

Early Termination Fee Change

April 1, 2011

Overview

On April 1st, Comporium will adjust its early termination fees for customers who choose to agree to a term contract. For many term contract customers, the adjustments will allow them to terminate their contracts early at lower costs.

Like many other carriers, Comporium offers customers the option to buy handsets at steep discounts in exchange for an agreement to purchase service for a two year term. Under the early termination option, customers can complete their contract (and typically reduce their costs) by paying an early termination fee rather than completing the entire two year term.

Q: Does this change affect customers who have not completed the terms of their existing service agreement?

A: Not at all. The change will only affect customers signing new service agreements on or after 4/1/2010.

Q: What happens if a customer exchanges a smartphone within the 30 day Return Policy period for a Quick Messaging Phone (or vice-versa)?

A: There is no need to worry – ETFs are not charged for exchanging devices within the return period. Simply help your customer choose the right device and provision the new device IMEI in your point-of-sale system. The ETF will be updated based on the IMEI for the new device.

Q: What should I tell the customer who asks why they have to pay a higher ETF for a smartphone or netbook?

A: A customer who purchases a less expensive device and lower priced service plans will pay a lower ETF in the event he terminates early. A customer who purchases a more expensive device and service plan (i.e. data plan) will pay a higher ETF for terminating the higher price plan early.

Q: Will a SIM swap change the ETF?

A: No, ETF is based on the device IMEI provisioned by Comporium during a new activation, equipment upgrade or a device exchange (within 30 days of the original equipment purchase).

Q: What happens if a customer returns their upgrade equipment?

A: Nothing. Just process the return and your customer will move back to their original ETF if applicable.

Q: What happens if a customer changes their IMEI after the 30 day return period?

A: Changing devices does not affect the ETF. The fee will continue to be based on the original provisioned device.

Declining Balance Illustrations

Smart Phones & Netbooks

Month	1	2	3	4	5	6	7	8	9	10	11	12	
Fee	\$325	\$315	\$305	\$295	\$285	\$275	\$265	\$255	\$245	\$235	\$225	\$215	
Month	13	14	15	16	17	18	19	20	21	22	23	24	25+
Fee	\$205	\$195	\$185	\$175	\$165	\$155	\$145	\$135	\$125	\$115	\$105	\$95	\$0

Basic, Quick Messaging & Laptop Connect Cards

Month	1	2	3	4	5	6	7	8	9	10	11	12	
Fee	\$150	\$148	\$142	\$138	\$134	\$130	\$126	\$122	\$118	\$114	\$110	\$106	
Month	13	14	15	16	17	18	19	20	21	22	23	24	25+
Fee	\$102	\$98	\$94	\$90	\$86	\$82	\$78	\$74	\$70	\$66	\$62	\$58	\$0

ETF prior to April 1st

Month	1	2	3	4	5	6	7	8	9	10	11	12	
Fee	\$175	\$170	\$165	\$160	\$155	\$150	\$145	\$140	\$135	\$130	\$125	\$120	
Month	13	14	15	16	17	18	19	20	21	22	23	24	25+
Fee	\$115	\$110	\$105	\$100	\$95	\$90	\$85	\$80	\$75	\$70	\$65	\$60	\$0

NOTE: For new customers, the ETF is waived when service is cancelled during the first 30 days and when equipment is returned based on the Returns Policy guidelines.