

CODE OF PRACTICE – SALES & MARKETING

Microtalk Europe Limited has been formed with the objective of reducing business telephone call charges and providing a better-managed telephone service. Microtalk Europe operates under the following Code of Practice, the purpose of which is to provide a clear framework to ensure good sales and marketing practice and to help our customers understand our service and the behaviour to be expected from our staff.

1.CONTACT DETAILS

Should you, for any reason, wish to contact us in relation to this code, please contact John Burton who is responsible for ensuring that this code is complied with. He can be contacted at: john.burton@microtalk.co.uk

You can contact our compliance officer by calling 0203 630 1101.

Microtalk Europe Ltd
West World
West Gate
London
W5 1DT

2.SALES, MARKETING, ADVERTISING AND PROMOTION

This code shall apply to all instances where Microtalk Europe is involved in the sale or marketing of their Fixed Line Telecommunication Services, to domestic or small business customers. Small business customers are those who employ 10 or fewer people. Regardless of the way in which our sales and marketing activities are conducted we will act responsibly and compliantly. It is acknowledged that some potential customers may not wish to be approached in some instances. Microtalk Europe undertakes to respect the wishes of potential customers and not to approach those that have registered with any Preference Services. Any promotional literature, including our website, will at all times use clear and unambiguous language. Furthermore Microtalk Europe is committed to ensuring that any such material will be fair and will contain no misleading or false information. It will contain accurate information relating to price, value and service, and will not denigrate other providers.

3.STAFF

3.1.Recruitment

Before offering employment all of our sales representatives are fully checked. In addition to standard security checks (proof of identity e.g. drivers licence, passport, and if appropriate, visa status) each applicant must provide proof of NI number, and two current references, which cannot be from relatives or members of the same business. Whilst checking the references, previous employers are specifically asked if the potential employee has ever been involved in instances of mis-selling, or if their behaviour has ever led to questions regarding their integrity. Should any criminal convictions be highlighted during the checking process, the nature of these will be taken into account when deciding whether or not to offer employment.

Microtalk Europe recognises that all sales staff are seen as the public face of the company and, indeed, the industry at large and account is taken of each candidate's behaviour and appearance. As additional protection we retain for a period of six months sales people's complete records, including all recordings and notes after the cessation of employment.

3.2.Training

Each sales representative is trained to a high standard and before they are allowed to engage with customers they attend an intensive training course, at the end of which they are examined. Any person who falls below the high standard demanded by us is not allowed access to customers. Furthermore, our sales staff are provided with a sufficient understanding of our business to be able to properly inform the customer of the services offered and prevent them misleading customers in any way. We positively discourage misleading selling. Where any part of the remuneration of our sales staff is generated on a 'payment by results' basis, the construction

of the pay plan is such that they would not be paid for contracts that are subsequently found to have been achieved using exploitative or misleading sales practices. Additional topics covered during training include:

- Arrangements for competition in the supply of telecommunications in the United Kingdom.
- The options provided by the company and how these differ from other competitive products.
- The process for ordering the telephone service.
- Relevant principles of consumer protection law.
- The prices charged by the company and its other terms and conditions, including methods of payment, duration of contract and any termination fees.
- The nature and cost of any additional services on offer.
- The process for cancellation both during the initial period and at any time following commencement.
- The existence of this Code of Practice, and the benefit provided by it.
- Microtalk Europe complaints procedure.

Microtalk Europe acknowledges that it is responsible for ensuring its representatives observe this Code. Furthermore, there is a designated member of staff responsible for ensuring continuing compliance with this Code, whose contact details are highlighted in point 1.

4.CUSTOMER CONTACT

4.1.Face-to-Face Selling - The Badge

Each sales representative is issued with an identification badge, which will be clearly displayed at all times. Attention will be drawn to the badge when the representative introduces himself to a potential customer. The badge will clearly display the company name and a unique number, which will identify the individual representative. It will also include:

- The representative's name.
- The representative's photo.
- An expiry date.

This information will be clearly visible and cards are also available with key information in Braille, on request.

4.2.Important Information

Our sales representatives will identify themselves, the company, and the purpose of the call. At all times our staff will be courteous and use appropriate language and will not make any misrepresentations, in particular about the service offered by Microtalk Europe or any alternative provider. Microtalk Europe is committed to providing clear and straightforward explanations about the services and the nature of the contract. We will also take account of some potential customers' vulnerability, and endeavour not to abuse their trust by pursuing a presentation to them. Should the customer indicate at any point that the contact is inconvenient, unwelcome or inappropriate, the representative will leave immediately. Also, our staff will not call on any potential customers before 8am or after 8pm unless asked to do so.

5.THE CONTRACT

5.1.Face-to-Fgace Selling - Entering into a contract

Our sales representatives are trained to check that the person who is entering into a contract is duly authorised to do so. In accordance with accepted commercial practice, unless otherwise rebutted it will be assumed that Directors or Partners have actual authority. A Company Secretary or equivalent will be assumed to have apparent authority unless otherwise indicated. They will also ensure that the customer fully understands the extent and nature of the contract, and intends to contract with Microtalk Europe. In addition, a designated member of the Head Office administrative staff will make a verification call to the customer to ensure that the correct information has been given before or after the sales representative leaves the premises. This call may be recorded for training or monitoring purposes.

