

AISCORP Terms & Conditions of Trade

GENERAL

1.1 These terms and conditions are applicable for AISCORP. "AISCORP" means Artificial Intelligence Systems Corporation Limited trading as AISCORP.

1.2 Product and services provided by AISCORP are supplied for business purposes under the terms of the Consumer Guarantees Act 1993 unless notified in writing to us prior to sale and in the absence of such notice the Consumer Guarantees Act does not apply to transactions between you, our customer and ourselves as supplier.

1.3 Our quotes for products and services are priced exclusive of GST and delivery charges. The Customer will pay GST and delivery charges, where applicable, in addition to the basic price of products and/or services.

1.4 These terms and conditions override any terms any conditions stipulated by you. No amendments or modifications to these terms and conditions are effective unless written and signed by authorised signing officers of both parties.

AISCORP's COMMITMENT TO CUSTOMERS

2.1 We will deliver to you the most cost effective solutions that meet mutually agreed requirements.

2.2 We will meet these requirements with due care, skill and diligence and employing techniques, methods, procedures and products of a high quality and standard consistent with best practices in the computer industry.

2.3 Our employees will have the requisite skills and expertise to meet your requirements.

2.4 We will accept full responsibility for the quality of any work that we provide you, this includes any sub-contractors.

2.5 We will rectify any faults in our services at our expense where we have failed to meet the mutually agreed requirements and the fault is within our control. For product, we extend to you the same warranties for product as provided by the original supplier to AISCORP (refer specific clause "Warranties" under Product below).

2.6 We will not to solicit for employment any person who is employed or contracted by you our customer.

2.7 We will maintain at our own cost, a public liability and professional indemnity insurance policy with a minimum amount of cover in each case of not less than \$2,000,000. This policy will cover any risk and liability contemplated by this agreement.

2.8 Our quotes will be valid for a period of 30 days from the date of issue unless we specify a shorter period. However AISCORP product quotes will only be valid for 21 days. Our quotes will be deemed withdrawn after these periods.

CUSTOMER COMMITMENT TO AISCORP

3.1 You will meet our payment terms namely:

- Product - 14 days from date of invoice
- Services - 20th of month following date of invoice
- Contracted Services - by bank automatic payment on the first of each month.

3.2 You will ensure your account stays within the credit limit, if any, that we assign.

3.3 You will provide us with a valid purchase order for each product and/or service order.

3.4 You will not to solicit for employment any person who is employed or contracted by AISCORP.

3.5 You acknowledge that AISCORP's intellectual property includes any we will develop or discover when we provide you product and services. We acknowledge that you retain ownership of any idea or knowledge you develop or discover. In this agreement the expression "intellectual property" means all AISCORP developed copyright, designs, design rights, patents, rights and databases, technology, confidential information, trade secrets, know how, techniques and trade practices, whether existing or developed thereafter. You will ensure that our intellectual property we provide you is not disclosed to third parties without our consent. AISCORP grants to the customer a non-exclusive, non-transferable license to use AISCORP's intellectual property which the customer purchases. This clause survives the termination of this agreement.

3.6 You acknowledge that interest may be charged on any amount owing after the due date, at a rate of 2.5% per month or part month.

STANDARD LIMITATIONS AND EXCLUSIONS AND CONFIDENTIALITY

4.1 There will always be many factors beyond our control affecting the ultimate success of the use to which our goods and/or services are being provided. Consequently the warranties in clause 2 replace all other representations and warranties (statutory, express, implied, written or oral) and all such representations and warranties (except any which cannot lawfully be excluded) are expressly excluded.

4.2 AISCORP will not under any circumstance be liable under the law of tort, contract or otherwise for any loss of profits, savings or data or for any indirect loss or consequential loss or damage, however caused, arising out of or in conjunction with the performance or non-performance of this agreement.

4.3 AISCORP's liability for breach of this agreement or otherwise howsoever shall not exceed the total consideration payable to AISCORP by you our customer for the particular product and/or service in dispute.

4.4 We both agree to keep confidential any information (including, but not limited to, information regarding clients, financial affairs, present or future business plans and products or technical operations, not generally disclosed to the public) we provide each other during the course of this agreement and not to disclose it to any third party either without the other party's prior consent or until it falls into the public domain through no fault of the obliged party or unless the obliged party is legally compelled to disclose it.

