



TERMS OF BUSINESS

This document together with the attached Engagement Letter and where applicable, any subsequent Engagement or Confirmation Letters, form the contract between H & M Accountants Pty Ltd (hereinafter referred to as "H & M Accountants", "We", "Us" and "Our") and our client (hereinafter referred to as "you" which includes acting in the capacity as a sole trader, a partner in a partnership, a director of a company, a trustee of a trust or superannuation fund). The terms defined in the Engagement Letter have the same meaning as these Terms of Business.

1. SERVICES

We will provide the services described in the attached Engagement Letter and any subsequent Engagement or Confirmation Letters (the Services).

Our work will be based solely on the information provided by you, the circumstances made known to us and the assumptions set out in our correspondence. We will not verify the underlying accuracy or completeness of the information you provided to us. We rely on you to bring to our attention as soon as possible any changes in the information originally presented as it may impact on our advice.

Changes in the law and in interpretation may take place before our advice is acted upon or may be retrospective in effect. Unless specified in the Engagement Letter, our advice is current at the date it is given and we accept no responsibility to inform you of changes in the law or interpretations affecting advice previously given by us.

Some of the matters which we may be asked to advise on may have personal tax implications for directors and employees for which we are not responsible unless specifically instructed to address these issues on an individual basis.

We have a duty to act in your best interest. However, the duty to act in your best interests is subject to an overriding obligation to comply with the law, even if that may require us to act in a manner that may be contrary to your best interests.

Time Scale

We will endeavor to carry out our obligations in accordance with any time scales set out in the Engagement or Confirmations Letters or as otherwise agreed. However, unless both of us specifically agree otherwise in writing, any dates contained in the Engagement or Confirmation Letters or otherwise advised are indicative dates intended for planning and estimating purposes only and are not contractually binding.

Changes to Services

Either of us may request changes to the Services to be provided or changes to any other aspect of the Terms of Business but no such changes take effect unless agreed in writing. Both of us agree to work together to enable both parties to assess the impact of any requested changes on the cost, timing or any other aspect of the Services.

H & M Accountants Engagement Team

Where specific directors and staff of H & M Accountants are named in the Engagement or Confirmation Letters, we will use reasonable efforts to ensure that these people are available to provide the Services to you. Where any changes are necessary, we will give you reasonable notice of the changes.

2. REPORTING

We will report to you in accordance with the terms set out in the Engagement or Confirmation Letters. You may make copies of any reports for their own internal use but you must not provide the report or copies of it to any third party without first obtaining our written consent. Such consent will only be granted on the terms we deem appropriate which will include that we accept no duty or responsibility to any other party who may seek to rely on our report. In some cases appropriate releases from third parties may be required. Any advice that we provide subsequent to the preparation of these reports shall be an opinion only, and is based on our knowledge of your circumstances at a particular time. Therefore, we do not accept any duty or responsibility for these opinions if your circumstances change at a later date.

Intellectual Property

You agree we retain all intellectual property rights in all advices, documentation, systems, materials, methodologies and processes brought to the matter or created in the course of providing the Services.

3. INFORMATION

You agree to provide in a timely fashion all information and documents reasonably required to enable us to provide the Services, and acknowledge that the responsibility for the completeness and accuracy of the financial information rests with you. Unless otherwise stated in the Engagement or Confirmation Letter, we will not be liable for any loss or damage arising from any inaccuracy or other defect in any information or documents supplied by you.

4. FEES AND PAYMENT

Fees for the Services will be charged on the basis set out in the Engagement or

Confirmation Letter. Where these letters do not state the basis on which our fees will be charged, our fees will reflect time spent and such other factors as complexity, monetary values involved, specialist input required and the urgency of the matter. Goods and Services tax ("GST") at the prevailing rate will be added to and forms part of our fees.

The GST on our fees and, where applicable, out of pocket expenses (our "Billings") are based on the currently applicable GST rate (except where we have assessed that the services to be provided GST free). If this GST rate changes, our Billings will be adjusted to reflect the change.

Expenses

All charges are exclusive of expenses unless the Engagement or Confirmation Letter states otherwise. Any special expense arrangements will be agreed and set out in the Engagement or Confirmation Letter.

Payment of Invoices

Unless specifically agreed otherwise, your obligation to pay us fees and expenses to which we are entitled will not arise until we have issued a fee account to you. When an amount for GST is stated to be a component of the fees and expenses, our fee account will comply with the law specifying what is a "tax invoice" for GST purposes.

Our invoices will be issued as set out in the Engagement or Confirmation Letter. All invoices will be due for payment within fourteen (14) days of issue. Where invoices are overdue by more than one month, we are entitled to charge an Administration Fee from the due date until payment in full.

