



Service Level Agreement

Version	Date	Description	Author
1.0	10-04-2020	Service Level Agreement	JK
1.1	26-05-2020	Service Level Agreement	JK/SO

Overview

This Agreement represents the Service Level Agreement (“SLA” or “Agreement”) between Diffuse Energy Pty Ltd (“Diffuse Energy”) and the customer purchasing the services through having signed a Subscription Agreement with Diffuse Energy (the “Customer”) for the provisioning of services required to support and sustain the operation of a wind turbine for energy production.

This Agreement remains valid until superseded by a revised agreement, which may occur from time to time.

This Agreement outlines the parameters of all services covered as they are mutually understood by Diffuse Energy and the Customer (collectively the “Parties”).

1. Goals & Objectives

The purpose of this Agreement is to ensure that the proper understandings and commitments are in place to provide consistent support and delivery to the Customer(s) by Diffuse Energy.

The goal of this Agreement is to obtain mutual understanding for service provision between Diffuse Energy and Customer(s) and to detail the responsibilities of the Parties.

The objectives of this Agreement are to:

- Provide clear reference to service ownership, accountability, roles and/or responsibilities.
- Present a clear, concise and measurable description of service provision to the Customer.
- Match expectations of service provision with actual service support & delivery.
- Detail the responsibilities of the Parties in relation to Failure or Reduced Operation of the Product
- Detail the compensation afforded to each party for failure to adhere to the responsibilities.

2. Definitions

Component means any individual part of the Product.

Data Intervals and Formats means the time intervals at which the data is sent to Diffuse Energy and the format it takes as outlined in the Subscription Agreement.

Diffuse Energy Workshop 3/37 Shearwater Drive, Taylors Beach, NSW, 2316

Distribution Centre means the Customer's locations to which the Product will be sent by Diffuse Energy, as set out in the Subscription Agreement.

Existing Power System means the Customer's existing power systems being solar panels, diesel generators, batteries or other relevant sources.

Failure means the Product is not producing electricity due to a mechanical or electrical breakdown of the Product, as determined by Diffuse Energy (acting reasonably).

Intellectual Property means all marks, patents, trade secrets, trademarks designs, registered designs, rights and copyrights.

Late Fee means the cost charged to the Customer for failure to pay the Subscription Fee.

Notice Period the period of time provided by the Customer to Diffuse Energy to cancel the Subscription as outlined in the Subscription Agreement.

Office Hours means 9.00 AM to 5.00 PM Monday to Friday Australian Eastern Standard Time (AEST).

Performance Data means the voltage, current, charge state, power output, power consumption or other data related to the operation of the Product or an Existing System.

Product means any physical, electrical and/or digital system provided by Diffuse Energy and includes: the wind turbine; electrical controller; data, data measuring and logging system.

Reduced Operation means where the Product is operating below its full capacity and is not classified as a Failure, as determined by Diffuse Energy (acting reasonably).

Replacement Cost means the payment to be made to Diffuse Energy by the Customer for damage to the Product for which the Customer is liable, being \$5,000 + GST.

Subscription Agreement means the agreement entered into by Diffuse Energy and the Customer.

Subscription Fee means the monthly payment made to Diffuse Energy by the Customer, as set out in the Subscription Agreement.

Survival Wind Speed means the maximum wind speed for which Diffuse Energy warrants the Product can withstand without being damaged, being up to 150 km/hr.

3. Service Agreement

3.1. **Scope**

The following are covered by this Agreement:

- Monitored email support
- The replacement of damaged Products and Components
- The provision of access to system data from both Parties
- Compensation and fees in the event of Failure or Reduced Operations
- Survival Wind Speed levels

3.2. **Diffuse Energy Responsibilities**

Diffuse Energy responsibilities and/or requirements in support of this Agreement include:

- Meeting the response times associated with service or Product related incidents and failures, as set out in the Subscription Agreement.
- Reasonable availability of a Diffuse Energy representative(s) when resolving a service or product related incident or request.
- The delivery of replacement Components and/or Products to the Customer's Distribution Centre through a freight provider.
- The packaging of Components and Products in a suitable manner for delivery to the Customer to prevent damage during transport to the Distribution Centre.
- The provision of Performance Data from the Product, should it be agreed to by both Parties within the Subscription Agreement.