FAILURE TO COMPLY

5.1 If payment in full of any amount payable by the Customer is not made when due, or the Customer breaches any of its other obligations to AISCORP, or an Event of Default occurs then AISCORP may without prejudice to and in addition to any other rights or remedies exercise all or any of the following rights:

- (a) delay delivery of any goods or supply of any services until the matter is resolved to AISCORP's satisfaction;

All prices are exclusive of GST and freight.
Quote is subject to AISCORP's Terms & Conditions.
Prices quoted are valid for 21 days, subject to any changes advised by our suppliers.
Some products may be subject to exchange rate fluctuations.

All goods returned may be subject to a 5% restocking fee.
Urgent, large and/or bulk orders may incur extra freight charges.
All freight will be charged at cost.
Stock Disclaimer: Availability is provided by Suppliers and cannot be guaranteed unless agreed beforehand.

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- (b) Suspend or cancel (in whole or in part) this agreement or any other contract between them by written notice to the Customer;
- (c) recover from the Customer, or deduct from or set-off against any amount AISCORP may owe the Customer, all amounts for any damage, losses, costs or expenses (including actual legal costs and expenses) arising from the default or non-performance by the Customer;
- (d) charge, and the Customer must pay, default interest at the rate of 16% per annum (calculated on a daily basis until the account is paid in full) and all actual legal costs and other costs and expenses incurred by or on behalf of AISCORP in enforcing or defending all or any of its rights;
- (e) by notice to the Customer, require that all the account, whether or not due, is paid immediately and such amounts will then become immediately due and payable;
- (f) AISCORP shall be entitled to repossess any goods which are in the possession or control of the Customer and the property in which remains with AISCORP and for such purposes to enter into and upon the premises of the Customer to recover such goods.

PRODUCT TERMS

6.1 Order cancellation

If you cancel or delay delivery of an order you promise to pay us any fees, including restocking fees that we incur. If we are unable to return these goods to our suppliers, you promise to pay the value of the order in full. You acknowledge that an order is defined to include any loan or evaluation equipment.

6.2 Invoicing

We will invoice you immediately upon dispatch. Delivery charges, including freight and handling fees, will be added to each invoice.

6.3 Title

Title to each product will remain with AISCORP until the full purchase price has been paid. Failure to pay the purchase price will give AISCORP the right, without liability, to repossess that purchase, with or without notice and to avail itself of any legal remedy. Title to each item purchased will pass to the customer only upon full payment of AISCORP invoices related to the transaction. Goods will be deemed to be accepted unless AISCORP is notified in writing within seven days of delivery. Risk passes to you when goods are delivered to your site or your freight agent. AISCORP provides you licensed product on the condition that you accept the originating supplier's terms and conditions of use.

6.4 Delivery address

The customer agrees that proof of delivery is a signed delivery acceptance at the delivery address noted on the equipment order. AISCORP is not obliged to verify the authority of any individual to accept delivery at the designated delivery address.

6.5 Damaged goods

Any goods damaged in transit must be reported via email within 5 working days of receipt or else courier warranties may be void.

6.6 Product returns procedure

AISCORP will supply you with product as specified and replace it at no additional cost if incorrectly delivered. In situations where a client wishes to return an item (if faulty, or after evaluation, or because the goods are not required) a Return Authorisation (RA) number is required. The ability to return goods (other than evaluation items) is only available if the goods are not more than one month old, or the supplier's maximum return period, whichever is the lesser, and are returned in original packaging and in a re-saleable condition. Software may only be returned if unopened. A full credit may only be available if the goods have not been used.

6.7 Warranties

AISCORP will give you all reasonable assistance where a product is not in accordance with any manufacturer's warranty but AISCORP itself does not give any warranties, express or implied.

6.8 Substitution

In the event that the desired equipment becomes unavailable or will be out of stock for an extended period, AISCORP will endeavour to provide a suitable substitute but does not guarantee to be able to do this without additional charge. AISCORP would only do this after consultation with the customer.

6.9 Insurance

The customer agrees that in the event that product is consigned to AISCORP's offices, the customer is responsible for insurance upon delivery to AISCORP's offices and during subsequent transit to the customer premises.

SERVICES TERMS

7.1 Scope of Work

Services to be provided by AISCORP under this agreement may be supported by a Services Schedule detailing one or more specific terms and conditions in addition to the ones contained herein.

