

## Taiwan Water Corporation Consumer Water Supply Service Contract

The TWC Consumer Water Supply Service Contract is only applicable to consumer water supply (does not include car wash industry, swimming pool industry and other business water supply). Upon implementation of this contract, it is applicable to established users (no need to re-sign a contract). For new users, contracts shall be signed upon completion of water connection and transfer. Please visit the TWC website ([www.water.gov.tw](http://www.water.gov.tw)) to download this contract, or visit the TWC various service(operation) centers.

Review period for this contract shall last 3 days. The contract is returned for review by water supply applicant on \_\_\_\_\_.

Signature of water supply applicant: \_\_\_\_\_

Signature of legal representative: \_\_\_\_\_

WHEREAS the two contracting parties, Water supply applicant (hereinafter "User") and Taiwan Water Corporation (hereinafter "TWC") have agreed to this contract regarding consumer water supply service, both parties agree to abide by the following said Articles:

1. (Water supply obligations)

For cases without a justifiable cause, TWC shall always supply water by law.

2. (Consumer address application)

Address for water supply applied by user:

3. (Water supply stoppage procedures due to disasters, emergency measures or constructions)

TWC shall always supply water to users. In cases of water supply suspended wholly or partly due to disasters, emergency measures or construction, TWC shall notify users of the area and time of suspended water supply, and report to local competent authority for review; If such water supply is suspended temporarily under short notice, TWC shall report for review afterwards. In special cases in which water supply is to be stopped for twelve hours or more, or can only provide limited water supply, TWC shall apply for approval by local competent authority beforehand and announce accordingly.

4. (Classification of water supply)

Classification of TWC's water supply includes:

[a] Domestic consumption—for general public.

[b] Industrial consumption—for industries.

[c] Commercial consumption—for commerces.

[d] Shipping consumption— for ships.

[e] Municipal consumption— for public equipment.

[f] Temporary consumption – for locations with no legal water connection certification, or

temporary water consumption.

5. (Application for water supply and changes)

When applying for new installation, remodeling installation, suspension, restoration, termination, name or other changes of water-supply services, applicant shall fill out application forms, submit the forms with required documents to TWC's local service (operation) center, and then complete payment of the various fees required upon approval. TWC shall then process according to the applied items.

Construction fee for the aforementioned new installation and remodeling installation shall be calculated respectively by TWC according to user water supply equipment conditions or charged according to unified standards set for different meter sizes and pipe lengths.

If the applicant cancels the above mentioned applications. Apart from water connection fee and materials fee for water supply equipment not yet constructed, fees charged for implementing the aforementioned new installation or remodeling installation shall not be refunded for construction materials fees completed and road-repairing fees not refunded by land rights units.

6. (Indirect pressurizing of water supply equipment)

Users located where TWC is incapable of giving sufficiently pressurized water supply shall implement their own indirect water-pressurizing equipment. The aforementioned "equipment" and the pressurized water quality shall be administrated and maintained by users themselves.

7. (Name change for water supply)

Application for name change of water consumption shall be made upon signature for approval by previous user and complete payment of the various fees during period of water consumption.

If the user cannot obtain signature from previous user, the applicant shall apply for name change alone and complete any overdue payment of previous user. Previous user may object within six months, and TWC shall then cancel any changes made. New user shall be responsible for all overdue payment occurred after changes have been made and before cancellation of such changes. Users that do not willing to process according to the aforementioned two methods shall apply for new installation instead.

8. (Water supply procedures of suspension, termination and restoration)

When user no longer requires water supply services, he or she may apply to suspend such services, and the basic charges during the suspension period shall be exempted. When applying to restore water supply services, a restoration fee and current unpaid fees when applying to suspend water supply services shall be made according to meter caliber.

Users that have suspended water supply services according to subparagraph 4 of paragraph 1 of Article 38 may apply to restore water supply once the reasons for suspension have been eliminated.

For water supply services that have been suspended for less than two years, when applying to restore such services, user shall pay 50% of the basic fee during period of which the service is suspended according to meter caliber of water supply equipment, in addition to a restoration fee and any accumulated overdue payment.

