide compliance certifications in form and substance acceptable to Verizon upon request.

4.6 **Germany, Switzerland and Poland.** Notwithstanding any terms to the contrary, for CPE Services and Systems provided in Germany, Switzerland and Poland, certain terms in the following sections are revised as follows:

- Section 3.15.4(i) the present value of all remaining MRC for the System, or affected element, from the date of the Event of Loss through the end of the Financing Commitment discounted at an annual rate of 3%.
- Section 3.15.8(i) pay to Verizon an amount equal to the aggregate of all remaining monthly recurring charges as set forth in the Service Order from the date of termination through the end of the Financing Commitment discounted at an annual rate of 3%.

4.7 **Germany.** Notwithstanding any terms to the contrary, for CPE Services and Systems provided under German law, certain terms in the following sections are revised as follows:

- Clause 3.4 the following sentence shall be included into the clause regarding liquidated damages: "Customer shall be entitled to prove that the actual damage occurred to Verizon may be lower."
- Clause 3.9 shall be replaced by:

3.9 **Warranty.**

3.9.1 **CPE Services.** Verizon warrants it will perform the CPE Services (excluding Third Party Services) under these Service Terms in a good and workmanlike manner. Customer's remedy for a breach of this warranty is for Verizon to re-perform the defective work. This clause does not exclude or limit Verizon's liability for damages.

3.9.2 **Systems.** Verizon is not the manufacturer or licensor of the System but will transfer or pass through to Customer the benefit of any and all manufacturer warranties on the same terms as offered by the manufacturers which are capable of being transferred or passed through. In China where a manufacturer may be required to obtain licenses and permits for equipment, Verizon does not warrant that the manufacturer has obtained all relevant licenses and permits for the provision of the System. If the System is not under Maintenance Services and becomes defective within the manufacturer's warranty period, Customer may contact the manufacturer directly for their warranty policy.

3.9.2.1 Notwithstanding Clause 3.9.2, Verizon warrants that the System(s) will be free from defects for twelve (12) months from delivery (the "Warranty Period"). Should the System(s) become defective within this period, the Customer shall initially only be entitled to subsequent performance. For such subsequent performance Verizon will, subject to Verizon receiving notification of the defect within the Warranty Period, (i) comply with the replacement obligations set out in the third party supplier's warranty supplied with the System(s), or (ii) otherwise repair or replace the System(s) within a reasonable time period.

3.9.2.2 Other warranty claims may only be asserted if subsequent performance has failed. Any damage claims of the Customer shall be subject to the provisions of the clause 3.9.4 below.

3.9.3 **CPE Deployment Services Warranties.** Verizon warrants that any cables and connectors between the System and any other equipment on Customer's premises that are provided by Verizon will be in good working order unless the failure of the cables and connectors is caused by Customer's misuse or abuse. Warranty shall be as under Clause 3.9.2 above.

3.9.4 **Exclusions.** Verizon does not give a warranty for

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- 3.9.4.1 merely immaterial deviations from the agreed condition of the System(s) or natural wear and tear;
 - 3.9.4.2 damage caused by environmental operating conditions, inappropriate use, modifications or repair by any unauthorized third parties or the Customer or for reasons beyond Verizon's reasonable control;
 - 3.9.4.3 fitness for any particular purpose;
 - 3.9.4.4 any instruction given by the Customer and performed by Verizon;
- 3.9.5 The Customer shall examine the System(s) without undue delay upon delivery with respect to the amount, condition and quality. Obvious defects must be reported to Verizon within 10 Business Days; claims for warranties for such defects shall be excluded thereafter.
- Clause 3.11 shall be replaced and read as follows:
 - 3.11.1 **Liability - Inclusions.** Nothing in these service terms operates to exclude or limit any of the following and these amounts will not be counted in assessing whether the aggregate liability limitation in the clause entitled "Liability - Limitations" has been reached: (a) any liability relating to bodily injury (including death) caused by a Party's negligence; (b) any liability resulting from a party's fraud or fraudulent misrepresentation; (c) any liability that cannot be limited under applicable law, including but not limited to mandatory local law; (d) damages, including in respect of loss of or damage to real property or tangible personal property, resulting from gross negligence or intentional tortious conduct of a Party; and (e) any liability of Customer in respect of non-payment, including any claim for interest.
 - 3.11.2 **Liability - Limitations.** Subject to the "EXCLUSIONS" and the "Liability Inclusions" Section of these Service Terms, Verizon's liability for any and all Events in an Annual Period is limited to typically foreseeable damages.
 - 3.11.3 The typically foreseeable damages shall be considered as the lesser of I) THE PURCHASE PRICE OF THE SPECIFIC SERVICE ORDER GIVING RISE TO THE CLAIM; AND II) THE LIMITATION OF LIABILITY IN THE AGREEMENT.
 - Clause 3.15.13 shall not be applicable.
 - Clause 3.15.14 the following sentence shall be included into the clause regarding liquidated damages: "Customer shall be entitled to prove that the actual damage occurred to Verizon may be lower."

