SOFTWARE LICENCE AGREEMENT

This Agreement is made between the Purchaser ("Customer") and CHK Power Quality Pty Ltd ("Supplier") on the day the Customer buys the Licensed Program.

It is understood that:

A: The Customer has received and evaluated the Licensed Program from the Supplier and the Customer has satisfied itself that the Licensed Program meets its requirements;

B: The Supplier has agreed to License the Customer to use certain modules of the Licensed Program, and requires that the Customer execute this Agreement for the installation and usage of the Licensed Program; and

C: The Customer and Supplier hereto have agreed upon the terms and conditions set out below.

NOW THIS AGREEMENT WITNESSES as follows: -

DEFINITIONS

“Additional Charge” means a charge in accordance with the Supplier’s standard rates in effect from time to time, payable by the Customer;

“Associated Documentation” means operating manuals and other printed or electronic materials including user manuals and on-line documentation which are designed to assist or supplement the understanding or use of the Licensed Program;

“Commencement Date” means the date this Agreement is made;

“Designated Equipment” means the computer equipment designated in Schedule B;

“Force Majeure” means an act, event, non-happening, omission, accident or act of God beyond reasonable control of either party, including strikes, civil strikes, riots, wars, threats of or preparation for war, fire explosion, storm, flood, earthquake, subsidence, epidemics or failure of plant;

“Installation Date” means the date of installation of the Licensed Program on the Designated Equipment;

“Licence” means the Licence granted by the Supplier to the Customer under this Agreement;

“Licence Fee and Charges” means the fees payable by the Customer to the Supplier for the use of the Licensed Program and for the provision of the goods and services as specified in Schedule C;

“Licensed Program” means the computer program(s) designated in Schedule A consisting of a set of instructions or statements in machine readable medium only and any enhancement, modification or new release of the said program(s);

“Software Maintenance Agreement” means the agreement entered into between the Supplier (or a reseller authorised by the Supplier) and the Customer on or after the Commencement Date to provide maintenance and support services in relation to the Licensed Program;

“Specifications” means the features of the Licensed Program detailed in the Associated Documentation; and

“Site” means the location designated in Schedule B where the Licensed Program is installed.

GRANT OF LICENCE

2.1 The Supplier hereby grants to the Customer a non-transferable (subject to clause 2.4) and non-exclusive Licence to use the Licensed Program and the Associated Documentation, on the Designated Equipment or such other equipment as approved for in clause 7.2, at the Site or such other site as provided for in clause 7.3.

2.2 The grant of the licence under this Agreement is limited to the software modules and number of users as detailed in Schedule A (subject to adjustment as provided by clause 7.6) and the Customer agrees not to use any techniques to exceed these limits. The Supplier reserves the right to audit the Customer’s compliance with these licence terms from time to time.

2.3 The licence granted under this Agreement is only for the use by the Customer, and by any subsidiary or associated company of the Customer, and by any franchisee of the Customer, subject to the Customer remaining responsible for such use. For the avoidance of doubt, this clause does not prevent use of the Licensed Program by contractors engaged by the Customer.
2.4 The Licensed Program may be transferred in full to another related company for the purpose of the company re-organisation, with written consent of the Supplier which shall not be unreasonably withheld, and subject to finalisation of all unpaid accounts.

DURATION OF AGREEMENT

This Agreement commences on the Commencement Date and will continue until terminated by the Supplier pursuant to this Agreement. Where the Installation Date was earlier than the Commencement Date, this Agreement shall be deemed to have taken effect on and from the Installation Date and shall apply retrospectively in respect of the Licence and parties’ respective rights and obligations in relation thereto.

OPERATIONAL CHARACTERISTICS

4.1 Prior to the Commencement Date, the Supplier has demonstrated to the Customer the Operational Characteristics of the Licensed Program.