For users of water supply services suspended due to the above two provisions or for over two years without applying for restoration, newly installed connection construction completed but not yet activated for over two years, TWC shall cancel his or her water registration. If user want to apply for water supply again, he or she may process according to that for new installation.

9. (Procedures for water supply equipment using others' property)

If water supply equipment shall use or pass through land or building belonging to another person, or use water piping belonging to another person, applicant shall first acquire consent of owner or manager. If disputes arise during the construction period or later on, applicant shall be responsible for resolving such disputes.

According to the preceding paragraph, in cases where the land being passed by is of existing roads, consent shall be exempted if the applicant promises to be responsible for the use of such lands in the occurrence of possible disputes.

10. (Suspending applications for new installation)

TWC can suspend the applications of new installations if one of the following situations occurs:

- [a] The pipeline has not reached the location as scheduled.
- [b] The local water-supply capacity has become full and is not yet improved.
- [c] Having specific difficulties in water supply.
- [d] Cannot receive water supply according to laws and regulations.
- [e] Others recognized by competent authorities.

11. (Definition of external, internal line and water supply equipment)

External and internal line of user water supply equipment.

External line refers to appliances between water distributing pipes and water meters. Internal line refers to appliances between water meter and water cocks. If there is a master water meter, such equipment shall act as the division between internal and external lines.

Upon application and payment of various fees by the applicant to a local service (operation) center of TWC, an external line shall be installed by TWC; Internal line shall be installed by qualified water piping contractors delegated by applicant. Under special cases, internal line shall be installed by TWC together with installation of external line by consent of both parties.

If increase the pipe caliber size of external line, and TWC is responsible for the difference in price, the user shall not object when TWC decides to include use of such line for others.

12. (Internal line and meter location review)

For internal line construction, the diagram should be submitted to TWC's local service (operation) centers for preview. Materials used should be examined for qualification by TWC's local service (operation) center or relevant professional organization delegated by TWC upon completion of construction. Water supply shall begin upon qualification of the above materials.

TWC shall charge users for the above review and examination fees based upon fee standards approved by competent authorities.

Users shall be accountable for the management and maintenance of internal line water supply equipment after water supply has begun.

Without consent of TWC, users shall not change water supply equipment and meter location by themselves. Users shall be held liable to TWC for any damage incurred. The same applies to any incurred compensation or responsibility to third-parties by TWC for the above reasons.

13. (Transfer and change of external line)

If it is necessary to move user's external line water supply equipment for transfer of water distributing pipes or other reasons, users shall not object to relevant work of TWC. TWC shall not charge users any incurred fees.

14. (Application for the installation of private fire hydrant)

Application for the installation of private fire hydrants shall be in accordance with regulations of relevant provisions, and a water meter shall be installed for the calculation of water fees.

15. (Maintenance responsibilities for water supply equipment)

For water leakage from user's water supply equipment, TWC shall be responsible for the repair fees for external lines of such equipment. However, such construction might require digging or removal of certain construction on the land of the users. TWC shall only be responsible for the restoration of its original function unless TWC is liable for the cause of such water leakage.

For water leakage in internal lines of water supply equipment, users shall find qualified water plumber for repair.

For any necessary measures such as removal of pipes or stoppage for illegal water consumption, TWC shall process according to the above first paragraph.

16. (Obligations for water supply termination)

Upon removal or reconstruction of buildings, users shall apply to terminate water supply, pay water fees and installation removal fees. TWC shall then remove any original external line water supply equipment.

The conditions of the preceding paragraph, if users have not applied for termination of water supply, TWC may remove accordingly, and charge users of water fees and removal fees. Before

removal, TWC shall notify users in written form, unless users cannot be notified after numerous attempts.

Upon removal, any original external line water supply equipment shall be deemed as waste. If TWC recognizes users have the need for temporary water consumption based on on-site inspections, TWC might change to temporary water consumption upon notification to users.

