

APPENDIX 4: CODE OF CONDUCT FOR PREMIUM RATE SERVICES

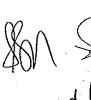
PART I: INTRODUCTORY MATTERS

1. INTRODUCTION

- 1.1 This Code of Conduct addresses the provision of Premium Rate Services by means of a public telecommunications network.
- 1.2 Premium Rate Services pertain to services by which events such as game shows, competitions, Information services and opinion polls is provided to a calling party and where part of the overall charge billed by TELKOM to the Caller is passed directly or indirectly to FONEWORX, which is providing the Premium Rate Services.
- 1.3 TELKOM shall supervise the standards, investigate complaints, monitoring services, respond to enquiries, keep statistics and give advice on policy pertaining to the Premium Rate Services.
- 1.4 Each agreement between FONEWORX and a Premium Rate Services Subscriber shall contain a provision obliging the Premium Rate Services Subscriber to comply with this Code of Conduct.
- 1.5 FONEWORX may, in respect of the provision of service content, sub contract to other individuals or organisations, or may themselves be sub contracted by others. Such other organisations or individuals are referred to as Premium Rate Service Subscribers. Regardless of the origin of the content of a service, responsibility for compliance with this Code of Conduct shall rest with FONEWORX?
- 1.6 All definitions, which appear in this Code of Conduct, shall apply throughout the whole Code.

2. ROLE OF TELKOM

- 2.1 The role of TELKOM in respect of this Code is to supervise both the content of and promotional material for, Premium Rate Services offered on its PSTN and to ensure that FONEWORX comply with the Code.
- 2.2 TELKOM shall:





- (a) set standards for the content of and the promotional material for Premium Rate Services and keep such standards under review.
- (b) monitor the Premium Rate Services offered on its PSTN to ensure that both the content and promotional material comply with the set standards.
- (d) investigate complaints relating to the content and promotional material of Premium Rate Services offered on its PSTN by FONEWORX and take such action as it may deem necessary to achieve compliance in cases where the Code has been breached.

3. GENERAL REQUIREMENTS

- 3.1 FONEWORX shall be responsible for ensuring that the content and promotion of all their Premium Rate Services (whether produced by themselves or by their Premium Rate Services Subscribers) complies with the provisions of this Code.
- 3.2 TELKOM shall allocate to FONEWORX such telephone numbers as may be required for the provision of the Premium Rate Services.
- 3.3 Before providing Premium Rate Services, FONEWORX shall notify TELKOM of the:
 - (a) name, address and telephone and facsimile number of the person representing FONEWORX, who shall also be nominated to receive all communications in connection with the application of the Code: and
 - (b) name, address and telephone and facsimile number of the person responsible for handling enquiries, should such person be different from the one referred to in (a).
- 3.4 FONEWORX shall, prior to or as soon as reasonably possible after the event, notify TELKOM of all changes or additions to the details referred to in paragraph 3.3
- 3.5 Before promoting or providing Premium Rate Services, FONEWORX shall have readily available all documentary and other evidence necessary to substantiate any factual claims made on such Premium



Rate Services, this material, together with a statement outlining its relevance, shall, if requested, be provided to TELKOM without delay.

- 3.6 The Premium Rate Services and promotional material shall not seek to take improper advantage of any characteristic or circumstance, which may make consumers or Callers vulnerable.
- 3.7 The Premium Rate Services and promotional material shall not be of a kind that is likely to mislead by inaccuracy, ambiguity, exaggeration, omission or otherwise.
- 3.8 The Premium Rate Services and promotional material shall not contain anything, which is in breach of the law, nor omit anything, which the law requires. Furthermore, Premium Rate Services and promotional material shall not facilitate or encourage anything, which is in any way unlawful.
- 3.9 TELKOM may stipulate to FONEWORX that Premium Rate Services or promotion, or a particular category of Premium Rate Services or promotion, shall not be provided on its PSTN unless TELKOM has given its prior written approval. To enable TELKOM to evaluate such Premium Rate Services or promotion it shall be entitled to request FONEWORX to provide it with such detail of the Premium Rate Services or the promotion as it may deem necessary.
- 3.10 TELKOM shall have the right to forthwith and in its sole discretion terminate the provision of any Premium Rate Services or promotion on its PSTN by FONEWORX, whether such has been prior approved or not.
- 3.11 Where FONEWORX is able to demonstrate that the intended safeguard or requirement of any provision of the Code can be adequately achieved by alternative means, TELKOM may give prior written approval for the Premium Rate Services to be provided subject to such alternative means. However, should such alternative means, in the sole discretion of TELKOM, not adequately achieve the intended safeguard or requirement, then TELKOM shall have the right to forthwith instruct FONEWORX to adhere to the means as provided for in the Code and, should such not be adhered to within a reasonable time, to terminate the provision of any Premium Rate Services or promotion affected thereby.

PART II: NATURE OF CONTENT OF PREMIUM RATE SERVICES

Sh j



4. PROTECTION OF INDIVIDUAL

- 4.1 Premium Rate Services shall not be of a kind that is likely to:
 - (a) result in any unreasonable invasion of privacy;
 - (b) induce an unacceptable sense of fear or anxiety;
 - (c) encourage or incite any person to engage in dangerous practices or to use;
 - (d) induce or promote racial or religious disharmony; or
 - (e) debase, degrade, demean or make any person subject to ridicule or contempt.
- 4.2 FONEWORX shall use all reasonable endeavours to ensure that the Premium Rate Services, which reflect a particular religious, ethical or political viewpoint, do not offend the sensibilities of those who hold different beliefs or opinions.

