

CREDIT POLICY AND TERMS & CONDITIONS OF SALE

Australian Water Engineers focuses on achieving the highest technical and quality standards possible, and the best service to Customers in the market. The mechanism for this is engineering expertise and commitment to excellence in all aspects of the business. In order to achieve our goals, the company has a standard credit policy and Terms and Conditions of Sale. We would appreciate all our Customers read carefully and fully understand the following.

TERMS AND CONDITIONS OF SALE

1. AWE will provide a written quotation according to the Customer/Purchaser's enquiry. Unless otherwise previously agreed in writing the Customer/Purchaser agrees to accept the quotation in writing and submit a Purchase Order to AWE.

It is thereby agreed by the Customer/Purchaser that these Terms and Conditions of Sale and the quotation constitute the entire agreement between AWE and the Customer/Purchaser with respect to the supply of the Goods quoted and purchased. All other terms and conditions, including any terms and conditions provided or referenced by the

Customer/Purchaser at any time, whether or not received or acknowledged by AWE will be void and unenforceable and will not in any way affect the application or operation of these Terms and Conditions of Sale unless otherwise previously agreed in writing.

Unless otherwise previously agreed in writing, prices are to be stated on the Purchase Order which is based on the Quotation and the Customer/Purchaser agrees to pay AWE on or before the payment date. AWE payment terms are net 30 days from date of invoice for approved account holders unless otherwise previously agreed in writing. Alternative payment arrangements will be stated on the quotation or can be arranged at time of purchase. Overdue payments may cause interest charges. All payments and interest charges are payable in Australian Dollars.

AWE quotation price shall, unless AWE otherwise directs, be deemed at all times to be exclusive of GST. AWE will provide a tax invoice and the Customer/Purchaser agrees to pay GST.

- 2. Any orders the whole or part, placed and accepted by AWE shall not be cancelled by the Customer/Purchaser except by:
 - · Agreement in writing between both parties;
 - Agreed compensation for any work done and for any costs and expense incurred or committed for the supply of Goods/Services;
 - Upon any other reasonable terms as determined by AWE for the cancellation by the Customer/Purchaser.
- 3. If agreed in writing, the Customer/Purchaser may request delivery to be arranged by AWE, where it will be deemed to take place upon the dispatch of the Goods from AWE's warehouse or factory. Unless otherwise previously agreed in writing, unloading at place of delivery is not included in the delivery price. Unless otherwise previously agreed in writing, under no circumstances will AWE become liable to pay liquidated damages in the event of late delivery. Unless otherwise previously agreed in writing, the Customer/Purchaser agrees to cover: any custom duties, port costs or charges, storage taxes, surcharges and levies. The risk in the Goods passes to the Customer/Purchaser upon the goods being delivered to the Customer/Purchaser. Unless otherwise stated, AWE shall not be liable for any delay in delivering caused by a Force Majeure event beyond its reasonable control during the transit.
- 4. The Customer/Purchaser agrees the ownership/title of the Goods will only be transferred to the Customer/Purchaser after the Purchase Price has been fully paid. AWE shall retain full title in the Goods until there is no amount owing under the contract.
- 5. Unless otherwise previously agreed in writing, the Customer/Purchaser agrees that AWE provides the Customer/Purchaser access to or the use of Goods, all title in the Intellectual Property shall remain the property of AWE, and nothing in this contract shall be taken to be deemed assignment or licence of the Intellectual Property to the Customer/Purchaser. The Customer/Purchaser agrees not to modify, reverse engineer, improve or upgrade the goods.

The Customer/Purchaser agrees to keep the contract and Intellectual Property strictly confidential. No Confidential Information or Intellectual Property should be disclosed unless:

- · Required by law; or
- To its employees, agents and consultants on a need-to-know basis and must ensure that such persons also observe the confidentiality attached to the Confidential Information or Intellectual Property.

The Customer/Purchaser agrees to strictly comply with AWE's policy in regards to handling the Confidential Information or Intellectual Property, such as return of any Intellectual Property to AWE, or to delete or to destroy from the Customer/Purchaser's records and systems of any Confidential Information or Intellectual Property.

- 6. Unless otherwise previously agreed in writing, the Customer/Purchaser agrees that under the contract, any goods to be ordered by the Customer/Purchaser shall be manufactured in accordance with AWE's design and specifications. Unless materials for the goods are specified on the contract, AWE will use standard materials which are available or from the most suitable alternative where the standard materials are not available.
- 7. All performance data of the goods supplied by AWE is intended to be a reasonable estimate of the performance of the goods expected under appropriate conditions and within the certain defined parameters and tolerance limits at time of testing.
- 8. Unless otherwise previously agreed in writing, AWE warrants that any goods which within a period of 12 months from delivery and upon examination by AWE, are found to be faulty in workmanship, material or design whereby they are unsuitable, under proper usage and service for the purpose for which they are intended, and under proper maintenance in accordance to AWE's specifications and /or the materials will be AWE's sole discretion:
 - · Replaced free of charge
 - · Repaired or recertified by AWE

The warranty does not apply where:

- Goods are not put to proper usage, application or service, or goods are put in conditions outside of defined or specified parameters, conditions and tolerance limits for manufacture:
- A defect results from the Customer/Purchaser's specifications (if supplied);
- A defect results from careless or improper handling by the Customer/Purchaser, incorrect fitting, non-observance of operating, maintenance or installation instructions, by repair or attempted repair by the Customer/Purchaser or a third party without the consent of AWE in writing.
- 9. The Customer/Purchaser agrees that AWE has the right to terminate the contract immediately at its discretion if the Customer/Purchaser:
 - Becomes bankrupt or insolvent
 - Makes any arrangement with its own creditors
 - Suffers a receiver to be appointed or
 - Enters into liquidation
 - Is in breach of these Terms and Conditions of Sale

Under such a circumstance, the price for all goods delivered and in the course of manufacture shall immediately become due and payable.

The Customer/Purchaser agrees to provide AWE written notice as soon as the Customer/Purchaser anticipates that an event in Clause 9, will occur or has occurred.

- 10. The Customer/Purchaser agrees that AWE has no liability in respect of Customer/Purchaser's own business costs, profit, goodwill etc. AWE's liability in respect of express warranties is limited to the remedies set out in Clause 8 only and under no circumstances will AWE be liable for any Third Party costs, indirect or consequential loss whatsoever.
- 11. Should any dispute arise in relation to the contract between AWE and the Customer/Purchaser, then either party may give the other party a written notice setting out the nature of the dispute. Each party's senior representatives must respond timely and actively seek to resolve the dispute in good faith. Where the dispute is not resolved within a reasonable timeframe, the general rules shall be applied and the dispute shall be finally settled under the Rules of Arbitration.
- 12. AWE shall not be or be deemed to be in default or breach of any contract as a result of a Force Majeure event.