4.2 The Supplier may alter, substitute or modify the Operational Characteristics of the Licensed Program from time to time but in a manner not inconsistent with the Specifications and provided that the Operational Characteristics of the Licensed Program are not adversely affected. The Licensed Program will continue to be subject to this Agreement notwithstanding any such alteration, substitution or modification.

DOCUMENTATION

5.1 One (1) set of the relevant Associated Documentation shall be supplied with the Licensed Program at no extra charge. If the Customer requires more than one (1) set, an Additional Charge shall apply.

5.2 The Associated Documentation may be copied by the Customer for use only within the Customer's business, and shall not be used by the Customer other than to assist in the normal use of the Licensed Program. Where the Supplier provides the Customer with copies of the Associated Documentation on electronic media, the Customer shall be permitted to incorporate the contents of such documentation in procedure manuals to assist the Customer's staff in the use of the Licensed Program.

5.3 The Supplier warrants that the Associated Documentation contains information that is sufficiently detailed to provide basic understanding of the Operational Characteristics of the Licensed Program.

LICENCE FEES AND CHARGES

6.1 The Customer shall pay the Licence Fee and Charges in accordance with the terms detailed in Schedule C. The Supplier may restrict access to the Customer to the Licensed Program in the event that such terms are not complied with.

6.2 All fees and charges payable by the Customer under this Agreement are exclusive of any taxes, duties, fees, or other government levies or charges other than Income Tax payable by the Supplier which may be imposed on or in respect of Licensed Program, its use or its maintenance, under this Agreement or otherwise, which become effective due to changes in government regulations after the date of this Agreement. Such taxes, duties, fees, or other government charges shall be paid by the Customer immediately they become due, and in any event not later than thirty (30) days after notice in writing by the Supplier requiring such payment. The Customer shall fully indemnify and hold harmless the Supplier against all payments made by the Supplier which are the Customer's responsibility under this clause.

6.3 If any payment owing to the Supplier is not made within thirty (30) days of the due date as stated in the terms on the invoice, and the Supplier has not received written notice of a dispute related to the invoice, the Supplier may, with seven (7) days' notice in writing to the Customer:

(a) suspend further services or its remaining obligations to the Customer under this Agreement until such payment has been made;

(b) disable access by the Customer to any software modules or software user licence upgrades that relate to the outstanding amount, until such payment has been made; and

(c) charge the Customer interest at the rate of two (2) percentage points above the then current published overdraft rate of the Commonwealth Bank of Australia on a pro-rata basis on all overdue amounts from the due date until payment is made.

6.4 In this clause 6.4, terms have the meanings given to them in the A New Tax System (Goods and Services Tax) Act 1999.

(a) Except where this document states otherwise an amount payable by a party for a taxable supply
made by another party under this document is expressed as a GST exclusive amount.

(b) If this document requires a party to pay an amount in respect of an expense or liability ("Reimbursable Expense") incurred by another party ("Payee") to a third party, the reimbursable Expense must be net of any input tax credit to which the Payee is entitled in respect of the Reimbursable Expense.

(c) If a party makes a taxable supply under this document, then the party liable to pay for the taxable supply must also pay to the Supplier the GST payable in respect of the taxable supply at the time payment for the taxable supply is due.

(d) A party is not obliged under this clause to pay the GST on a taxable supply to it, until given a valid tax invoice for the supply.

LICENCE

7.1 The Supplier warrants it has the right and authority to grant the Licence to the Customer.

7.2 The Licensed Program may be transferred to equipment other than the Designated Equipment with the written consent of the Supplier which shall not be unreasonably withheld.

7.3 The Licensed Program may be transferred by the Customer to a site other than the Site upon written advice to the Supplier.

7.4 The Customer agrees to allow the Supplier to publicly acknowledge that the Customer utilises the Licensed Program in the operation of its business, subject to the Customer agreeing to the form and content of such acknowledgement.

7.5 Nothing in this Agreement shall oblige the Supplier to maintain the Licensed Program, whether by providing upgrades or enhancements or otherwise. Such maintenance shall be the subject of a separate Software Maintenance Agreement between the parties.