3.3. **Support Availability**

Email support is monitored 9.00 A.M. to 5:00 P.M. AEST Monday – Friday - support@diffuse-energy.com and Diffuse Energy will endeavour to formulate a response within 12 hours.

Emails received outside of Office Hours will be collected, however no action can be guaranteed until the next Australian business day.

3.4. ***Customer Responsibilities***

Customer responsibilities in support of this Agreement include:

- The ongoing payment of the Subscription Fee at the agreed interval and payment for support costs where required.
- Reasonable availability of Customer representative(s) when resolving an incident or request.
- Responding in a timely manner with information requested by Diffuse Energy.
- Returning damaged or replaced components and/or Products to Diffuse Energy.
- Returning the complete Products to Diffuse Energy upon termination of the Subscription Agreement, once the notice period has elapsed.
- The packaging of components and Products for return to Diffuse Energy to prevent damage during transport.
- The provision of suitable storage at their Distribution Centre for the components and/or Products to await pickup by Diffuse Energy's freight provider.
- The provision of Performance Data from the Existing Power System.

All Components, Products, Intellectual Property and data produced by Diffuse Energy remain the property of Diffuse Energy.

4. **Payment**

4.1. ***Subscription Uplift Costs - Data Monitoring***

In the event that the Customer does not provide the data output of their Existing Power Systems in the Data Intervals and Formats, Diffuse Energy may choose to implement a data monitoring system. The Customer can subscribe to access the data monitored by Diffuse Energy for an additional cost of \$20 + GST per month.

4.2. ***Refunds***

All monies paid are non-refundable and there will be no credits for partial months of use or months unused due to early return of the Product.

4.3. **Late Fees**

Should the Customer fall in arrears on their Subscription Fee, a Late Fee will be charged on any outstanding amounts. The Late Fee will be \$100 + GST per month per Product, rounded up to the nearest whole month.

4.4. **Compensation**

4.4.1. Compensation to Diffuse Energy

Where the Failure or Reduced Operation of the Product has occurred due to an event for which the Customer is liable, there will be no reduction to the monthly Subscription Fee and the Customer will pay Diffuse Energy any of the below additional costs at the sole discretion of Diffuse Energy:

- i. the Replacement Cost, or part thereof, at Diffuse Energy's discretion if the Product is unable to be fixed.
- ii. The cost of replacement Components.
- iii. The cost of any freight + 5% administration fee.
- iv. The cost of a Diffuse Energy representative's time and travel reimbursement at the rates listed:
 - a. Travel Reimbursement: cost + 5% administration fee.
 - b. Representative time (site visit and/or support time, including phone calls, emails and SMS): \$150/hr + GST.

4.4.2. Compensation to the Customer

Where the Failure of the Product has occurred due to an event for which Diffuse Energy is liable, the Subscription Fee will be reduced to 10% of the agreed price set out in the Subscription Agreement. This reduction will commence from the date that the Failure is confirmed as Diffuse Energy's responsibility and will continue until the replacement Product/Component has arrived at the agreed Distribution Centre of the customer, as set out in the Subscription Agreement. The duration of the Subscription Fee reduction will be calculated on a prorated daily basis, based on the calendar month.

Where the Reduced Operation of the Product has occurred due to an event for which Diffuse Energy is liable, the Subscription Fee will be reduced to 50% of the agreed price set out in the Subscription Agreement. This reduction will commence from the date that the Reduced Operation is confirmed as Diffuse Energy's responsibility and will continue until the replacement Product/Component has arrived at the agreed Distribution Centre of the customer, as set out in the Subscription Agreement. The duration of the Subscription Fee reduction will be calculated on a prorated daily basis, based on the calendar month.