

agents or representatives, to make a warranty of any kind on our behalf and you should not rely on any such statement.

8. Credit Allowances for Interruptions

If an interruption or failure of Services is caused solely by IDT and not by you or a third party or other causes beyond our reasonable control, you may be entitled to a credit allowance as specified in the applicable IDT Service Manual.

9. Disputes

The Customer agrees to the following:

Notice of a dispute as to rates, terms and/or conditions of service must be received in writing by IDT within thirty (30) days after an invoice is rendered or Customer is otherwise informed of the disputed matter. Absent receipt of such notice, any IDT rate, term condition and/or invoice will be deemed correct and binding on the Customer.

If a Customer or former Customer ("Customer") has a dispute with IDT, prior to the filing with any adjudicatory body by the Customer or by another on the Customer's behalf of any complaint, notice or other document regarding any disagreement or complaint over any of the rates, terms and/or conditions of service provided by IDT to the Customer, the Customer will first contact IDT Customer Service at 520 Broad Street, Newark, New Jersey 07102 for resolution of the disagreement or complaint.

No dispute may be joined with another dispute or lawsuit or dispute of another person or resolved on a class wide basis.

10. Miscellaneous

a. No Third Party Rights This Agreement does not provide any third party with a remedy, claim, or right of reimbursement.

b. Acts Beyond Our Control Neither you nor we will be responsible to the other for any delay, failure in performance, loss or damage due to fire, explosion, power blackout, earthquake, volcanic action, flood, the weather elements, strike, embargo, labor disputes, civil or military authority, war, acts of God, acts or omissions of carriers or suppliers, acts of regulatory or governmental agencies, or other causes beyond our reasonable control.

c. Assignment We can assign all or part of our rights or duties under this Agreement without notifying you. If we do that, we have no further obligations to you. You may not assign this Agreement or the Services without our prior written consent.

d. Notices Notices from you to IDT must be provided as specified in this Agreement. Notice from you to IDT made by calling IDT is effective as of the date that our records show that we received your call or other means of contacting IDT.

IDT's notice to you under this Agreement will be provided by one or more of the following: posting on our web site, recorded announcement, bill message, bill insert, newspaper ad, postcard, letter, call to your billed telephone number, or e-mail to an address provided by you.

e. Separability If any part of this Agreement is found invalid, the rest of the Agreement will remain valid and enforceable.

f. Governing Law This Agreement will be governed by the law of the State of New York, without regard to its choice of law rules. This governing law provision applies no matter where you reside, or where you use or pay for the Services.

g. Entire Agreement This Agreement (which incorporates by reference the IDT Service Manual) constitutes the entire agreement between us and supersedes all prior agreements, understandings, statements or proposals, and representations, whether written or oral. This Agreement can be amended only as provided in Section 11 below. No written or oral statement, advertisement, or service description not expressly contained in the Agreement will be allowed to contradict, explain, or supplement it. Neither you nor IDT is relying on any representations or statements by the other party or any other person that are not included in this Agreement.

11. Changes to the Agreement

This Agreement may only be changed in the manner provided for in this Section 11. We may change this Agreement, including the incorporated IDT Service Manual, from time to time. If we make any changes to the prices or charges, we will comply with our notice commitments described in Section 3 of this Agreement. With respect to all other changes to this Agreement, we will notify you of the changes, and they will be effective no sooner than three (3) days after we post them at www.idt.net. You may also request a copy of the revised Agreement, including revised IDT Service Manual for the services you are enrolled in, by calling IDT toll free at 1 (800) 889-9126.

If you continue to be enrolled in, use, or pay for the services after any changes in the prices, charges, terms or conditions, you agree to the changes.

12. Enrollment in Another IDT Service

To enroll in an additional Service, or to switch from your existing Service to a different Service, you must notify us by: (1) returning an enrollment form provided in IDT marketing materials; (2) calling the IDT customer service number on your IDT bill; (3) calling the IDT customer service number provided in IDT marketing materials; or (4) going to our web site at www.idt.net and following any further instructions provided for enrollment. The terms and conditions of this Agreement, including those in the incorporated IDT Service Manual, will apply to the new or additional IDT Service.

By enrolling in, using, or paying for these new or additional services, you agree to the prices, charges, terms and conditions in this Agreement.



520 Broad Street
Newark, New Jersey 07102
www.idt.net

NYSE:IDT, IDT.C

IDT CUSTOMER SERVICE AGREEMENT

1. Introduction

This IDT Customer Service Agreement ("Agreement") sets forth the prices, charges and terms and conditions that apply to the interstate and international services you receive from IDT Corporation, IDT America Corp., and any IDT affiliates authorized to provide you with IDT services.

