

IN THE USE OF SMARTLOAD SERVICE

1. DEFINITION

Cell Phone – a telephone handset with Smart Pre-Paid SIM card.

Dealer – a distributor of Smart to whom a Dealer SIM and Dealer Card Account are issued and whose name appears on the signed information sheet, as may be applicable, and has a direct relationship with Smart.

Dealer Card Account – a Smart Card Account issued to the Dealer/Sub-dealer where Value Credits purchased are loaded.

Dealer SIM – a prepaid SIM with a Transfer Function Menu that allows Dealer and Sub-dealer to transfer Value Credits to Retailer/Agent; and a Load Function Menu that allows the Dealer and Sub-dealer to load Value Credits directly to Subscribers.

Distributor – a term referring to Dealer, Sub-dealer and Retailer/Agent as a whole.

Load Wallet – An account to which Value Credits are loaded to enable Dealers and Sub-dealers to load Value Credits directly to subscribers.

PIN – Personal Identification Number; any digit number chosen by a customer, as may be applicable.

Pre-Paid Phone Balance Account – Value Credits loaded in the Cell Phone.

Retailer SIM – a prepaid SIM with a Load Function Menu that allows Retailer/Agent to load Value Credits to Subscribers.

Retailer/Agent – a distributor of Smart to whom a Retailer SIM is issued and whose name appears on the signed information sheet, as may be applicable, and deals directly with a Dealer and/or Sub-dealer and not with SMART.

SIM - Subscriber Identity Module; a term referring to Dealer SIM and Retailer SIM as a whole.

Smart – Smart communications, Inc.; Smart; Cellular Mobile Telephone System (CMTS) service provider which offers Pre-paid subscriptions (Smart Buddy and Talk N' Text).

SMARTLoad Service – a service that loads Value Credits to Subscriber via the use of an electronic device such as but not limited to, mobile phones, point of sales "POS" terminals and computers.

Statement of Transactions – a report generated by Smart of a list of transactions made by a Distributor in his Dealer Card Account and/or Load Wallet covering a specific time period.

Sub-dealer – a distributor of Smart to whom a Dealer SIM and Dealer Card Account are issued and whose name appears on the signed information sheet, as may be applicable, and has a direct relationship only with the Dealer and not with Smart.

Subscriber – a telephone handset with Smart Pre-paid SIM card.

Value Credits – amount loaded to the Dealer Card Account, Load Wallet or Prepaid-Phone Balance Account to purchase airtime and other services, as determined by Smart.

The SIM issued becomes the property of the Distributor and is non-transferable. Smart may, however, suspend or terminate the use of the SIM for SMARTLoad Service for whatever reason it deems fit. In the event of any suspension or termination of the SIM for the SMARTLoad Service, the Distributor agrees to hold Smart free and harmless from any claim, damages, loss, expense, suit or liability whatsoever, arising from such suspension or termination.

The Smart Pre-paid GSM service shall be permanently disconnected if the subscriber fails to load another Smart Buddy Call and Text and/or Smart Load value within 120 days after the last card or load balance is completely consumed. Smart shall not cause the reconnection of a permanently disconnected Smart Buddy Pre-paid GSM service.

Dealer shall request for Dealer Sims and/or Retailer Sims from Smart. Smart shall oblige Dealer to ensure that the Distributors accomplish and submit an information sheet for each SIM provided. Smart shall conduct business directly with the Dealer. All concerns, complaints, inquiries and/or disputes from Sub-dealer and/or Retailer/Agent shall be handled by its Dealer.

3. LOADING OF VALUE CREDITS

Dealer shall request Smart for loading of Value Credits. Upon verification of the validity of the request, Smart shall transfer the Value Credits to the Dealer's Dealer Card Account. Dealer in turn may transfer the Value Credits from Dealer Card Account to his Load Wallet. Value Credits in Load Wallet are used to load Value Credits to Subscribers.

Sub-dealer shall request for Value Credits from Dealer. Dealer shall transfer the Value Credits to the Sub-dealer's Dealer Card Account. Sub-dealer in turn transfers the Value Credits from Dealer Card Account to his Load Wallet. Value Credits in Load Wallet are used to load Value Credits to Subscribers.

