

Associate Agreement – VTSL Ltd.

By agreeing to become a VTSL Associate you agree to be bound by the following terms and conditions:

WHEREAS:

- a) VTSL supplies various products and services comprising VoIP solutions (the "Services");
- b) The Associate wishes to be appointed by VTSL as a non-exclusive agent for the referral to VTSL of potential sales of the Services in the Territory; and
- c) VTSL wishes to appoint the Associate as VTSL's non-exclusive representative for the referral to VTSL of potential sales of the Services in the Territory in accordance with the terms and conditions herein.

NOW IT IS HEREBY AGREED as follows:

1. Definitions and Interpretation

- 1.1. In this Agreement, Including its Schedules, the following words shall, unless the context clearly requires otherwise, have the following meanings:

"Customer Registration Agreement" means VTSL's terms and conditions in relation to the Services provided to the Prospect in force from time to time as published at:

<http://www.vtsl.net/wp-content/uploads/2014/03/VTSL-TermsConditions.pdf>

"Intellectual Property Rights" means trade marks, service marks or business names, patents, registered designs, copyrights, design rights, topography rights, applications to register any of the aforementioned rights, trade secrets, unpatented know-how and rights of confidence and any other intellectual or industrial property rights of any nature whatsoever in any part of the world;

"Confidential information" means any confidential, proprietary or trade secret information which is disclosed to the Associate by VTSL pursuant to or in connection with this Agreement (whether orally or in writing) and whether or not such information is expressly stated to be confidential or marked as such

"Prospect" means potential Customers referred to VTSL by the Associate from time to time in the Territory with whom VTSL subsequently enters into a Customer Registration Agreement which includes the provision of the Services;

"Customer" means any customer with whom VTSL, or any VTSL partner or reseller, has entered into a Customer Registration Agreement for the provision any Services provided by VTSL from time to time.

"Territory" means United Kingdom

2. Obligations and Rights of Associate

- 2.1. The Associate will not
 - 2.1.1. buy and resell or otherwise distribute the Services for the Associate's own account but instead will be compensated by a commission based on sales of the Services referred by the Associate but which are contracted directly between VTSL and the Prospect;
 - 2.1.2. under any circumstances contract for or bind VTSL in any way unless it has the prior express written authority of VTSL to do so;
 - 2.1.3. pledge the credit of, or make any warranties or representations on, behalf of VTSL;
 - 2.1.4. receive commission or other payment in relation to business of VTSL which is already in existence at the date of this Agreement or from the referral of Prospects who have been

- 2.1.5. Customers of VTSL or any VTSL partner or reseller previously;
- 2.1.6. discuss with or provide to the Prospect any details concerning pricing relating to the Services;
- 2.1.7. upsell or in any way whatsoever promote any Services provided by VTSL from time to time to any Customer of either VTSL or of any VTSL partner or reseller.
- 2.1.7. engage in any conduct which in the opinion of VTSL is prejudicial to VTSL's business or the marketing of the services generally; or
- 2.1.8. use VTSL's name, logo, trademarks, trade name, service marks or any contraction thereof in its letterhead or otherwise unless permitted herein or by the prior written authorisation of VTSL.

2.2. The Associate warrants and represents to VTSL that;

- 2.2.1. it has no financial or other economic interest, whether directly or indirectly, in any competitor of VTSL
- 2.2.2. any fee paid by VTSL to the Associate hereunder shall be for services actually rendered. No part of any fee paid or expense reimbursed to the Associate hereunder directly or indirectly will be paid to, or accrue for the benefit of, any individual which is an employee of or in any manner is connected with:
 - a) any government; or
 - b) any political subdivision, ministry, agency, or authority thereof; or
 - c) a political party, or a candidate for political office; or
 - d) a director, officer, employee or shareholder of any Prospect of VTSL

2.2.3. It will ensure that in the event it registers this Agreement with any governmental or official institution in the Territory, the registration shall expressly state that the Agreement and/or Associate's appointment is on a non-exclusive basis, and only the Services described in VTSL's Customer Registration Agreement is subject to the registration.

