

Terms & Conditions T&C-R040
iPhone Contract Term & Bonus

SmarTone

1) Term:

iPhone Contract Term = 24 months

Previous Contract Term = on the date of this Sales and Services Agreement, the Customer already signed a fixed term contract.

Term = Outstanding months under unexpired Previous Contract Term + iPhone Contract Term (if applicable).

2) Service Plan

2.1 The Customer shall use the following applicable Service Plan and services during the Term:

- a) the Service Plan specified in the Sales and Services Agreement or a service plan with monthly fee above the Service Plan amount specified in the Sales and Agreement (not applicable to SIM Only service plan); and
- b) any of the services ("Selected Services") specified in the Company's web site "Terms and Conditions" relating to this offer and the aggregate monthly fee of such Selected Services is equal to or above the amount specified in the Sales and Services Agreement (if applicable).

2.2 Applicable to the Service Plan with specified data usage

2.2.1 Whenever the data usage of the Customer under the relevant iPhone Monthly Plan nearly reaches the specified local data usage set out above ("Specified Data Usage") the Company will notify the Customer by SMS of his data consumption. The Customer may by return SMS purchase a top-up of 200MB at \$40 ("Top Up") for usage of data for the remaining period of that month. If the Customer does not wish to purchase the Top Up, local data usage under the relevant iPhone Monthly Plan will be automatically suspended when the Customer's data usage reaches the Specified Data Usage. Customer may purchase the Top Up at that time or wait until the beginning of the next monthly bill for the new Specified Data Usage allowance under the relevant iPhone Monthly Plan. When the Top Up reaches \$280 in a month, Customer can use the data free of charge for the rest of that month.

2.2.2 Where the Customer has registered more than one Service Plan in an Account, the Company will notify Customer's primary service number (i.e. the first registered service number) by SMS whenever a Top Up is confirmed.

2.3 If the Customer does not notify the Company of termination of the free services specified above prior to the expiry of the Term, the Company shall automatically charge the Customer for the free services specified above at the prevailing monthly fee after the expiry of the Term.

2.4 Non-Credit Card Autopay Prepayment

2.4.1 For Customers who subscribe to the iPhone 4S offer but do not settle their monthly payment by credit card autopay, a refundable prepayment of \$3,000 is required, which will be credited to the Customer during the Term.

2.4.2 If the Customer changes back to credit card autopay before the expiry of the Term, the Company shall not refund all the remaining prepayment at once. The refundable prepayment will be credited to the Customer during the remaining period of the Term.

2.4.3 The Company shall charge \$3,000 Non-Credit Card Autopay Prepayment or pro-rata thereof according to the remaining period of the Term upon the occurrence of any of the following events before the expiry of the Term (For iPhone 4S):

- a) if the Customer cancels credit card autopay; or
- b) if the autopay can not be processed via the credit card provided by the Customer and the Customer is not able to provide other credit card for autopay.

2.5 3rd party Credit Card Autopay Prepayment

- 2.5.1 For Customers who subscribe to the iPhone 4S offer but settle their monthly payment by credit card autopay using a 3rd party credit card, a refundable prepayment of \$1,200 is required, which will be credited to the Customer during the Term.
- 2.5.2 If the Customer changes back to his or her own credit card autopay before the expiry of the Term, the Company shall not refund all the remaining prepayment at once. The refundable prepayment will be credited to the Customer during the remaining period of the Term.
- 2.5.3 The Company shall charge \$3,000 Non-Credit Card Autopay Prepayment or pro-rata thereof according to the remaining period of the Term upon the occurrence of any of the following events before the expiry of the Term (For iPhone 4S):
- if the Customer cancels credit card autopay; or
 - if the autopay can not be processed via the credit card provided by the Customer and the Customer is not able to provide other credit card for autopay.

3) Free 30 minutes of IDD (If applicable)

- 3.1 Free 30 minutes of IDD is only available during the Term, and the IDD minutes only apply to voice calls made by Smart IDD in Hong Kong to the normal fixed and mobile numbers of the following 10 destinations: China, USA, Canada, Australia, UK, Taiwan, Singapore, Japan, Macau and Malaysia. But excludes voice calls made to the infoline numbers and satellite numbers of these destinations. Unused free minute(s) cannot be carried forward and will be cancelled on bill date. Free IDD minutes will be given on pro-rata basis from service activation date to 1st bill date, and free 30 minutes IDD will be given in the following bills. If the Customer changes to other payment methods which is not autopay, the Company shall automatically terminate the IDD service to the Customer without prior notice.