17. (Inspection of water supply equipment)

TWC may appoint employees in uniform and wearing identification badges or contract personnel with ID card to carry out day-time inspections on water supply equipment of users, or affairs such as meter reading, installation, removal, changing, lead seal, banning of illegal water consumption, etc. Users shall not object to such affairs without justifiable reason.

The aforementioned operations may be conducted in night-time upon consent of users.

18. (Safekeeping responsibilities of water meter)

Joint users of installed indirect pressurizing water supply equipment shall install master water meter and sub-water meters.

Users shall be responsible for safekeeping water meters provided by TWC. Apart from reasons such as disasters, incidents or any other reasons not attributable to users, users shall be held liable for set compensation to TWC for any damage to such water meters.

The aforementioned "water meter" include master water meters.

19. (Installation, transfer and change of water meter)

Location and applicable meter caliber of water meters shall be designed by users according to TWC's water meter installation principles and user water supply equipment standards upon approval by TWC.

In the above condition, if TWC considers a transfer or change of which is necessary due to environmental changes or changes of water consumption, TWC shall be accountable for any incurred fees.

If users are accountable for the reasons of transfer or change, TWC shall first notify a deadline for improvements in written form. If users fail to improve or cannot improve by the stated deadline, TWC shall improve instead, and users shall be accountable for any incurred fees. TWC shall only be responsible for the restoration of its original function of use when TWC is liable for the reason of such improvements.

If it is difficult for TWC to improve on behalf of users due to reasons attributable to users, and users still do not carry out improvements accordingly, TWC may stop water supply. For any damage occurring to TWC due to users refusing to make relevant improvements, TWC may claim any incurred damages. The same applies to any incurred compensation or responsibility to third-parties by TWC for the above reasons.

20. (Processing procedures for inaccurate measurement of water meter)

TWC shall ensure accurate measurement of water meters. If user considers installed water meter is faulty or inaccurate, he or she may apply for on-site inspections by TWC and complete relevant inspection records.

If user is unsure about the results of on-site inspections, he or she may apply for water meter identification to the weights and measures authority and its sub-bureau according to "Regulations Governing Dispute Appraisal of Measuring Instruments". If results of identification meets existing standards, users shall be accountable for identification fees. If not, TWC shall be accountable for identification fees. If there is over-measurement, water fees shall be deducted by ratio, and such deduction shall apply from the month when water fee increases significantly onwards.

21. (Definition of one cubic meter of water)

The water consumption is calculated by "Degree". 1 "Degree" stands for "1 cubic meter (m<sup>3</sup>)".

22. (Billing Cycle of water fee charges)

TWC's meter-reading work is carried out every month, or every two months, which can be adjusted if necessary. Users shall be notified in writing beforehand.

23. (Processing method for not being able to meter reading)

If a meter-reading work cannot be carried out due to user matters, the current water consumption will be temporarily calculated according to the previous water consumption, and settled in the coming meter-reading period. When failing to read a water meter for two consecutive times, TWC will inform the users and make an appointment via written form or telephone for reading the meter. If the job fails again, TWC shall estimate the water consumption according to meter caliber and settle the account when copied.

24. (Estimation of water fee for malfunctioning water meter)

If a water meter fails to show exact water consumption due to malfunctions or other reasons, TWC shall estimate water fees according to average reading of normal water consumption of two periods (for large water consumption users and government agency users, the previous three periods shall be used) before malfunctions of the user water meter. For users with seasonal changes in water consumption, TWC shall estimate water consumption according to that of the same period in the previous year.

Estimation of domestic consumption fees shall adopt reasonable methods for the benefit of users. The above method of estimation does not apply to other types of water supply. TWC shall estimate by water consumption duration and meter caliber, or water consumption population or other suitable methods.

25. (Charging standards)

All due water fees and other various fees accountable by TWC (including basic fees and water fees calculated according to water consumption) shall be charged according to set standards of competent authorities.

TWC shall charge or collect water conservation and compensation fees, removal and processing fees, and sewage disposal fees according to laws and regulations.