2.3. The Associate will:

- 2.3.1. act and describe itself as an "Independent Associate of VTSL" and be fully responsible for its own acts and those of its employees; and
- 2.3.2. keep VTSL fully and effectively indemnified against any and all losses, claims, damages, costs, charges, expenses, liabilities, demands, proceedings and actions that VTSL may sustain or incur and which arise out of any breach by the Associate of this Agreement, any unauthorised act or omission of the Associate or its representative or other independent supply by the Associate of any services for use in conjunction with or in relation to the Services.

3. Obligations and Rights of VTSL

- 3.1. Nothing in this Agreement shall restrict the absolute right of VTSL to refuse, at any time, to bid for or to execute, any contract with any Prospect, regardless of any past or future activities and commitments of the Associate and without any liability of VTSL for commissions, expenses or damages of any kind resulting therefrom.
- 3.2. VTSL may for any reason and at any time by written notice to the Associate instruct the Associate not to represent VTSL with respect to particular existing or potential Prospects of the Associate and the Associate shall forthwith comply with such instructions.
- 3.3. Only VTSL shall be able to give quotations and/or enter into legally binding agreements for the provision of the Services to Prospects.

4. Financial Provisions

- 4.1. In consideration of the obligations undertaken by the Associate hereunder, VTSL shall pay the Associate commission detailed in Schedule 1 for Services delivered to and paid for by the Prospects in the Territory pursuant to an order referred to VTSL by the Associate. No commission shall be paid for Services provided to Prospects other than as a direct result of sales referred to VTSL by the Associate. No commission shall be paid where the Prospect is an existing Customer of VTSL or where it is determined by VTSL that the Prospect is allocated to a different Associate, partner or reseller in accordance with the VTSL Channel Rules of

- Engagement.
- 4.2. All trading costs and expenses of the Associate in connection with VTSL's business will be deemed satisfied by commissions paid.
- 4.3. All sums payable under this Agreement are exclusive of value added tax or other applicable sales tax, which shall be added to the sum in question or otherwise included in any relevant calculation, and where any withholding tax or similar deduction is required to be made, the sum in question shall be paid net of that deduction.
5. **Limitation of Liability**
- 5.1. Neither party limits its liability (if any) in respect of fraud, the death of, or personal injury to, any person caused by negligence.
- 5.2. Save as otherwise provided by this Clause 5, any other liability (whether for breach of this Agreement, negligence or otherwise) of VTSL shall be limited in respect of each event or series of connected events to the aggregate amount of commission that was received or was receivable by the Associate prior to the date of any claim made by the Associate.
- 5.3. Neither party shall be liable to the other, either for compensation or damages, for any consequential or indirect loss including loss of: actual or prospective profits; sales or anticipated sales; opportunity; commissions; or fees, unless such loss was due to gross negligence, misconduct or misrepresentation of the other party.
6. **Intellectual Property Rights**
- 6.1. Any and all Intellectual Property Rights in or relating to the Services and any associated documentation and any future modifications and/or enhancement thereto are, shall be, and at all times shall remain the exclusive property of VTSL.
7. **Duration and Termination**
- 7.1. This Agreement shall come into effect on the Effective Date and shall continue in force indefinitely until terminated by either party giving not less than one (1) months prior written notice or by either party as permitted herein
- 7.2. Either party may terminate this Agreement with immediate effect if an order is made or a resolution is passed for the winding up of the other party or if an order is made for the appointment of an administrator to manage the affairs, business and property of the other party or if a receiver, administrator or administrative receiver is appointed of any of the other party's assets or undertaking or if circumstances arise which entitle the Court or a creditor to appoint a receiver or manager or which entitle the Court to make a winding-up order or if the other party takes or suffers any similar or analogous action in consequence of debt.
- 7.3. VTSL may terminate this Agreement forthwith by written notice if the Associate:
- 7.3.1. is accused of committing a crime or illegal act;
- 7.3.2. is in breach of its confidentiality undertakings hereunder; or
- 7.3.3. breaches the obligations in Clause 2.
8. **Effects of Termination**
- 8.1. No commission shall be payable to the Associate for any sales completed after the date of termination notwithstanding that the Associate may have been responsible for or concerned in VTSL obtaining the order to provide the Services and notwithstanding that any quotation in respect of the Services may have been submitted during the term of this Agreement. VTSL shall not on Termination be due to pay the Associate any compensation or damages of any kind, including loss of profits or potential commission.
- 8.2. Clauses 5, 6 and 9 shall continue subsequent to termination of this agreement.
9. **Confidentiality**
- 9.1. The Associate shall at all times during the continuance of this Agreement and after its termination:
- 9.1.1. use its best endeavours to keep all Confidential Information confidential and accordingly not to disclose any Confidential Information to any other person; and
- 9.1.2. not use any Confidential Information for any purpose other than the performance of its obligations under this Agreement.
10. **Amendments**
- 10.1. No amendment or variation of this Agreement shall be effective unless in writing and signed by a duly authorised representative of each of the parties.
11. **Assignment**
- 11.1. Either party may assign this Agreement or parts hereof only with the prior written consent of the other party, except that VTSL may assign all or part of it without such consent.
12. **Waiver**
- 12.1. A waiver of any claim, demand or right based on the breach of any provision of this Agreement shall not be construed as a waiver of any other claim, demand or right based on a subsequent breach of the same or any other provision.
13. **Severability**
- 13.1. If any provision of this Agreement becomes invalid, illegal or unenforceable then such provision shall be severed and the remainder of this Agreement shall continue in full force and effect.
14. **Notices**
- 14.1. Any notice require to be given pursuant to this Agreement shall be in writing and shall be given by delivering the notice by hand, or by sending the same by prepaid first class post (airmail if to an address outside the country of posting) to the address of the relevant party set out in this Agreement or such other address as either party notifies to the other from time to time.
15. **Governing Law and Jurisdiction**
- 15.1. This Agreement shall be governed by and construed in accordance with the laws of England and Wales and each party hereby irrevocably submits to the exclusion jurisdiction of the Courts of England and Wales