Payment of invoices can be made by cheque, EFT, direct debt, or credit card.

Until our final invoice is paid by you, we have a lien over all documents relating to your matter which are in our possession.

5. TERM AND TERMINATION

Duration of Contract

This contract will apply from the commencement date stated in the Engagement or Confirmation Letter, if any, or where no commencement date is specified from the date of acceptance of the Contract as specified in the Engagement or Confirmation Letter.

Termination

The Contract may be terminated by either party at any time by notice in writing to the other party.

6. CONFIDENTIALITY

Any information acquired by us in the course of our engagement is subject to strict confidentiality requirements. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with the Your express consent. Our files may, however, be subject to review as part of the quality control review program of the appropriate professional bodies which monitors compliance with professional standards by their members. Therefore you acknowledge that, if requested, our files relating to this engagement will be made available under this program. Should this occur, we will advise you. The same strict confidentiality requirements apply under this program as apply to us.

7. LIABILITY

We will use reasonable skill and care in the provision of the Services to you as set out in the Engagement or Confirmation Letter.

The liability of H & M Accountants, its directors, employees, associates and contractors, is limited pursuant to the Professional Standards Act 1994 (NSW) and the Scheme approved under the Act. Further information on the scheme is available from the Professional Standards Councils website: <http://www.psc.gov.au>.

8. INDEMNITY AGAINST THIRD PARTY LIABILITY

You will indemnify and hold harmless H & M Accountants, its directors and employees from and against any loss, expense, damage or liabilities that may result directly or indirectly from any third party claims arising out of or in relation to the provision of the Services or any use by you of any deliverable item under this engagement and will promptly reimburse us for all costs and expenses (including legal fees on a solicitor client basis) incurred by H & M Accountants in connection with any such action or claim.

9. DOCUMENTS

It is our practice to destroy documents belonging to us after they are more than ten years old

for Superannuation Funds, five years old for individuals, and seven years old for Corporate Secretarial. Your acceptance of these terms includes your consent for us to destroy any documents that belong to you which have been filed amongst our own papers.

We also have an electronic document management system. Sometimes documents received from clients are scanned and stored electronically. Your acceptance of these terms includes your consent for us to destroy any hard copy documents received from you.

10. OWNERSHIP OF DOCUMENTS

All original documents provided by you arising from this engagement shall remain your property. However, we reserve the right to make a reasonable number of copies of the original documents for our records.

H & M Accountants has a policy of exploring a legal right of lien over any client documents in our possession in the event of a dispute.

11. RECORD KEEPING

All records relevant to the preparation of an income tax return must be retained by you for a period of five (5) years for individuals, seven (7) years for companies, ten years (10) for Superannuation funds, and these must be available for examination by the Commissioner Of Taxation upon request. A copy of the Income Tax Returns and Financial Statements will be provided to you for your records, and ownership of these documents will vest in you. All other documents produced by us in respect of this engagement will remain the property of H & M Accountants.

You must satisfy minimum standards of reasonable care and demonstrate 'reasonably arguable positions' in relation to contentious issues in order to minimize penalty exposures. While the Australian Taxation Office does not require documents to be lodged with an income tax return, any work papers and research papers prepared to support amounts documented in the return must be sufficiently documented.

You are required by law to keep full and accurate records relating to your tax affairs.

It is your obligation to provide us with all information that you reasonably expect will be necessary to allow us to perform work contemplated under this engagement within a timely manner or as requested. This includes providing accurate and complete responses to questions asked of you by us. Inaccurate, incomplete or late information could have a material effect on our services and/or our conclusions and may result in additional fees.

You are also required to advise us on a timely basis if there are any changes to your circumstances that may be relevant to the performance of our services. Specifically, if any subsequent event results in the information you provided to us being inaccurate, incomplete or misleading, then you are obliged to advise us as soon as possible. We take no responsibility to the extent that our advice is inaccurate, incomplete or misleading information provided to us.

By accepting the terms of this letter, you will be taken to have agreed that the performance of our services is dependent on the performance of your obligations relating to disclosure and record keeping.

You are also required to advise us if you become aware of any conflict of interest or potential conflict of interest. Generally, a conflict of interest is any event which may result in us becoming unable to remain objective in the performance of our services to you. Some examples of events which could give rise to a conflict of interest or potential conflict of interest during this engagement are changes to your business circumstances, events affecting your family (e.g. death and/or marriage breakdown) or an impending legal action against you.

