INVOICING AND PAYMENT TERMS

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1. LINX Policy

1.1 This document sets out the current payment policy of London Internet Exchange Limited ("LINX").

1.2 This document is subject to the Membership Agreement and any applicable Service Terms. In case of any conflict between this policy and those Agreements, those Agreements shall take precedence.

2. Invoicing

2.1 **Standard invoicing basis.** LINX's standard invoicing is conducted monthly, in arrears. This basis will apply unless another basis has been agreed with LINX.

2.2 **Quarterly invoicing in advance.** Subject to credit approval, members can request to be invoiced quarterly in advance instead of monthly in arrears. In this case, the invoicing will be in advance, usually around working day two of the beginning of each calendar quarter.

2.3 **Alternative invoicing basis.** In exceptional situations and at the discretion of LINX, other billing frequencies may be allowed (e.g. annual billing in advance).

2.4 **Invoicing date.** LINX's invoicing cycle is on a monthly basis and LINX aims to issue invoices by the second working day of the month.

2.5 **Invoice details**. LINX reserves the right to change the format for its invoicing from time to time. The invoices will include sufficient details for the Member to verify the services and the prices being charged. Invoices will include description, service start date and end date, and any relevant service number or technical reference.

2.6 **Purchase order**. Members may be required to complete a purchase order or other written documentation or online form in order to confirm the services that they are requesting.

2.7 **Service accrual dates**. Charges for services will accrue on a daily basis and commence from the date on which the services have been provisioned and are available.

2.8 **Adjustments**. Where a service changes during a billing period, the subsequent invoice will reflect the changes by pro-rating the charges on a daily basis in line with services provided. Where a Member is normally billed on a quarterly basis but has added services since the prior quarterly bill, an interim adjustment bill will be issued at the start of the following month reflecting the change to the services in the prior month.

3. Payment terms

3.1 **Payment due date.** Invoices will be due for payment on a 30-day basis, i.e. the invoice is payable at the latest 30 days after the invoice date.

3.2 **VAT point.** Where VAT is applicable, the VAT point will be the same as the invoice date.

3.3 **Bank charges.** LINX reserves the right to reclaim bank charges from the Member where bank charges are applied by the Member's bank relating to the bank transfer.

4. Methods of payment

4.1 **Direct debit.** UK members are required to sign up to the direct debit arrangement that LINX operates (currently via external provider GoCardless). Direct debits will be initiated around the 15th of each month. This provides efficiencies for the Member and for LINX. For further information on setting up a direct debit arrangement please contact: **finance@linx.net**

4.2 **Standing orders.** It is possible for UK and overseas organisations to set up a regular monthly standing order to cover the payments.

4.3 **Payment by card.** LINX may permit payments to be made by credit or debit card, subject to approval by LINX of currency and amounts. Please contact LINX Finance **finance@linx.net** or Sales teams **sales@linx.net** for further information.

4.4 **Bank transfer.** Any other payments must be by direct bank transfer to the bank account shown on the invoice.

4.5 **Fraud Warning.** Any change to LINX's bank account details is exceedingly rare. Members are warned to verify carefully any message purporting to notify them of a change to LINX's bank details. Do not assume e-mail purporting to come from LINX announcing such a change is genuine without further verification by alternative means.

4.6 **Cheques.** LINX does not accept payment by cheque or bank draft.

5. Notice periods

5.1 **Accrual of charges.** Where a Member cancels a service, charges will continue to accrue during the notice period until the date on which the cancellation takes effect or the minimum notice period has expired, whichever is later.

5.2 **Early termination of services or membership.** If your membership or a service terminates prior to the minimum notice period and LINX is entitled to fees until the end of the minimum notice period, LINX will raise the invoice as soon as reasonably practicable, and it will become due for payment on presentation.

6. Credit notes and refunds

6.1 **Disputed invoices.** Whenever a Member wishes to dispute all or part of an invoice then the Member should contact LINX Finance within seven days of receiving the invoice. Where part of an invoice is disputed, the Member is required to pay any undisputed element of the invoice, whilst the disputed item(s) are investigated by LINX.

6.2 **Credit notes.** Where LINX accepts that an invoice is incorrect, LINX will raise a credit note for either the full amount of the invoice and reissue a new invoice with the corrected details, or a partial credit note, depending on the circumstances.