Retailer/Agent shall request for Value Credits from Dealer and/or Sub-dealer. Dealer and/or Sub-dealer shall transfer Value Credits to the Retailer/Agent's Load Wallet. Value Credits in Load Wallet are used to load Value Credits to Subscribers.

4. FEES, RATES & OTHER CHARGES

Distributor agrees to pay fees and charges, as may be applicable, in relation to the SMARTLoad Service that may be imposed by Smart at its option. Fees and other charges, as may be applicable, shall be debited from the Dealer Card Account, Load Wallet and/or Pre-paid Phone Balance Account. The amount of fees and charges may be revised from time to time as Smart may deem necessary.

A monthly service and maintenance fee in such amounts as may be fixed by Smart shall be charged to a Distributor if there are no transactions on the Dealer Card Account and/or Load Wallet after a period of 120 days. The Distributor agrees that the service and maintenance fee shall be debited from the Dealer Card Account, Load Wallet and/or Pre-paid Phone Balance Account. The amount of the service and maintenance charge may be revised from time to time as Smart may deem necessary.

5. SENDING OF STATEMENT OF TRANSACTIONS

Upon Distributor's request, Smart shall send a copy of the periodic Statement of Transactions either via mail, fax or email, as may be applicable. The mere act of

Statement of Transactions through the mode and to the Distributor is conclusive presumption that Distributor has received the same. Smart shall be free and harmless from any and all liability should the Statement of Transactions be read by a person other than the Distributor. Neither may Distributor thereafter raise the defense that he/she failed to receive the Statement of Transactions. In all instances, Distributor may inquire about the Statement of Transactions by contacting the Smart Customer Service.

Smart shall charge a fixed fee for each request for a Statement of Transaction.

6. DISPUTES

DISPUTES ON TRANSFERS

Disputed transfer transactions shall only be credited back to Dealer/Sub-dealer's account once claim/dispute has been properly processed, investigated, and proven to be in favor of the Dealer/Sub-dealer. Dealer/sub-dealer should submit a duly filled out Request for Reversal and send the same thru fax to Smart. Reversals will be made only upon proper verification and validation.

The details in the SMS/Text confirmation message after every transaction and/or the entries in the Statement of Transactions are presumed true and correct unless Subscriber notifies SMARTLoad Hotline in writing of any disputes thereon within thirty (30) days from the date of transaction. If no dispute is reported within the said period, all transactions and the entries in the Statement of Transactions are conclusively true and correct.

DISPUTES ON LOAD

Load transactions made by a Distributor will be considered final and will not, in any way, be reversed by Smart should Dealer/Sub-dealer/Retailer/Agent load it to a wrong mobile phone number.

Sub-dealer and/or Retailer/Agent may request for cancellation/termination of the SMARTLoad Service, provided Sub-dealer and/or Retailer/Agent has already submitted the filled-up information sheet to its Dealer. Dealer should have forwarded the information sheet to Smart. Using the information provided, Smart shall validate the request using standard identification procedures. Otherwise, Smart shall only act on the request for cancellation /termination of SMARTLoad Service through a written endorsement coming from the Sub-dealer/Retailer/Agent's Dealer.

7. PHONE & SIM SECURITY

The Distributor shall be responsible for the security of the Phone's Subscriber Identity Module (SIM) and his PIN. All transactions made using the SIM are conclusively presumed to be made by the Dealer/Sub-dealers/Retailers/Agents and he/she shall be liable for such.

8. LOSS OF PHONE AND SIM

The security and proper care of the Phone and SIM, as well as the confidentiality of his PINs shall be the Distributor's sole responsibility.

In case of loss of SIM by Distributor, the Distributor shall immediately inform Smart Customer Service of such loss within twenty-four (24) hours, via telephone

Cancellation of the SIM shall be processed only upon the phone call or the signature in the written report, as the case may be. All transactions made thru the use of the SIM prior to the cancellation shall continue to be the liability of the Distributor.