7.6 If, after the date of this Agreement, the Customer purchases from the Supplier any additional Software modules or increase in the number of concurrent users beyond those shown in Schedule A, these will automatically be included as part of the Licensed Program for the purpose of this Agreement from the date of their installation by the Supplier.

8.1 The Supplier shall install the Licensed Program on the Designated Equipment during the Supplier’s normal business hours and the Customer shall give the Supplier such reasonable assistance, including the provision of personnel and equipment, as the Supplier considers necessary to ensure satisfactory installation.

8.2 The Purchaser may be provided access to online services, where the Purchaser can download and install the Licensed Program.

COPYING

9.1 Except as provided for in clause 9.2, the Customer shall not copy or reproduce the Licensed Program by any means or in any form without the Supplier’s prior written consent.

9.2 The Customer may copy the Licensed Program for the purpose of backup and security, and may store such copies at a site which is not the Site. Any such copies of the Licensed Program are subject to the terms of this Agreement.

9.3 The Supplier warrants that it is the owner of, or has the right to license, copyright in the Licensed Program and the Associated Documentation. The Customer shall ensure any copy of the Licensed Program bears notice of such ownership of copyright and a notice stipulating the Licensed Program contains information confidential to the Supplier. The Customer shall comply with any reasonable directions of the Supplier as to the form or content of such notices.

MODIFICATIONS

10.1 The Customer shall not modify or alter the Licensed Program or merge all or any part of the Licensed Program with other computer program(s).

10.2 The Supplier may agree to modify the Licensed Program as requested by the Customer, subject to written agreement between the Supplier and the Customer on the specifications and price to be paid by the Customer for such modification.

10.3 The Licensed Program and the intellectual property rights to the Licensed Program remain the property of the Supplier even if modified or altered in accordance with clause 10.2 and this Agreement will continue to apply to that modified or altered Licensed Program.

REVERSE ENGINEERING
The Customer shall not reverse assemble or reverse compile or directly or indirectly allow or cause a third party to reverse assemble or reverse compile the whole or any part of the Licensed Program.

SECURITY

12.1 The Customer will be solely responsible for the use, supervision, management and control of the Licensed Program.

12.2 The Customer will use all reasonable endeavours to ensure that the Licensed Program is protected at all times from access, use or misuse, damage or destruction by an person not authorised by the Supplier for that purpose.

12.3 The Customer shall keep accurate records of copying and modification of the Licensed Program. The Customer shall permit the Supplier to inspect such records at any time during the Customer's normal business hours, provided the Supplier has given the Customer at least forty-eight (48) hours prior written notice.

CONFIDENTIALITY

13.1 Each party to this Agreement shall treat as confidential information which comes into its possession, pursuant to or as a result of or in the performance of this Agreement, whether such information relates to the business, sales, marketing or technical operations of the other party, or the intellectual or industrial property rights of the other party, or otherwise, and may only disclose such details to those of its employees by whom it is reasonably required to enable them to carry out their obligations under this Agreement, and to its professional advisors for the purpose of obtaining advice in relation to this Agreement.

13.2 Subject to clause 13.1, neither party shall, without the written permission of the other, copy or cause to be copied or disclose such confidential information to a third party.

13.3 The foregoing obligations and commitments not to disclose confidential information shall not apply to:

(a) confidential information which is at the time of disclosure or thereafter becomes part of the public domain through no act or omission by the receiving party;

(b) confidential information which was otherwise in a party’s possession prior to disclosure, as shown by written records;

(c) confidential information which is hereafter lawfully disclosed to a party by a third party which did not acquire the confidential information under an obligation of confidentiality from or through the other party; or

(d) confidential information which is required to be disclosed by law.

13.4 The obligations of each party under this clause shall survive the termination of this Agreement.

EMPLOYEES AND CONTRACTORS

Subject to the laws in force for the time being relating to the validity of restrictive covenants, neither party shall solicit for employment, whether directly or indirectly through an associated or subsidiary company or otherwise, any person who is employed by the other party during the term of this Agreement. The restriction does not apply to job advertisements.