26. (Processing of water supply differences between master and sub-water meter)

When the reading showed on the master water meter exceeds the sum of that shown on all the household meters, the consumption difference will be shared by all the households. If households have agreed upon other written agreements, and TWC has been notified in writing, such agreements shall act as the sole basis for arrangements.

27. (Charges for a water meter applicable to two or more different tariffs)

If a water meter can be used on two or more different water tariffs, the higher rate should be applied to charge the water consumption fee.

28. (Special case charges by person)

For some domestic users whose water consumption fee is calculated according to the number of household members due to specific factors, the fee is calculated as 5 degrees per month for each person.

29. (Charges of basic fee of less than one month)

For water consumption of less than one month or changes to meter caliber, basic fee of the month shall be charged by ratio of days used.

30. (Charges of water fee of less than one month)

If the user changes consumership the usage type during a month, the water meter should be read promptly, and the water consumption fee before change shall be calculated by the degrees read on the meter.

31. (Compensation for water supply suspension due to events of force majeure)

For suspension of water supply over 24 hours due to events of force majeure, basic fee of the month shall be deducted by the ratio of days of suspension.

If in suspension for over a continuous 72 hours or for a total 6 days due to the same event, in addition to the aforementioned deduction, 1 day water consumption fee shall be deducted. If in suspension for over a continuous 7 days or for a total 14 days due to the same event, in addition to the aforementioned deduction, 2 days water consumption fee shall be deducted.

32. (Additional charges for late payment)

Upon notification by TWC, users shall complete payment within the payment deadline of 21 days after date of payment notification.

Users may authorize financial institution to collect payment from his or her agreed saving account or credit card account. Users may also complete payment at TWC's service (operation) center or other water fee payment units.

Payment made within 7 days after deadline shall be exempted of late payment. Payment made from the 8 to 14 days after deadline shall be charged 1% of the due water fee as late payment; Payment made after 15 days after deadline shall be charged 2% of the due water fee as late payment. Late payment less than NTD 5 shall be calculated as NTD 5.

The abovementioned late payment shall be included in water fees of the next period.

33. (Rectification of overcharged or undercharged water fee)

For under or over-charged water fees by TWC to users, such differences shall be rectified in the following month with comparable additions or deductions.

Upon receipt of payment notification, users shall apply for review at local service (operation) centers of TWC for any posed inquiries. If results of review require correction of water fees, unpaid water bills shall be reissued. For paid water bills, differences of which shall be refunded or included for calculation in the water bill of the following period.

34. (Application for consumership change)

If a user privately changes consumership without applying for it, and the latter water tariff is higher than the former one, in addition to informing the user to complete all the required procedures, TWC shall collect the water fee difference accordingly for a maximum period of up to 6 months.

35. (Charges for municipal consumption)

For municipal consumption, the water consumption fee will be charged as domestic water consumption fee minus 50%. The range of municipal consumption is:

[a] Water for cleaning public environment: Water for public toilets, street cleaning, public sprinkler systems, pest control, and other circumstances relating to cleaning of public environment.

[b] Water for parks and green land: Water for green land, street trees, ponds, and other purposes relating to parks and green land.

36. (Category of temporary water consumption)

The aforementioned "temporary consumption" indicates without legal documents for water connection which requires water supply or the water use is classified as temporary use. Categories of which are as follows:



- (a) Building reconstruction: Short-term water supply for removal or reconstruction of buildings.
  - (b) Construction water supply: Construction water supply applied with building permit.
  - (c) Illegal temporary water consumption: Illegal temporary water consumption approved by former Taiwan Provincial Government.
  - (d) Others: Short-term water supply approved by relevant competent authorities or TWC.
- Apart from domestic consumption water fee, which shall apply an additional 20% according to subparagraph 3, the remaining types of temporary consumption water fees shall apply an additional 50% of water consumption fee.

### 37. (Applying for or cancelling temporary water consumption)

Applications for temporary consumption shall be made after payment of water fee deposit or under the guarantee of TWC user at the same branch. The above provision does not apply to building reconstructions, illegal temporary consumptions and temporary water purchases.

The amount of the aforementioned "deposit" is settled as the 2-month water consumption fee.