6.3 **Refunds.** Where a Member has pre-paid for services, which are subsequently cancelled by the Member and where there is a refund due, LINX will aim to pay the amount due to the Member within 30 days of confirmation of the refund amount and the bank details. Members must provide bank details for the refund payment. LINX reserves the right to require separate verification before accepting payment instructions for refunds. This may include confirmation from a different employee of the Member to the one requesting the repayment.

6.4 **Right of offset**. Where a refund is due to a Member, but the Member owes LINX on another invoice(s), LINX reserves the right to offset any credit with the amount owing to LINX and repay only the net difference (if any) to the Member.

7. Taxes

7.1 **VAT.** Value Added Tax (VAT) will be added at the prevailing standard rate to the invoice, where applicable.

7.2 **Withholding taxes**. Where any overseas regulations require any tax to be deducted from an invoice, LINX reserves the right to gross up the amount payable by the Member so that the amount received by LINX equates to the contracted amount after deduction of the withholding tax.

8. Currency

8.1 **Accepted currencies.** The default currency for invoicing is Pounds Sterling (**GBP**). LINX offers some services that are priced in US Dollars (**USD**) and Kenyan Shillings (**KES**). Where services are priced in those other permitted currencies, LINX may agree to invoice in those currencies.

8.2 **Other currencies**. At LINX's discretion, it may allow payments in other currencies from time to time. These are likely to be subject to certain limitations and for specific services or Members only. Where a Member wishes to pay an invoice in a different currency to the invoice currency, the Member must ensure that sufficient funds are transferred so that when converted at the bank's conversion rate of the transaction date, LINX receives full payment. Any shortfall that results from the currency conversion must be paid by the Member. Please contact LINX Sales team for further information.

8.3 **Standard currency.** Unless an alternative currency has been agreed with LINX, LINX will issue all invoices in UK Pounds Sterling (GBP).

8.4 **Alternative currencies.**

8.4.1 LINX agrees to invoice in an alternative currency for a service (or membership fee) from a member only if **all** the following are true:

a. The currency is one of the currencies LINX accepts; **and**

b. LINX announces pricing for the service in the alternative currency (see services table); **and**

c. The member is incorporated in the relevant country (see incorporation table)

8.4.2 The only currencies LINX accepts other than GBP are US Dollars, and Kenyan Shillings (KES), subject to application and other restrictions.

8.4.3 Services table

All services provided on the IXPs	**Currencies accepted**
LON1, LON2, LINX Manchester, LINX Wales, LINX Scotland	GBP
LINX NoVA	GBP, USD

LINX Nairobi, Mombasa	GBP, USD, KES

8.4.4 Incorporation table

Member is incorporated in	**Currencies accepted**
UK	GBP
USA	GBP, USD
Kenya	GBP, USD, KES
Rest of World	GBP, USD

Examples:

- Members incorporated in the UK must always pay in GBP regardless of where the service is provided.
- A Member incorporated in Kenya may pay for services on LINX Nairobi or Mombasa in KES (subject to a maximum value), GBP or USD but must pay for services on LON1 in GBP.
- A Member incorporated in the USA may pay for services on LINX Nairobi in USD or GBP.

8.5 **Requirement to settle invoices in currency of invoice.** All invoices must be settled in the currency invoiced by payment to the bank account shown on the invoice.

8.6 **Requests to change invoicing currency**.

8.6.1 **Prior to order, for orders placed via the member portal:** You will be invoiced in the currency shown on the order form on the member portal. Any change from this will be considered a request to change invoicing currency and is subject to LINX's agreement.

8.6.2 **Prior to order, for orders placed by any other means:** You must obtain written agreement from LINX specifically accepting your choice of currency, which will only be given in accordance with the section of this policy titled "Alternative currencies". Otherwise, all orders are invoiced in the currency corresponding to this policy irrespective of anything written or otherwise communicated by the Member.

8.6.3 **For future invoices:** If you wish to make payment in a currency other than in GBP, you must ask LINX to invoice you in your preferred currency. The section "Alternative currencies" sets out the circumstances in which such a request is likely to be approved. Make the request by e-mail to **finance@linx.net**.

8.6.4 **For invoices already issued:** If you wish to make payment of an invoice that has already been issued in a currency other than the currency in which it was issued, you must ask LINX to issue a credit note and reissue the invoice in the alternative currency.