INTELLECTUAL PROPERTY RIGHTS

15.1 For the purposes of this clause 15, any reference to the Licensed Program will include a reference to the Associated Documentation. The Supplier warrants that the Licensed Program does not infringe the industrial or intellectual property rights of any third party.

15.2 Subject to clauses 15.4 and 15.5, the Supplier shall indemnify the Customer and hold the Customer harmless against any costs, losses, expenses or liability arising out of claims brought about by a third party against the Customer for any infringement or any alleged infringement of any industrial and intellectual property rights arising from the use by the Customer of the Licensed Program.

15.4 The Supplier will not indemnify the Customer as provided in clause 15.2 unless the Customer:

(a) notifies the Supplier in writing as soon as practicable after it becomes aware of any infringement, suspected infringement or alleged infringement;
(b) at the Supplier’s request, gives the Supplier the option to conduct the defence of such a claim at its own expense, including negotiations for settlement or compromise prior to the institution of legal proceedings;

(c) at the Supplier’s request, provides the Supplier with reasonable assistance in conducting the defence of such claims at the Supplier’s own expense;

(d) at the Supplier’s request, permits the Supplier to modify, alter or substitute the Licensed Program, at the Supplier’s own expense, to render it non-infringing provided that the Licensed Program as so modified, altered or substituted satisfies the Specifications and that the operational characteristics of the Licensed Program are not adversely affected; and

(e) at the Supplier’s request, authorises the Supplier to procure for the Customer the authority to continue the use and possession of the Licensed Program at the Supplier’s own expense.

15.5 The Supplier will not indemnify the Customer if such infringement, suspected infringement or alleged infringement arises from modification or alteration of the Licensed Program by any person other than the Supplier, if the unmodified version of the Licensed Program as supplied by the Supplier would not give rise to such infringement.

15.6 The Customer shall indemnify and hold harmless the Supplier against any loss, costs, expenses, demands or liability, whether direct or indirect, arising out of a claim by a third party alleging such infringement if, and only to the extent that:

(a) the claim arises from an event specified in clause 15.5;

(b) the ability of the Supplier to defend the claim has been prejudiced by the failure of the Customer to comply with the provisions in clause 15.4; or

(c) information provided to the Supplier by the Customer to enable the Supplier to enhance or develop the Licensed Program encroaches upon any industrial or intellectual property rights of a third party.

15.7 Subject to clauses 15.4 and 15.5, in the event that the Licensed Program infringes the industrial or intellectual property rights of a third party the Supplier shall modify, alter or substitute the Licensed Program to render it non-infringing but so that it still satisfies the specifications, or shall procure for the Customer the authority to continue the use and possession of the Licensed Program, at the Supplier’s own expense.

WARRANTIES

16.1 The Supplier warrants that the Licensed Program will be properly installed and will satisfy the Specifications.

16.2 The Supplier does not warrant:

(a) the Licensed Program is error free, however the Supplier does warrant that it shall use its best endeavours to ensure the Licensed Program is error free;

(b) the use of the Licensed Program shall be interrupted however, the Supplier does warrant that any such interruption shall not be unreasonable;

(c) the Licensed Program shall meet the Customer’s total requirements other than as set out in the Specifications; or

(d) the Licensed Program shall provide any function not in the Specifications.

16.3 The Supplier shall promptly either rectify or replace all or any parts of the Licensed Program at its own expense, which are defective provided that such defect has been notified in writing by the Customer at any time while the Customer has a current Software Maintenance Agreement in relation to the Licensed Program.