By registering to use, using or paying for these services, the Customer agrees to the prices, charges and terms and conditions in this Agreement and any changes that may be made to the Agreement, in accordance with the procedures described herein.

If you have any questions about the prices, charges or terms and conditions, do not use the services and contact IDT immediately at 1 (800) 889-9126.

If you do not agree to the prices, charges and terms and conditions, do not use the services and cancel the services by calling IDT immediately at 1 (800) 889-9126 for further instructions.

2. Definitions

"You" and "Your" mean the customer of the IDT services defined below.

"IDT," "We," "Our," and "Us" mean IDT Corporation, IDT America Corp., and any IDT affiliates authorized to provide you with IDT services.

"Service" or "Services" means: (1) the IDT interstate and international telecommunications services you are enrolled in, use, or pay for that IDT provided to you under tariffs filed with the Federal Communications Commission as of July 31, 2001; and (2) any new or additional IDT interstate and international consumer telecommunications services that you enroll in, use, or pay for, after July 31, 2001.

"IDT Service Manual" contains the specific prices and charges, service descriptions and other terms and conditions not set forth here that apply to each of your Services. This Agreement does not cover IDT local services or IDT in-state long distance services. You can review the IDT Service Manual on our web site at www.idt.net or request a copy of the IDT Service Manual by calling IDT toll free at 1(800) 889-9126.

This Agreement incorporates by reference the prices, charges, terms and conditions included in the IDT Service Manual.

3. Charges and Payment

a. General You agree to pay us for the Services at the prices and charges listed in the IDT Service Manual. The prices and charges for any particular call may depend on a number of factors listed in the IDT Service Manual, including, but not limited to, the duration of a call the distance called, and the type of service. Service types include, but are not limited to, presubscribed long distance calls, travel card calls, prepaid calling card calls and rechargeable calling card calls. The prices and charges for the Services may also include additional fees, including, but not

limited to, monthly fees, monthly minimums, taxes, the National Carrier Charge, Universal Service Fund and other surcharges or connection charges.

b. Price Changes We may change the prices and charges for the Services from time to time. Increases to the prices or charges for the Services are effective no sooner than three (3) days after we post them on our web site at www.idt.net. Increases to charges that recover our costs associated with government mandated and/or permitted taxes, fees or other remittances are effective no sooner than one (1) day after we post the increases on our web site. We will provide further notices of increases to the prices and charges as follows: For the Services covered by this Agreement, IDT will list any rate increases on our Service Manual, located at our primary place of business, 520 Broad Street, Newark, New Jersey 07102-3111 as well as on our website: www.idt.net. Additionally, you may contact IDT's Customer Service Representatives at 1 (800) 889-9126 if you have any questions about your interstate or international rates.

IDT may decrease prices without providing advance notice.

For the following types of calls, we will provide you the prices and charges if you request this information at the time you make a call: IDT Prepaid Calling Card calls; Presubscribed Long Distance calls, Rechargeable Calling Card calls and Travel Card calls.

c. Payments You must pay all bills or invoices on time (on or before the due date) and in U.S. money. We do not waive our right to collect the full amount due if you pay late or you pay part of the bill, even if you write the words "Paid in Full" (or similar words) on any correspondence to us.

If you make any late payments, and we bill you for the Services, we will charge you a late fee of 1.5%, which we apply to that period's charges and any outstanding charges and late payment charges that remain unpaid at the time of the next bill. If the state law where you receive the Services requires a lower rate, we will apply that rate.

If your check, bank draft or electronic funds transfer is returned for insufficient funds, we will bill you an additional \$25.00. If the state law where you receive the Services requires a lower amount, we will charge you that amount. When payment is made by credit card, payment will also be subject to terms and conditions required by the credit card issuer.

d. Charges and Billing Charges accrue through a full billing period. We may prorate or adjust a bill if the billing period covers less than or more than a full month. (For this purpose, each month is considered to have 30 days.) To determine the charge for each call, we round up to the next full billing increment applicable. We will determine the format of the bill and the billing period, and we may change both the bill format and the billing period from time to time.