12. COMMUNICATIONS

(a) During our performance of the Services we may wish to send messages and/or documents to each other by e-mail. As e-mail carries with it the possibility of inadvertent misdirection, or non-delivery of confidential material, unless you notify us otherwise in writing you consent to the use of e-mail in accordance with clause 12 (b).

(b) Where messages are sent by e-mail we will adopt the following procedures and require you to do likewise:

- (1) If sending a confidential e-mail message, the sender will indicate if a response is not wanted in an electronic form. All risks connected with sending by e-mail commercially sensitive information relating to your business are borne by you and are not our responsibility. If you do not accept this risk, you should notify us in writing that e-mail is not an acceptable means of communication.
- (2) Both parties will carry out procedures to protect integrity of data, in particular, it is the recipient's responsibility to carry out a virus check on any attachments before launching any documents, whether received on electronic storage devices or otherwise.

13. EXCLUSIVITY

We are not prevented or restricted by anything in these Terms of Business from providing Services for other clients.

14. PRIVACY OF PERSONAL INFORMATION

Disclosure by you of personal information to us in the course of our engagement is subject to the Privacy Act 1988 ("The Privacy Act") Accordingly the Services are provided on the basis that you will only disclose personal information about an individual to us:

- (a) For the purpose related to the performance of the Services
- (b) Provided you have made all disclosures required under the Privacy Act
- (c) Provided you have obtained any consents required under the Privacy Act: and
- (d) Provided to do so would not otherwise breach the privacy act

As we rely on you to fulfill these obligations you will indemnify H & M Accountants, its directors, employees and contractors, against any claim, loss or expense resulting from your failure to make any disclosure or obtain any consent required under the Privacy Act or otherwise to comply with the Privacy Act.

If the performance of the Services requires a third party to supply personal information to us on your request, it is your obligation to ensure that the third party complies with clauses (a) to (d) above and you will indemnify us against any claim, loss or expense resulting from that party's failure to do so, or to otherwise comply with the Privacy Act. Please refer to our website www.hmaccountants.com.au for full details of our Privacy Policy.

15. Personal Guarantee and Legal/Recovery Indemnity

You personally guarantee the payment in full of any and all liabilities arising from fees rendered by H & M Accountants that are incurred by you and any of your entities or entities for which you are connected or associated with including partnerships, companies, trusts, superannuation funds. You also agree to indemnify H & M Accountants for any administrative and Legal Costs (on a full indemnity basis) incurred by H & M Accountants (including but not limited to charges and commission charged by Mercantile Agents) in relation to recovery of unpaid fees/invoices. You will also indemnify H & M Accountants for any dishonoured cheque fees. In addition, you also agree to grant a right of caveat over and additionally charge any real property in favour of H & M Accountants in respect of any unpaid fees/invoices.

16. GENERAL

Entire Agreement

This Contract comprising the Engagement or Confirmation Letter and Terms of Business forms the entire agreement between us relating to the Services. It replaces and supersedes any previous proposals, correspondence, understandings or other communications whether written or oral.

Engagement Letter to take Precedence

In the event of any conflict between these Terms of Business and the Engagement or Confirmation Letter, the Engagement or Confirmation Letter will take precedence.

Assignment

Neither party may, nor have the power to assign, or otherwise deal with its rights and obligations under this Contract without the prior written consent of the other party, except that we may without your consent assign or novate the Contract to a successor of the business of H & M Accountants.

Notices to produce documents

If we receive any legally enforceable notice or demand issued by a third party, including the Australian Securities and Investment Commission, Australian Taxation Office, any government statutory body or instrumentality, or any court or tribunal in relation to or in connection with the Services you agree to pay our reasonable professional costs and expenses (including legal expenses) in complying with or challenging any such notice or demand to the extent that our costs and expenses are not recoverable from the party issuing the notice or demand.

Severability

Any portion of these Terms of Business which is unenforceable will be removed and the remaining provisions will continue to apply.

Governing Law

These Terms of Business are governed by the laws in force in New South Wales.

17. FORCE MAJEURE

Neither of us will be liable to the other for any delay or failure to fulfill their obligations under this Contract to the extent that any such delay or failure arises from causes beyond their control, including but not limited to fire, floods, acts of God, acts of regulations of any governmental or supranational authority, war, riot, terrorist activities, strikes, lockouts and industrial dispute.

18. DISPUTE RESOLUTION

If a dispute arises in relation to these Terms of Business, the parties must in good faith attempt to resolve the dispute using dispute resolution processes such as negotiation or mediation before referring the dispute to arbitration or commencing court proceedings. If the dispute cannot be resolved between the parties within sixty (60) days of the date on which a party first gave notice to the other of the dispute, a party who has complied with this clause may refer the dispute to arbitration or commence court proceedings in relation to the dispute.