16.4 The Supplier will not be liable to remedy any defect in the Licensed Program if and to the extent that:

(a) the defect is a result of alterations or modifications to the Licensed Program except alterations or modifications made pursuant to clause 10.2;

(b) the defect is the result of use of the Licensed Program in combination with equipment, programs or services not authorised in writing by the Supplier;

(c) the defect is the result of use of the Licensed Program other than in the operating environment.
recommended by the Supplier in the Associated Documentation or other than in accordance with the Supplier’s directions; or

(d) the defect is the result of failure of the Customer to meet its obligations under this Agreement or any other agreement relating to the Licensed Program.

16.5 The Supplier acknowledges the Designated Equipment detailed in Schedule B and warrants that subject to the installation of the equipment being in accordance with the specifications of the equipment manufacturer, or the installation of the equipment has been performed by the Supplier, the Licensed Program will operate in accordance with this Agreement.

LIABILITY

17.1 Except as expressly provided to the contrary in this Agreement, all terms and conditions, warranties, undertakings, inducements, or representations whether express, implied or otherwise relating in any way to the Licensed Program or to this Agreement are excluded.

17.2 Except as provided by law, the total liability of each party to the other in respect of any loss or damage however, caused, which may be suffered or incurred or which may arise directly or indirectly in respect of the Licensed Program or the failure or omission on the part of the party to comply with its obligations under this Agreement, shall be limited to $10,000 (Australian dollars), or the aggregate total of amounts paid by the Customer to the Supplier under this Agreement, whichever amount is the greater. Neither party will have any liability for any indirect, incidental, special, punitive or consequential loss or damage, loss of use, revenue, profits, goodwill, loss of business opportunities and/or profits, anticipated savings, loss or corruption of data from any cause, and whether or not such party was aware or ought reasonably to have been aware of the possibility of such loss or damage.

17.3 Where any Act of Parliament implies in this Agreement any term, condition or warranty, and that Act voids or prohibits provisions in a contract, excluding or modifying the application of an exercise of, or liability under such term, condition or warranty, such term, condition or warranty shall be deemed to be included in this Agreement. However, the liability of the Supplier for any breach of such term, condition or warranty shall be limited, at the option of the Supplier, having due regard to the best interests of

the Customer and the need for all haste in resolving such issues, to any one or more of the following:

(a) if the breach relates to goods;
   (i) the replacement of the goods or the supply of equivalent goods;
   (ii) the repair of such goods;
   (iii) the payment of the cost of replacing the goods or of acquiring equivalent goods; or
   (iv) the payment of the cost of having the goods repaired; and

(b) if the breach relates to services;
   (i) the supplying of the services again; or
   (ii) the payment of the cost of having the services supplied again.

17.4 Where the Customer has provided the Supplier with details of the Customer’s requirements, through the use of a request for proposal or otherwise, the Customer acknowledges that responses by the Supplier to such requirements have been based on Supplier’s reasonable interpretation of those requirements, and that the Supplier reserves the right to amend such responses should the Supplier become aware of additional information which changes or clarifies the Customer’s requirements.

FORCE MAJEURE

18.1 Neither party shall be liable for any delay or failure to perform its obligations pursuant to this Agreement, if such failure or delay is due to Force Majeure.

18.2 The party to this Agreement seeking to rely on a circumstance of Force Majeure shall immediately notify the other party of any anticipated delay due to Force Majeure. The performance of the party’s obligations under this Agreement will be suspended for the period of the delay due to Force Majeure.

18.3 If the period of the delay due to Force Majeure exceeds sixty (60) days, the party for whose benefit an obligation remains unperformed may immediately terminate this Agreement on providing notice to the other party. If such notice is given:

(a) the Supplier shall refund moneys previously paid by the Customer under this Agreement for which no goods or services have been provided; and

(b) the Customer shall pay the Supplier a reasonable sum in relation to goods supplied or services rendered or costs and expenses incurred prior to termination.
TERMINATION

19.1 Without limiting the generality of any other clause in this Agreement, the Supplier may terminate this Agreement by giving fourteen (14) days’ notice in writing if the Customer is in material breach of this Agreement, other than a breach relating to payment where there is a dispute between the parties, and such breach is not remedied within thirty (30) days of written notice by the Supplier.

