

## **Pricing for connectivity and usage**

### **How Rental Charges are calculated**

Rental Charges may be either:

- A recurring fixed charge for a specified period of time (for example - monthly, quarterly or annual charges)
- Calculated on the basis of a daily rate, and billed at the agreed billing period frequency (for example - monthly, quarterly or annually)

The basis for the rental charge will be defined in the contract for services agreed between KC or Kcom (as applicable) and the customer.

### **Full Period Billing:**

Rental charges are billed in advance and are charged from the first day of each billing period.

Charges are calculated as follows:

If the rental is a recurring fixed charge (e.g. monthly) the charge will be the same irrespective of the number of days in the billing period.

If the rental is calculated on the basis of a daily rate the following formula is used to calculate the charge for the billing period.

$$\text{Charge} = \frac{\text{(Annual Rental Charge)}}{\text{(Number of days in that year)}} \times \text{(Number of days in the billing period)}$$

### **Part Period Billing:**

Customers who take up service in the middle of a billing period will be charged in arrears for the service from the service start date until the next billing date.

Charges are calculated as follows:

If the rental is a recurring fixed charge the customer will be charged the appropriate pro-rata rate calculated by the following formula:

$$\text{Charge} = \frac{\text{(Charge for full billing period)}}{\text{(Number of days in the billing period)}} \times \text{(Number of service days in the billing period)}$$

If the rental is calculated on the basis of a daily rate the following formula is used to calculate the charge for the part period.

$$\text{Charge} = \frac{\text{(Annual rate)}}{\text{(Number of days in that year)}} \times \text{(Number of service days in the billing period)}$$

Where the part period occurs at the end of the customer contract then the formula used to calculate the charges due is as above.

## **How call charges are calculated for dialled calls**

The price we charge you for calls is dependent upon the following:

- Day of the week (e.g. weekday and weekend).
- Time of day.
- Dialled destination.
- Duration.
- Minimum call charge, call set up fee or per call charge where applicable.
- Usage discounts or other discounts where applicable.

Although we publish call charges in pence per minute, we time your calls by the second (call duration will be rounded up to the next whole second<sub>1</sub>) and charged in pence per second (calculated and rounded<sub>2</sub> to 4 decimal places of a penny). The resulting charge is then rounded<sub>3</sub>.

On your bill, VAT is then added to the total charge; and the total charge is then rounded down to the nearest penny.

Excluded from the above:

- SMS messaging which depends on location e.g. national, international or roaming.
- GPRS (cost based on volume per day).

### **Notes:**

1

KC (Residential packages): Calls made to UK mobiles, International, International Mobile, S18, S24 and UK Geographic destinations (as defined in the KC Price Manual) that are not part of the inclusive package will be subject to a set-up fee (instead of a minimum charge) and the call duration will be rounded up to the next whole minute and charged accordingly.

2

Normal rounding rules apply (e.g.  $\geq .5$  rounds up or  $< .5$  rounds down)

3

KC TalkMore Packages and the following KC Business Centrex Tariffs, Tariffs available in Lincolnshire, Business Payphone Tariff, Charity Tariff, Corporate Select Tariff, Special Offer Tariffs: Rounds to the nearest 1/10th of a penny using normal rounding rules. KC fixed line residential and business, rounds to the next whole penny excluding calls to Directory Enquiry Services, Premium Rate Services, Non Geographic calls with a fixed fee element, National evening calls from KC Local and Weekend (residential only), Local, Regional & National calls from KC1 Broadband Tariff lines (residential only), Operator Connected and Controlled calls and calls to the Speaking Clock. Kcom: Rounds to the next 1/10th of a penny (except outpayments which use normal rounding rules).

### **Applicable products:**

The above statement is applicable to the following products and services offered by KCOM Group PLC:

- **Kcom:** Freephone, Indirect Access, International Freephone, Local Rate, National Rate, Personal Numbering, Premium Rate, Special 08 Services, Switchline, Switchline – Analogue, Switchline – Digital, Mobile, Premium Rate.
- **KC:** Residential services, Business services.

For services provided by KC the information in the KC Price Manual takes precedence over any other publicly published information.