7.2 Ad Hoc Work

We both agree that from time to time AISCORP may be called upon to carry out work at short notice, often being work of a minor nature, where it will not be feasible to put a formal Services Schedule in place. Such work will still be covered under this agreement.

7.3 Invoicing

Unless provided otherwise in the Services Schedule, AISCORP provides services on a time and material basis at our standard charge-out rates current at that time. Each month we will raise an invoice for the services performed during that month even though the work may not be completed until the following month.

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7.4 Acceptance

You agree to provide AISCORP with your acceptance of the work performed as soon as is practicable after defined acceptance testing if any and always in good faith that such acceptance will not be unreasonably withheld. Where no acceptance is advised to us within 30 days, we can deem acceptance to have been given.

7.5 Delays

You agree to pay AISCORP's reasonable costs if the work is held up and (for example) AISCORP has to stand people down at any time during the currency of this agreement due to delays at your end in performing any of your obligations under this or the supplementary agreement. We acknowledge that this clause does not apply to work of a minor nature.

COMPLETENESS TERMS

8.1 Termination

Either party may terminate this agreement at any time by giving 30 days notice in writing to the other party.

8.2 Assignment and subcontracting

Neither party may assign its rights under this agreement without the consent of the other, not to be unreasonably withheld. AISCORP may subcontract the performance of its obligations under this agreement without first obtaining your consent.

8.3 Conflict

If any provisions in these conditions are illegal, invalid or unenforceable, the validity and enforceability of the remaining provisions will not be affected.

8.4 Governing Law

New Zealand law shall govern this agreement and the parties hereby submit to the non-exclusive jurisdiction of the New Zealand courts.

FORCE MAJEURE

9.1 Definition

If either of the parties (the "Claiming Party") is prevented from carrying out its obligations (other than payment obligations) under the Agreement (or such are delayed) by circumstances beyond such party's reasonable control and which could not reasonably be foreseen at the time the Agreement was entered into ("Force Majeure Circumstances") then the Claiming Party shall not be deemed to be in breach of the Agreement, and shall not be obliged to carry out such obligations until the Force Majeure Circumstances cease to exist.

9.2 Includes

Force Majeure Circumstances include but are not limited to:

- (a) Acts of God;
- (b) Strikes, lockout or other industrial disturbances;
- (c) Natural disasters;
- (d) Fires or explosions;
- (e) Civil disturbances; and
- (f) Any unforeseeable order of any court or government authority.

9.3 Ongoing delays

In the event that Force Majeure Circumstances continue for a period greater than six months, the non-Claiming Party shall be entitled to terminate the Agreement, by giving the

Claiming Party 30 days notice of such termination in writing. Such termination shall be without prejudice to the accrued rights and liabilities of the parties at the date of the termination.

9.4 Parties affected

For the avoidance of doubt, Force Majeure Circumstances affecting the Supplier's sub-contractors shall be deemed to be Force Majeure Circumstances for the Supplier for the purposes of the Agreement.

DISPUTE RESOLUTION

10.1 The Parties will attempt to settle any dispute arising between them by good faith negotiations between themselves within ten (10) days of the dispute arising or an agreed longer period.

10.2 Mediation

Any dispute or claim arising out of this agreement or any resulting transaction shall be submitted to mediation prior to the commencement of arbitration, litigation, or any other proceeding. The parties to the dispute or claim agree to act in good faith to participate in mediation, and to identify a mutually acceptable mediator. If a mediator cannot be agreed upon by the parties within 7 days, each party shall designate a mediator within 7 days and those mediators shall select a third mediator who shall act as the mediator, assisting the parties in attempting to reach a resolution. All parties to the mediation shall share equally in its cost. If the dispute or claim is resolved successfully through the mediation, the resolution will be documented by a written agreement executed by all parties. If the mediation does not successfully resolve the dispute or claim, the parties may then proceed to seek an alternative form of resolution of the dispute or claim, in accordance with the remaining terms of this agreement and other rights and remedies afforded to them by law.

ENTIRE AGREEMENT

11.1 AISCORP and the Customer agree that:

- (a) these terms express the entire understanding between them and the remedies herein provided shall be the available remedies in place of the Contractual Remedies Act; and
- (b) there have been no representations made by or on behalf of AISCORP that are relied upon by the Customer

Customer Signature: _____

Date: _____

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All goods returned may be subject to a 5% restocking fee.
Urgent, large and/or bulk orders may incur extra freight charges.
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