19.2 If notice is given to the Customer pursuant to clause 19.1, the Supplier may, in addition to terminating this Agreement:

(a) retain any moneys paid in relation to this Agreement for goods supplied or work performed, and apply any surplus amount against any other amount payable by the Customer to the Supplier under this or any other agreement between the parties;

(b) recover any sums for goods supplied or work performed which has been authorised by the Customer prior to termination;

(c) be regarded as discharged from any further obligations under this Agreement, apart from confidentiality requirements under clause 13; and

(d) pursue any additional or alternative remedies provided by law.

19.3 Upon termination of this Agreement, the Customer shall immediately on request furnish the Supplier with written certification that all copies of the Licensed Program and of the Associated Documentation have been returned to the Supplier.

ASSIGNMENT

The Supplier may assign this Agreement, and the rights and obligations in this Agreement, upon written notice to the customer. Except as provided in clause 2.4, the Customer will have no other rights to assign this Agreement.

SUB-CONTRACTS

The Supplier shall not sub-contract or otherwise arrange for another party to perform or to discharge any of its obligations under this Agreement without the prior written consent of the Customer, which consent shall not be unreasonably withheld or delayed.

WAIVER

22.1 No right or obligation under this Agreement shall be waived except by notice in writing signed by each party.

22.2 A waiver by either party pursuant to clause 22.1 will not prejudice that party’s rights in respect of any subsequent breach of this Agreement by the other party.

22.3 Subject to clause 22.1, any failure by either party to enforce any of the provisions of this Agreement, or any forbearance, delay or indulgence granted by one party to the other, will not be construed as a waiver of that party’s rights pursuant to this Agreement.

ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and shall supersede all previous negotiations, commitments, and writing. It may not be released, discharged or modified except by an instrument in writing signed by a duly authorised representative of each of the parties.

HEADINGS

Headings used in this Agreement are for convenience and ease of reference only, are not part of this Agreement and shall not be relevant to or affect the meaning or interpretation of this Agreement.

SEVERABILITY

If any provision of this Agreement is held invalid, unenforceable or illegal for any reason, this Agreement shall remain otherwise in full force apart from the said provision which shall be deemed deleted.

GOVERNING LAW

This Agreement shall be construed and governed in accordance with the laws of the state of New South Wales and the parties agree to submit to the jurisdiction of the courts of the state of New South Wales.

NOTICES

27.1 All notices under this Agreement may be delivered by hand, mail or facsimile to the addresses hereinbefore shown, or to such other addresses as
the parties may nominate from time to time for the purposes of this clause.

27.2 Notice will be deemed given:

(a) in the case of hand delivery or registered mail, upon written acknowledgement or receipt by an officer or other duly authorised employee, agent or representative of the receiving party;

(b) in the case of ordinary mail, on the second business day after posting;

(c) in the case of facsimile, upon completion of transmission as verified by a transmission record.

DISPUTES

Any dispute arising in connection with this Agreement which cannot be settled by negotiation between the parties or their representatives may be submitted to arbitration in accordance with the Rules for the Conduct of Commercial Arbitrations for the time being of the Arbitrators and Mediators Institute of New South Wales. During such arbitration, both parties may be represented by a duly qualified legal practitioner.

RIGHTS

Any express statement of a right of either party under this Agreement is without prejudice to any other right of that party expressly stated in this Agreement or arising at law.

ESCROW ARRANGEMENTS

The Supplier has no current Escrow Agreement with a supplier of escrow services (the “ESCROW Agent”).

INSURANCE

31.1 For the term of this Agreement the Supplier will be insured for ten million Australian dollars. In relation to any potential liability, loss or damages arising at common law and under any statute relating to property damage and personal injury as may arise under this Agreement.

31.2 The Supplier must produce evidence on demand to the reasonable satisfaction of the Customer of the insurance affected and maintained in accordance with this clause.

PRECEDENCE