9. RENEWAL, REINSTATEMENT, CANCELLATION

The Distributor shall not use the SIM without the approval of Smart. Smart has the sole option to suspend or cancel a particular SIM. A SIM, which has been suspended by Smart, may be reinstated by the latter at its option. The Distributor's continued use after its suspension, termination or expiration shall be considered a fraudulent act and may be a ground for court action.

Smart reserves the right to cancel/suspend, temporarily or permanently, any SMARTLoad Service that remains inactive over a fixed period of time, as determined by Smart.

10. TERMINATION

Should the Distributor fail to comply with the Terms & Conditions provided herein or should Distributor die or become insolvent, however evidenced, or should Smart make a determination that Distributor's use of the SIM is or may be detrimental to Smart, its subscribers or the public in general, the right to use the SIM and the SMARTLoad Service shall be terminated. Any aggregate and unpaid charges, fees and other expenses for which the Distributor is liable shall immediately become due without need of demand.

11. CHANGE OF TELEPHONE NUMBERS/ADDRESS

Distributor shall immediately notify Smart Customer Service via telephone or a written notice of any change in his residence, office or mailing address and/or telephone number/s.

12. CHANGE OF NAME

Distributor shall immediately notify Smart Customer Service via a written notice of any change in name. He shall likewise attach the necessary documents, such as but not limited to SEC certificate, as proof or evidence of such change.

13. EXCLUSION FROM LIABILITY

Smart shall not be liable for any loss, costs, compensation, damage or liability to the Distributor or third party arising directly or indirectly as a result of any or all of the following:

Distributor is unable to perform or complete any transaction thru the use of Phone due to service/system/line unavailability.

Any delay, interruption or termination of the Service whether caused by administrative error, technical, mechanical, electrical or electronic fault or difficulty or any other reason or circumstance beyond Smart's control (including but not limited to acts of God, strike, lightning, interference or damage by third parties or any change in legislation).

Theft or unauthorized use of the SIM or any loss, costs, damages or payable to any third party by the Distributor.

In the event of any action that the Distributor may file against Smart, the Distributor agrees that Smart's liability shall not exceed P1,000.00 or the amount of damages actually suffered by the Distributor, whichever is lower.

15. DISCLOSURE

Smart shall keep all Distributor files in strictest confidence. Smart may, however, obtain, exchange or release information to its associates, affiliates, officers, employees, agents, lawyers, pre-paid/debit/credit bureaus or any such persons as Smart deems necessary, or as required by law, rule or regulation.

16. VENUE OF LITIGATION

Venue of all suits shall either be at Makati City or any province where any of Smart's branches is located, at the exclusive option of Smart.

17. NON-WAIVER OF RIGHTS

Failure, omission, or delay on the part of Smart to exercise its right or remedies under these Terms and Conditions shall not operate as a waiver.

18. SEPARABILITY CLAUSE

Should any term or condition in these Terms and Conditions be rendered void, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining terms and conditions shall not be affected or impaired thereby.

19. AMENDMENTS

Smart may at any time and for whatever reason it may deem proper, amend, revise or modify these Terms and Conditions. Any such amendment shall bind the Distributor upon notice thereof by any means unless the Distributor objects thereto by manifesting his intention to terminate the SMARTLoad Service in writing and surrendering the SIM within fifteen (15) days from notice of amendment. Failure to notify Smart of Distributor's intention to terminate the SMARTLoad Service shall be construed as acceptance by the Distributor of the amendments to these Terms and Conditions.

20. AGREEMENT

The Distributor agrees to be bound by these Terms and Conditions governing the issuance and use of the SIM and the use of SMARTLoad Service upon activating and loading. The provisions in these Terms and Conditions shall be applicable only in those instances where the SMARTLoad Service has been availed of by the Distributor. Should the Distributor disagree with these Terms and Conditions, the Distributor shall call or provide a written notice of cancellation to Smart Customer Service, otherwise, the Distributor shall continue to be liable for all charges incurred through the use of the SIM and the SMARTLoad Service.