Users can have refund by presenting the receipt after termination of water supply. If receipt is lost, other certification documents can act as proof instead.

### 38. (Reasons for water supply suspension)

When users have one of the following situations, TWC shall suspend water supply.

- [a] The user engaged in water theft with concrete evidence shown.
- [b] The water supply equipment installed by user or the way of installment failed meet the requirements upon inspection and the situation was not remedied during a given period.
- [c] The user refused TWC inspection of water supply equipment or status without due causes.
- [d] The user's payment is 2 months in arrears after being given the notice.
- [e] The user refused the installation of water meter.
- [f] Connecting water pipes with other lines without approval and have been notified for rectification, and not rectified within the appointed time period.

Users shall be accountable for any incurred damage to TWC due to above reasons of water supply suspension. Upon elimination of such reasons for water supply suspension, users shall apply to restore water supply, and water supply may be restored upon payment of the various fees due.

### 39. (Processing of water theft)

Any of the following behaviors are regarded as Water-theft".

- [a] Taking water from the water supply network without the permission of TWC.
- [b] Bypassing the water meter by connecting private pipes to water supply network.
- [c] Vandalizing or modifying the structure of water meter, or rendering the water meter to fail or inaccurate.
- [d] Taking water from fire hydrant without the permission of TWC, except for the purpose of

extinguishing fire.

#### 40. (Processing of damages)

Any person who vandalizes TWC main water supply equipment or engages in other actions causing the main water supply equipment to break down and become unable to supply water shall be punished with a sentence of imprisonment of no more than 5 years according to paragraph 1 of Article 97 of Water Supply Act. Individuals who violates abovementioned situation due to negligence shall be punished with a sentence of imprisonment of no more than half a year, detention, or a fine of no more than NTD 1,500 according to paragraph 3 of Article 97 of Water Supply Act.

Any person who turns on water supply equipment without the permission of TWC and thereby impedes water supply shall be punished with a fine of NTD 900 to 3,000 in accordance with paragraph 2 of Article 97 of the Water Supply Act.

The above two behaviors that lead to damages to TWC shall be attributable to criminal responsibility by law and liable to damages in tort.

Damages that result in water leakage shall be liable for water fee compensation for the amount of water leaked. If water supply is to be suspended for repair, TWC will claim repair fees for damaged water supply equipment and operation losses according to factors such as pipe caliber, water supply suspension duration, water pressure, and amount of water for sale, etc.

#### 41. (Termination of contract)

If user wishes to terminate this contract, user shall go through termination of water supply procedures of TWC and pay all relevant charges.

In cases of Articles paragraph 2 of Article 7 or paragraph 3 of Article 8, this contract will be terminated automatically. TWC shall notify user of such termination. If user has any overdue charges to be paid, TWC shall notify user for payment of such overdue fees.

#### 42. (Terms applicable to changed contractual Articles)

Any changes (such as addition, etc.) of this contract articles shall be viewed as part of this contract upon approval and announcement of competent authority agencies of TWC. TWC shall notify user in written form changed important articles.

#### 43. (Channels for disputes)

If user is unsatisfied with the services provided by TWC, user shall appeal by the following methods apart from that by law:

[a] Appeal to local service (operation) center of TWC.

[b] Appeal by calling service number of TWC.

[c] Appeal by mailbox of TWC's website.

[d] Appeal by other methods, such as mailing letters of complaint.

For the abovementioned disputes, TWC shall process in accordance with relevant legal regulations for the actual conditions.

44. (Discretionary authority)

In the event of litigation, both parties agree that the court of first instance shall be the district court where the water supply is located. However, the above regulation does not apply to small claims jurisdiction according to Article 47 of the Consumer Protection Act or Article 439-9 of the Taiwan Code of Civil Procedure.

45. (Processing of unfinished matters)

Any unfinished matters for promised items of this contract shall be processed fairly in accordance with relevant legal regulations and good faith principles.

*The English translation is only for reference, in the event of any discrepancy between the Chinese and English texts hereof and thereof, the Chinese version shall govern.*