You are responsible for preventing the unauthorized use of the Services, and you are responsible for payment for any such unauthorized use.

e. Taxes and Other Assessments You must pay all taxes, fees, surcharges and other assessments that we bill you for the

Services, unless you can show documentation satisfactory to us that you are exempt. Taxes and surcharges will be in the amounts that federal, state and local authorities require and/or permit us to bill you. We will not provide advance notice of changes to taxes and surcharges, except as required by applicable law.

f. Credit Check and Deposits You give us permission to obtain your credit information from consumer credit reporting agencies at any time. If we bill you for the Services and we determine that you may be a credit risk for (1) unsatisfactory credit rating; (2) insufficient credit history; (3) fraudulent or abusive use of any IDT services or services provided by a similarly situated entity within the last five years; or (4) late payments for current or prior bills, we may require a deposit (or an advance payment as permitted by state law) to ensure payment for the Services. The amount of the deposit will be no more than any estimated one-time charges required for the Services, plus three months of the estimated average per-minute charges and/or monthly fees for the Services. We will pay simple interest at the annual rate of 1% on the deposit, subject to the state law where you receive the Services. If you fail to pay for the Services when due, we may use the deposit without giving notice to you. If you pay undisputed bills by the due date for twelve consecutive billing months, we will credit the deposit to your account. If a credit balance remains on your account, we will refund or credit that amount.

g. Credit Limits If we bill you for the Services, we may set a credit limit based on your payment history or your credit score from consumer credit reporting agencies. You may contact IDT's customer service representatives for information on your credit limit. If you exceed your credit limit, we will restrict your access to the Services, including direct-dialed, operator-assisted, and calls requiring a 900 or 976 prefix. Access to emergency services will not be affected by this restriction. If you fail to make timely payments, we may also lower your credit limit.

4. Suspending/Canceling Service

a. Your Cancellation of the Services If you use more than one Service, you may change or cancel individual Services by calling the IDT customer service number on your IDT bill, subject to the applicable terms and conditions in the IDT Service Manual. This Agreement remains in effect for any Services that you continue to be enrolled in, use, or pay for. If you want to cancel all of the Services, discontinue your use of all the Services and call us toll free at 1(800) 889-9126 for further instructions. Upon a subscriber's request, IDT will cancel service. Subscribers are on notice that due to technical factors and other considerations, cancellation may not be implemented immediately and subscribers will be responsible for all costs incurred until cancellation is complete. If a subscriber is unsure whether a cancellation has been completed, the subscriber should contact IDT Customer Service at 1(800) 889-9126.

b. Fraudulent Use You will not use the Services for any unlawful, abusive, or fraudulent purpose, including, for example, using the Services in a way that (1) interferes with our ability to provide Services to you or other customers; or (2) avoids your obligation to pay for the Services. If IDT has reason to believe that you or someone else is abusing the Services or using them fraudulently or unlawfully, we can immediately suspend, restrict,

or cancel the Services without advance notice.

c. Failure to Pay Upon advance notice, we may suspend, restrict, or cancel the Services and this Agreement, if you do not make payments for current or prior bills by the required due date, including payments for late fees or any other required additional charges.

d. Other IDT may from time to time discontinue certain Services, subject to applicable law and regulation.

e. Outstanding Charges If Services are suspended, restricted, or canceled, any charges will accrue through the date that IDT fully processes the suspension, restriction or cancellation. You must pay all outstanding charges for these Services, including payment of any bills that remain due after the date of cancellation. Subject to Section 9, you must reimburse us for any reasonable costs we incur, including attorneys' fees, to collect charges owed to us. If you want us to renew the Services, we may require that you pay a deposit.

5. Indemnification

You agree that IDT shall not be responsible for any third-party claims against us that arise from your use of the services. Further, you agree to reimburse IDT for all costs and expenses related to the defense of any such claims, including attorneys' fees, unless such claims are based on our willful misconduct or gross negligence. This provision will continue to apply after the agreement ends.

6. Limitations of Liability

This section describes our responsibility for any claims you make for damages caused by the failure of the services, or any other claims in connection with the services or this agreement.

If our negligence causes damage to person or property, we will be liable for no more than the amount of direct damages to the person or property. For any other claim, we will not be liable for more than the amount of our charges for the services during the affected period. For all claims, we will not be liable for indirect or consequential damages, including but not limited to lost profits or revenue or increased costs of operation. We also will not be liable for punitive, reliance or special damages. These limitations apply even if the damages were foreseeable or we were told they were possible, and they apply whether the claim is based on contract, tort, statute, fraud, misrepresentation, or any other legal or equitable theory.

We will not be liable for any damages if services are interrupted, or there is a problem with the interconnection of our services with the services or equipment of some other party. This section will continue to apply after the agreement ends.

7. Warranties

Except as this agreement expressly states, we make no express warranty regarding the services and disclaim any implied warranty, including any warranties of merchantability or fitness for a particular purpose. We also make no warranty that the services will be uninterrupted or error free. We do not authorize anyone, including, but not limited to, IDT employees,