Your invoice is due in the original currency unless this request is accepted. You can make the request by e-mail to **finance@linx.net.**

8.7 **Treatment of bank credits in an unexpected currency.** If you make payment to a LINX Bank Account that does not correspond to the currency of the invoice, LINX will generally hold that as a credit balance against future invoices issued in the currency received and not credit it against an invoice issued in a different currency. This means the invoice will be considered unpaid, and liable for treatment in accordance with all rules for late payment of invoices. LINX may at any time, at its discretion:

8.7.1 Repay those funds to the account that they were remitted from, or to another account agreed with you.

8.7.2 Pay those funds, or any part of them, to a LINX Bank Account corresponding to the currency of any outstanding invoice. The amount credited against your invoice will be the amount actually received in the recipient account, net of any bank charges and dealing spreads. For the purpose of calculating the date of payment of your invoice, it will be deemed to be the date that LINX exercised this option and not the date you made payment to the wrong bank account. This option is normally only applied to members in breach of the Membership Agreement or former Members where membership terminated with outstanding debts. LINX will not normally exercise this option at the Member's request.

9. Late payments

9.1 **Payments after due date.** Any payment that is received by LINX after the due date is a late payment. Where a payment is received more than 60 days after the relevant due date, this may trigger a Notice of Breach (see section 12 below).

9.2 **Interest.** Where a payment is made late, LINX reserves the right to add interest at 4% per annum above the Bank of England's base rate.

10. Credit checks

10.1 **Credit assessment.** LINX reserves the right to perform a credit assessment

10.1.1 of a prospective Member prior to accepting them as a Member; or

10.1.2 in the event of repeated late payment of invoices, whether or not a breach notice has been issued; or

10.1.3 if LINX reasonably suspects that the Member has suffered an insolvency event, or that it is likely to do so within the minimum notice period of any service; or

10.1.4 following the issue of a breach notice for any reason.

Where, in the opinion of LINX's management, the Member's credit rating or overall deemed risk is considered too high, LINX may require the Member to pay for services in advance or to pay another deposit, or may decline to accept the prospect as a Member.

11. Sanctions

11.1 **Sanctions monitoring**. LINX uses a third-party service to monitor parties that may be subject to trade restrictions or international sanctions.

11.2 **Financial sanctions**. Where a Member is unable to make payment to LINX because of international sanction, or because of compliance procedures for financial sanctions implemented by banks, or if LINX is unable to accept payment for these reasons, this may lead to a Breach notice being issued in accordance with the relevant of the Membership Agreement ("Grounds for Suspension and Termination: Non-Payment), even if the Member is able to obtain services from LINX under applicable law (for example, where the member is subject to general sanctions but has obtained a sanctions license).

11.3 **Trade sanctions**. Where LINX is unable under applicable law to provide services to a Member or to continue the Member's membership, this may result in a Breach Notice being issued in accordance with the relevant of the Membership Agreement ("Grounds for Suspension and Termination: Operation of Law").

12. Breach process

12.1 **Breach of Membership Agreement.** Where a member breaches the Membership Agreement, LINX will initially engage with the member to aim to resolve the matter, in accordance with provisions in the Membership Agreement. If a resolution is not possible within a reasonable time, LINX may commence the Breach process.

12.2 **Breach process**. The formal breach process will commence with a formal notice explain the breach, and what the member needs to do in order to rectify the breach (typically to pay long outstanding fees). If the Member fails to meet those obligations promptly, then a formal notice of disconnection will be issued. If the issue remains unresolved 24 hours later then the Member will be disconnected. Formal termination as a Member will be at the subsequent LINX Members AGM or EGM. LINX reserves the right to vary the process.

12.3 **Repeated breaches**. Where a Member has been subject to two or more breach notices, LINX may decide to issue a termination notice even if the Member has rectified the original breach.

12.4 **Administration**. Where a Member enters into an administration process, including voluntary or involuntary liquidation, then LINX reserves the right to commence a Breach process. If services continue to be provided to the member organisation, which may happen in exceptional situations, then the Member will continue to accrue service fees. Where a Member has ceased operations then LINX will stop accruing charges to the Member but this will not provide a waiver for LINX claiming fees from the administrator.

12.5 **Resigning membership**. A breached Member may decide to resign their membership to avoid going through the Breach process. This can only be done if all outstanding invoices have been paid in full.