5.2.The Document

The agreement is a legally binding document. The terms and conditions that govern that agreement are clearly printed on the reverse of the customer order form (for face-to-face selling) or are provided to the customer in the Welcome Pack for telephone sales. The customer will be

invited to read them by our sales representative and the signature block includes a declaration that the terms and conditions have been read and understood. This declaration states in clear and straightforward language that by signing the contract the customer agrees to use Microtalk Europe as their exclusive supplier of telecom services.

5.3. Information

Microtalk Europe is committed to providing clear and factually accurate information to potential customers before they decide whether to sign the agreement. Where a direct approach to the customer takes place, the customer will be given the following information in writing, in a clear and comprehensible manner prior to signing the contract.

- The company name, address and contact numbers.
- A description of the telephone service sufficient to enable the customer to understand the option they have chosen.
- Information about major elements of the service including payment terms, line rental and call types.
- The arrangements for provision of the service, including the order process and likely date of provision.
- The existence of a right of cancellation and the process.
- The minimum period of contract, notice period, cancellation charges and contract charges.

A copy of the contract will also be left with the customer.

The customer will also be made aware of the existence of this code.

5.4. Cancellation

A customer, as defined by the Communications Act 2003, who wishes to cancel the contract must contact Microtalk Europe in writing, by telephone or email.

Upon receiving this notice Microtalk Europe will contact the customer within 5 days to discuss their intentions. If it is found at this point that the contract was not understood or intended, or if the order matured before the expiry of the switchover period and the customer wishes to cancel, we will cancel the order without charge.

Should the customer decide to continue with the cancellation and once the termination period has been served, Microtalk Europe will send to the customer a letter detailing:

- The date of notification.
- CLI(s) affected.
- List of services affected / unaffected.
- Date of switchover.

6. LEGISLATION

Microtalk Europe will, at all times, comply with all relevant legislation and fulfill its legal obligations.

7. AUDITS

As part of our continuing commitment to provide an efficient service, all contracts will be audited prior to processing. They will be checked for errors and to insure that the contract was properly entered into. Additionally regular audits of systems, procedures and documentation will be carried out.

If errors are identified, both parties have the right to make good the mistakes or cancel the account.

8. COMPLAINTS

Microtalk Europe is committed to ensuring that this code is followed at all times. However, should a customer wish to make a complaint about our sales and marketing activity, we can be contacted via the details set out in point 1. Microtalk Europe aim is to investigate and resolve complaints within three months after first receiving notice of the complaint. If the customer is not satisfied with the outcome of the investigation they can ask for the matter to be escalated to a senior manager. If they are still not satisfied with the way Microtalk Europe have dealt with the complaint, the customer may be able to refer the matter to CISAS. They are an independent body, which provide an alternative dispute resolution service to our small business customers, i.e. customers with 10 or fewer employees. They can be contacted as detailed in point 9. Any

complaint about any level of our service will be dealt with in accordance with our Code of Practice for Complaints. All staff and representatives are not only aware of the existence of this code, but are also trained on the details of it, and will inform customers of the existence of the code. Whenever a complaint is made customers are informed of the existence of this code, a copy of which is available to all customers on our website or, on request, a hard copy will be provided free of charge.

9.CONTACT DETAILS OF RELATED ORGAISATIONS

Ofcom
Contact Centre
Riverside House
2a Southwark Bridge Road
London
SE1 9HA
Tel: 0845 456 300
Website: www.ofcom.org.uk

CISAS
C/o Dispute Resolution Services
The Chartered Institute of Arbitrators
12 Bloomsbury Square
London
WC1A 2LP
Tel:0207 4217432
E-mail:kkorubo@arbitrators.org
Website:www.arbitrators.org/cisas

CITIZENS ADVICE
Myddleton House
115-123 Pentonville Road
London
NI 9LE
Tel:02078332181
Website: www.citizensadvice.org.uk

10.ADDITIONAL INFORMATION

This Code is designed to comply with Ofcom regulation relating to Telecom Direct Sales and Marketing, as required by the Communication Act 2003. All providers who engage in sales and marketing for Fixed Line Telecom Services are required under General Condition 14.3 to establish a code in accordance with Ofcom guidelines and comply with the provisions of the code. NB: Compliance of the code does not guarantee compliance with any legal requirements. Also, non-compliance with the code does not affect the validity of any contract between the parties, unless otherwise provided for by law. A copy of this code is available to our customers on request from our customer services department. Furthermore the existence of this code is publicised through our website and other publications.

Non Direct Debit payment

Customers who do not pay the monthly invoice by Direct Debit will be liable for a fixed charge of £10 plus 5% of the invoice charges before VAT.