Commission

- VTSL shall calculate and pay the associate commission for each Prospect referred sale subject to allocation of the Prospect in accordance with VTSL Channel Rules of Engagement and the provisions of this Agreement.
- The percentage of commission paid will be 15% of the first year's revenue of Service and Network Services.
- No payment is made on the set-up fees.
- No payment is made on Equipment rental subject to a lease.
- No payment is made on the call spend of the client.
- In order to receive commission sales orders must be for a minimum of 12 months.
- VTSL shall pay the Associate commission on the amount actually paid and received from the Prospect for the services in the twelve (12) month period commencing on the date VTSL completes its obligations to the Prospect in provisioning the Services.
- Commission will only be payable in relation to the Services taken under the original Customer Order Form. No commission will be payable in relation to Services (as provided by VTSL from time to time) taken by the Prospect, or for increases in users and/or domains, where such Services and/or increases are taken after the original Customer Registration Agreement has been signed.
- VTSL shall pay commission on sales upon the completion of all paperwork, the full payment of set up fees and installation of services. This payment will be made at the end of the month of installation.
- When the foregoing commission payments are calculated the following amounts will be excluded:
 - any training, professional services or similar activities provided to the Associate by VTSL;
 - any credits due, or likely to become due, relating to prior payments made by the Prospect; and
 - any amounts due but not paid by the Prospect.
- VTSL reserve the right to withhold, delay or recover payment of commission due or paid hereunder if:
 - VTSL has reason to believe that the Prospect will have a valid reason to reclaim or recover any amount paid; or
 - the Associate fails to pay any valid VTSL invoice(s)
- The parties agree that where any commission which has been overpaid or VTSL has rights to recover money from the Associate, the Associate will promptly refund such amount in full on receipt of an invoice from VTSL. If the Associate fails to refund monies so due VTSL may set-off such amounts against future payments due to the Associate or recover such amounts as a debt.
- Commission payments made by VTSL hereunder are in full and final settlement for any and all referral activity carried out by the Associate relative to the Services and/or Prospect to which the commission payments apply.