4) Rebate offer

- 4.1 Credit Amount and extra free basic voice call minutes (if applicable) to be rebated to the Customer varies according to the handset model and monthly plan selected by the Customer and will be credited to the Customer during the Term according to the credit arrangement specified in the Sales and Services Agreement.
- 4.2 If, on the date of this Sales and Services Agreement, the Account is already subject to an arrangement (each a "Previous Credit Arrangement") under which any sums or charges prepaid by the Customer or the Company are to be credited by the Company to the Account, the crediting of the first installment to the Account by the Company under this Sales and Services Agreement shall be postponed to the date falling 30 days after the date of cessation of: (a) the Previous Credit Arrangement; or (b) if there is more than one Previous Credit Arrangements, the Previous Credit Arrangement with the latest expiry date. The date of cessation of the Previous Credit Arrangement will be deemed to be the date on which the last amount to be credited to the Account under the Previous Credit Arrangement is actually credited to the Account.
- 4.3 The Credit Amount paid by the Company will only be applied by the Company to meet the Customer's payment obligations to the Company in respect of the Account. However, the Customer cannot set-off any other sum payable to the Company against any part of the Credit Amount payable by the Company to the Account.
- 4.4 The Credit Amount cannot be exchanged for cash.
- 4.5 The Company shall not be under any obligation to pay any interest to the Customer on the Credit Amount.
- 4.6 The Customer shall not be entitled to the Credit Amount or any balance thereof and the free services specified above upon the occurrence of any of the following events before the expiry of the Term:
- if the Customer changes to a (i) service plan with monthly fee equal to or below the Service Plan amount specified in the Sales and Services Agreement or (ii) 2G Service Plan or (iii) PayGo Service Plan or (iv) IC2N Service plan; or
 - if the Customer cancels the auto pay payment method; or
 - if the Customer subscribes to other special offers, including handset or fixed term contract service plan; or
 - if the Customer changes the mobile telephone number / the registered name for the mobile telephone number; or
 - if the mobile telephone service is terminated/disconnected for whatever reason.

5) Three months free offer (“Rebate”)

5.1 Rebate is only available to Customer who subscribe to a specified monthly plan.

5.2 The Company will credit the Rebate \$1,254 into the Customer’s account in the 6th, 12th and 18th month starting from the first bill date of the Term; each amount of \$418.

5.3 The Rebate cannot be exchanged for cash.

5.4 The Customer shall not be entitled to the Rebate upon the occurrence of any of the following events before the expiry of the iPhone Contract Term:

- a) if the Customer changes to a service plan other than the specified monthly plan; or
- b) if the Customer changes the mobile telephone number / the registered name for the mobile telephone number; or
- c) if the mobile telephone service is terminated/disconnected for whatever reason.

6) Liquidated Damages

6.1 Liquidated Damages under iPhone Contract Term

The Customer shall pay the Company liquidated damages (which is equivalent to the sum of the monthly fee of applicable Service Plan multiply by the remaining months of the iPhone Contract Term) upon the occurrence of any of the following events before the expiry of the iPhone Contract Term:

- a) if the Customer changes to a (i) service plan with monthly fee equal to or below the Service Plan amount specified in the Sales and Services Agreement or (ii) 2G Service Plan or (iii) PayGo Service Plan or (iv) IC2N Service plan; or
- b) if the Customer cancels the auto pay payment method; or
- c) if the Customer changes the mobile telephone number / the registered name for the mobile telephone number; or
- d) if the mobile telephone service is terminated/disconnected for whatever reason.

6.2 Liquidated Damages under Term (i.e. Outstanding months under unexpired Previous Contract Term + iPhone Contract Term)

6.2.1 (Where applicable) The Customer shall pay the Company liquidated damages (which is equivalent to the sum of monthly fee of applicable Service Plan multiply by 24) upon occurrence of any of the following events on or before the expiry date of the unexpired Previous Contract Term:

- a) if the Customer changes to a (i) service plan with monthly fee equal to or below the Service Plan amount specified in the Sales and Services Agreement or (ii) 2G Service Plan or (iii) PayGo Service Plan or (iv) IC2N Service plan; or
- b) if the Customer cancels the auto pay payment method; or
- c) if the Customer changes the mobile telephone number / the registered name for the mobile telephone number; or
- d) if the mobile telephone service is terminated/disconnected for whatever reason.

6.2.2 (Where applicable) The Customer shall pay the Company liquidated damages (which is equivalent to the sum of the monthly fee of applicable Service Plan multiply by the remaining months of the Term) upon the occurrence of any of the following events after the expiry of the unexpired Previous Contract Term but before the expiry of the Term:

- a) if the Customer changes to a (i) service plan with monthly fee equal to or below the Service Plan amount specified in the Sales and Services Agreement or (ii) 2G Service Plan or (iii) PayGo Service Plan or (iv) IC2N Service plan; or
- b) if the Customer cancels the auto pay payment method; or
- c) if the Customer changes the mobile telephone number / the registered name for the mobile telephone number; or
- d) if the mobile telephone service is terminated/disconnected for whatever reason.

7) 7-day replacement guarantee is not applicable to iPhone. The Customer should bring the faulty handset to SmarTone Customer Centre within the warranty period.

8) Data Services for iPhone Monthly Plan (“Data Services”)

8.1 The data usage applies to local use only. Standard roaming data charge applies during roaming. The data usage is not applicable to BlackBerry handsets unless Customer subscribes to the specified Blackberry service plan.

8.2 The Customer must use the Data Services with settings [including but not limited to the APN setting (only applicable to data services)] and devices specified by the Company. Customer can check with the Company's front-line staffs for the latest information on setting and devices. If the Customer does not follow this specification in the use of the Data Services, the Company has the right to forthwith suspend / terminate the Data Services without notice. Also the Company has the right to charge the Customer use of the Data Services at the Company's prevailing rate.

9) Fair Usage Policy

9.1 The following terms and conditions apply to telecommunication services ("Services") provided by SmarTone Mobile Communications Limited ("the Company").

- a) The Company will ensure the system resources of the Company's telecommunications network ("Network") is equitably allocated amongst users ("Users") of the Services.
- b) Customer who has reached the monthly local data fair usage level specified by the Company from time to time can still continue to use the Services. However, the Customer will be given lower priority to access the network resources for the remainder of the billing period, where the Customer's experience may be affected when the network traffic is busy, but in any event the data access speed (upload and download) will not be restricted to less than 128kbps.