



BT Purchased Equipment - Financing Annex to the Purchased Equipment Schedule

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A note on 'you'

'You' and 'your' mean the Customer.

Phrases that refer to 'either', 'neither', 'each of us', 'both of us', 'we each' or 'we both' mean one or both of BT and the Customer, whichever makes sense in the context of the sentence.

Part A – The Service, Delivery, Installation and Charges

1 Application of this Annex

- 1.1 The terms in this Annex apply in addition to those in:
- 1.1.1 the Purchased Equipment Schedule; and
 - 1.1.2 the General Terms.

2 Lease Sales of Purchased Equipment

Where you intend to make payment by means of a third party finance agreement ("**Lease Sale**"), this Paragraph 2 will apply.

- 2.1 Where the Site is located outside the United Kingdom, a Lease Sale will not apply and you will pay the Charges as set out in the Contract directly to BT and this Annex will not apply.

2.2 Formation of the Contract

2.2.1 In addition to what it says in Clause 3 of the General Terms, BT will require a valid Order from you for the items set out in the relevant quotation.

2.2.2 Where:

- (a) the Customer Finance Agreement is not executed;
- (b) the Customer Finance Agreement is terminated or any offer made by the Company is withdrawn (in both cases for whatever reason) prior to BT's receipt of payment in respect of the Purchased Equipment or associated services (if any);
- (c) you delay delivery or collection of the Purchased Equipment and the delay continues for more than 10 Business Days;
- (d) you do not sign an Acceptance Certificate as set out in Paragraph 2.3.1(a);
- (e) you use the Purchased Equipment before signing the Acceptance Certificate; or
- (f) you are in breach of Paragraph 5 of the Purchased Equipment Schedule,

you will pay the Charges as set out in the Contract directly to BT and this Paragraph 2 will no longer apply.

2.3 Acceptance where Purchased Equipment is leased

2.3.1 Regardless of what it says in Paragraph 6 of the Purchased Equipment Schedule, your acceptance of the Purchased Equipment will take place on the earlier of:

- (a) the date you sign the Acceptance Certificate; or
- (b) the date when you begin to use the Purchased Equipment; and
- (c) you agree that use of the Purchased Equipment before the Acceptance Certificate is signed may affect the Customer Finance Agreement. Where the Company requires an Acceptance Certificate but you do not sign an Acceptance Certificate in a timely manner, regardless that you have used the Purchased Equipment, Paragraph 2.2.2 will apply.

2.4 Transfer of Title and Risk

2.4.1 Regardless of what it says in Paragraph 7.1 of the Purchased Equipment Schedule:

- (a) title in the Purchased Equipment (except for the Intellectual Property Rights) will pass to the Company when BT has received payment in full from the Company for the Purchased Equipment;
- (b) Paragraph 5.4 of the Purchased Equipment Schedule will apply to you until BT has received payment and title has passed as set out in Paragraph (a); and
- (c) risk in the Purchased Equipment will pass to you when you take delivery or possession unless otherwise specified in the Customer Finance Agreement.

2.5 Invoicing and Charges

2.5.1 Regardless of what it says in Paragraph 8 of the Purchased Equipment Schedule:

- (a) where the Charges are covered by the Customer Finance Agreement they are shown in this Contract for reference purposes only. You will pay the applicable Charges to the Company as set out in the Customer Finance Agreement; and



- (b) BT will send invoices for any Charges arising under the Contract that are not covered by the Customer Finance Agreement or any additional charges under paragraphs 2.4 and 8.3 of the Purchased Equipment Schedule directly to you.

2.6 Cancelling an Order before the Service Start Date

Regardless of what it says in Clause 16 of the General Terms or Paragraph 8.3.1 of the Purchased Equipment Schedule, you cannot cancel an Order after the Effective Date.

2.7 Terminating the Contract or a Service for Convenience

Regardless of what it says in Clause 17 of the General Terms or Paragraph 9.1 of the Purchased Equipment Schedule, you cannot terminate the Contract or the Service for convenience.

2.8 Terminating a Service if there is a Force Majeure Event

Regardless of what it says in Clause 19 of the General Terms, you cannot terminate the Service if there is a Force Majeure Event.



Part B – Defined Terms

3 Defined Terms

In addition to the defined terms in the General Terms and the Purchased Equipment Schedule, capitalised terms in this Annex will have the following meanings (and in the case of conflict between these defined terms and the defined terms in the General Terms or the Purchased Equipment Schedule, these defined terms will take precedence for the purposes of this Annex).

"Acceptance Certificate" means documentation required by either the Company, BT or both BT and the Company to be signed by you to confirm either delivery of Purchased Equipment (in whole or in part) or completion of the Acceptance Tests, where relevant.

"Company" means a finance house or other third party approved by BT to which you apply for financial facilities under a Customer Finance Agreement.

"Customer Finance Agreement" means any agreement between you and the Company for any financing facilities for the Purchased Equipment and associated services (if any).

"Lease Sale" has the meaning given in Paragraph 2.