DECENCY

- 5.1 Premium Rate Services shall not be of a kind that are likely to:
 - (a) cause offence; or
 - (b) debase, degrade or demean.
- 5.2 Premium Rate Services shall not involve the use of foul language.
- 5.3 FONEWORX shall ensure that the Premium Rate Services are not used to promote or facilitate prostitution.

6. HONESTY

- 6.1 No Premium Rate Services shall enable a Caller to receive a prize, reward or benefit, the value of which relates only or predominantly to the duration of the Call.
- 6.2 Services which themselves promote products or services shall also comply with the provisions of Part III of the Code.



6.3 Premium Rate Services shall not, for any reason, exceed the maximum duration per Call as specified by TELKOM.

7. TECHNICAL QUALITY

FONEWORX are responsible for ensuring that the technical quality of all their Premium Rate Services are and remain in accordance with the requirements as specified by TELKOM.

PART III: PROMOTION OF PREMIUM RATE SERVICES

8. SCOPE AND DEFINITIONS

- 8.1 The following provisions apply to all forms of promotions and advertising where the intent is, either or indirectly, to encourage the use of Premium Rate Services. In the case of promotions that appear in editorial material, FONEWORX shall ensure compliance with these provisions.
- 8.2 FONEWORX shall take all reasonable steps to ensure that promotional material does not reach those for whom the Premium Rate Services concerned may be inappropriate.
- 8.3 Promotions transmitted by television, radio, telephone, facsimile or any other form of communication shall observe these provisions in the manner most reasonable and appropriate to the technology employed.
- 8.4 FONEWORX shall also comply with the provisions of the Advertising Standards Authority of South Africa Code.

9. PRICING PREMIUM RATE

- 9.1 FONEWORX shall ensure that the charge for Calls to each Premium Rate Service is clearly stated or announced in all promotions.
- 9.2 The pricing Premium Rate shall be legible, prominent and presented in a way that does not require close examination.



9.3 Where television, radio or telephone advertising is employed, Call Charge Premium Rates shall be clearly given directly after the Premium Rate Services number.

10. DECENCY

- 10.1 Promotional material shall not contain anything that is likely to:
 - (a) case offence; or
 - (b) debase, degrade or demean.
- 10.2 Promotional material shall not contain pictures or languages indicating violence sadism or cruelty, or which are otherwise of a repulsive or horrible nature.

11. HONESTY

- 11.1 Advertising material should always be designed and presented so that anyone who sees or hears it can tell, without having to study it closely, that it is an advertisement.
- 11.2 In all promotional material, the prefix number shall be separate from the rest of the telephone number so that it can be readily identified as an Premium Rate Services Rate prefix.
- 11.3 In respect of all promotions the identity and/or address of either FONEWORX or the Premium Rate Services Subscriber shall be clearly stated.
- 11.4 In the case of Premium Rate Services that are promoted in publications or other media which have a long shelf life, a statement should be included in the promotion to the effect that the Premium Rates given is correct as at the date of publication and that date should also be stated.

PART IV: PARTICULAR CATEGORIES OF PREMIUM RATE SERVICES

12. CHILDREN'S SERVICES

12.1 In this Code:

(a) a child is considered to be a person under 18 years of age;



- (b) children's publication is either one where a significant proportion of the readership is under 18 years of age, or a publication which appears to be wholly or in part intended for persons under 18 years of age;
- 12.2 Promotional material for children's services shall include a clear and prominent statement giving the maximum possible cost of the Premium Rate Services (inclusive of VAT) and stressing that is should only be used with the agreement of the person responsible for paying the telephone account.
- 12.3 Children's services, and any associated promotional material, should contain nothing which is likely to result in harm to children, or which exploits their credibility, lack of experience or sense of loyalty.
- 12.4 Premium Rate Services shall not be of a kind that might involve an invasion of privacy of any child.
- 12.5 Direct appeals to buy shall not be made to children.
- 12.6 Children's services shall not encourage children to ring other Premium Rate Services or the same Premium Rate Services again. Promotions shall not encourage excessive use of Premium Rate Services.
- 12.7 Premium Rate Services may only be provided using Premium Rate Services telephone numbers, which have been specially allocated by TELKOM for the provision of such services.

13. SERVICES OF A SEXUAL NATURE

Services of a sexual nature, including erotic and sexual entertainment or similar services as well as contact and dating services containing messages of a sexually suggestive nature, shall not be offered by TELKOM or FONEWORX as Premium Rate Services.

PART V: COMPLAINTS AND SANCTIONS

14. INVESTIGATIONS OF COMPLAINTS AND SANCTIONS

14.1 TELKOM shall investigate every complaint regarding any Premium Rate Services offered on its PSTN as soon as possible after receiving it and may thereafter, in its sole discretion take one or more of the following

actions:



- (a) inform FONEWORX to rectify, change or cease with the particular service related to the complaint; and/or
- (b) bar access to its PSTN of such service and thereafter discuss possible alternatives with FONEWORX.

and if not resolved to the satisfaction of TELKOM, then the following actions may be taken by TELKOM:

- (a) cancel this Agreement with FONEWORX; and
- (b) impose any other sanction and/or take such other action as might be appropriate in the circumstances.
- 14.2 TELKOM shall advise the originator of the complaint of the outcome of its investigation and, where applicable, the action that was taken to rectify the situation.