5. FINANCIAL TERMS

- 5.1 **Charges.** Customer will pay the charges including but not limited to import duties, freight, and shipping and delivery (which may be identified as "landed costs"), for the System and CPE Services as set forth in the applicable quote and reflected in a Service Order. For CPE which is procured by Verizon in a currency other than the currency of the quote, quotes may be adjusted to reflect currency changes after 14 days from the date of issuance up to the time of Customer Service Order acceptance. Customer will also pay the charges at the following URL:
www.verizonenterprise.com/external/service_guide/reg/applicable_charges_toc.htm
- 5.1.1 **Direct Third Party Arrangement/Financing Option.** Customer may obtain a System and/or CPE Service from Verizon through a direct financing arrangement with a third party financing company approved by Verizon pursuant to the terms of a Schedule and/or other relevant terms provided by such third party. Notwithstanding any terms provided by such third party, Customer will remain responsible for performance of all of its obligations under these terms including payments directly to Verizon if the third party financing company defaults.

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5.2 Additional Charges.

- 5.2.1 **Training Costs.** If Customer needs Verizon to follow Customer Site safety or security requirements that require training, Customer agrees to pay Verizon for that training time at Verizon's then current labor rate.
- 5.2.2 **Overtime.** If Customer requests that CPE Deployment Services be performed during Overtime or Weekend and Holiday Hours, Customer will pay Verizon its applicable labor rate, as reflected in the Service Order or as otherwise advised to Customer.
- 5.2.3 **Out of Scope Work.** If Customer requests Verizon perform services at locations outside of the specified service area or outside the scope of the defined CPE Deployment Services or Maintenance, Customer will pay Verizon its then current prevailing labor rate for travel, and/or time and material labor rate.
- 5.2.4 **Re-initiation Fees.** Adding Maintenance Service for Systems who have not had Maintenance Service for a period of 60 days or more may be subject to inspection and/or re-initiation fees, to ensure that the System is in good working condition.
- 5.2.5 **Delays.** Delays impacting CPE Services which result from Customer's action or inaction, including wait time in excess of 30 minutes at the Customer Site, may result in an additional charge, rescheduling fees and/or storage fees where Verizon stores Systems.
- 5.3 **Maintenance of Unsupported Systems.** If Verizon agrees to continue providing Customer with Maintenance Service(s) after the manufacturer stops supporting a System, Customer agrees to pay reasonable additional charges which Verizon determines are appropriate to provide that service (e.g., for manufacturer imposed charges or additional level of effort). Verizon will provide Customer with a Service Order which will include the charges.
- 5.4 **Unreturned Replaced Parts.** If Customer doesn't return a replaced part within 15 calendar days, it will pay Verizon's current list price for the part.
- 5.5 **Troubleshooting Dispatch Charges.** If Customer does not provide remote connectivity into a System and Verizon must dispatch an engineer to Customer Site to troubleshoot an outage, Customer may incur a time and material charge at Verizon's then current rate.
- 5.6 **Customer Network.** If Customer modifies its network and such modifications causes Verizon a material increase in the performance of CPE Services, Verizon may increase the fees upon prior written notice to Customer.
- 5.7 **Moves, Modifications or Changes.** Moves, modifications, or changes of a System performed by Verizon are subject to an additional charge as provided in a Service Order or as otherwise advised to Customer. After a move, modification or change, the MRC for the System may change as a result of tax or other considerations and the new MRC will be shown on the Service Order.

6. **DEFINITIONS.** The following definitions apply to CPE in addition to those identified in the Master Terms and the administrative charge definitions at the following URL:
www.verizonenterprise.com/external/service_guide/reg/definitions_toc_2017DEC01.htm.

Term	Definition
Delivered Duty Paid (DDP)	As defined in "Incoterms 2010" published by the International Chamber of Commerce

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Delivered at Place (DAP)	As defined in "Incoterms 2010" published by the International Chamber of Commerce
Business Hours	Means the hours of 8:00 a.m. and 5:00 p.m. local time, during a Business Day
Delivered at Place (DAP)	As defined in "Incoterms 2020" published by the International Chamber of Commerce
Delivered Duty Paid (DDP)	As defined in "Incoterms 2020" published by the International Chamber of Commerce
Free On Board (FOB) Destination, freight prepaid and added	As defined in Article 2 of the Uniform Commercial Code from the Commission on Uniform State Laws, the seller pays the freight charges but bills them to the customer. The seller owns the goods while they are in transit. Title passes at the buyer's location.
Overtime	Means work extending beyond Business Hours
Weekend and Holiday Hours	Means hours of work other than Business Hours and Overtime