

ENGAGEMENT SERVICES AGREEMENT – TERMS & CONDITIONS

1. DEFINITIONS

Agreement	means the agreement between the Company and the Client for the provision of the services included in, the Client's acceptance, the terms pertaining to the engagement services agreement and any other supporting documents relating to the engagement of the Company.
Company	means Mitchell Partners Pty. Ltd. (ACN 078 986 544) which is supplying the services in accordance with this agreement.
Client	means an individual, firm, company, trustee, entity or organisation to whom or to which professional services are provided by the Company in respect of engagements of either a recurring or demand nature.
Engagement Services Agreement Schedule	means the Company's written schedule detailing the services to be provided to the Client and the fees payable by the Client to the Company for these services. For continuing engagements the Company will provide this schedule to the Client on an annual basis.
Proposal	means the Company's services as per the written "Engagement Services Agreement" Schedule.
Project	means the specific project, venture or mission for which the Client has engaged the Company to provide the services described in the scope of the Engagement Services Agreement Schedule.
Services	means the services commissioned by the Client and limited exclusively to those offered in the Engagement Services Agreement Schedule.
Scope	means the description and the limits of the services to be provided by the Company as per the Engagement Services Agreement Schedule.
Schedule	means the time period and / or the scheduled delivery dates agreed for the supply of the services.
Fee	means the fee(s) to be paid by the Client to the Company for supply of the services included in the scope.
Variation	means the change to the scope and any consequential change to the fee.

2. PURPOSE, SCOPE & LIMITATIONS

2.1 This firm will provide professional accounting and taxation services, including superannuation and retirement planning, which will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB). In addition, this engagement will be conducted in accordance with the relevant standards and ethical requirements of The Institute of Chartered Accountants in Australia. The extent of our procedures and services will be limited exclusively for this purpose only. As

a result, no audit or review will be performed and, accordingly, no assurance will be expressed. Our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may exist. However, we will inform the Client of any such matters that come to our attention.

- 2.2 This engagement includes the entire operations of the Client. Each member of the Client group engages the Company on the terms and conditions set out herein and is bound by those terms.
- 2.3 This Agreement is a continuing agreement. Unless otherwise agreed, the Company will continue to provide the services outlined in the Proposal and the Client will continue to be bound by the terms and conditions of this Agreement.
- 2.4 The scope will cover Income Tax, Goods & Services Tax (GST) and Fringe Benefits Tax. It will not cover any other taxes such as capital gains tax, stamp duty, land tax or payroll tax which will be handled separately if assistance is required by the Client.
- 2.5 The financial statements, tax returns and management reports will be prepared for distribution to directors and/or shareholders for the agreed purpose. There is no assumption of responsibility for any reliance on our report by any person or entity other than you the Client. The report shall not be inferred or used for any purpose other than for which it was specifically prepared. Accordingly, our report may include a disclaimer to this effect.
- 2.6 Prior to lodgement of returns on your behalf, we will forward documents to you for approval. We will endeavour to ensure your returns are lodged by their due dates and will advise of these due dates in advance and when your documentation should be provided to us. If you are late in providing your information, we will do our best to meet the time limits for lodgement however we will not be responsible for any late lodgement penalties or interest charges that may be incurred.
- 2.7 The scope represents the total services to be supplied by the Company and any responsibility and liability associated with supply of the services is limited to the tasks included in the scope.
- 2.8 Whilst the Company's expertise and general range of services may extend in to areas outside the scope, the Client shall not rely on that expertise if it is not specified in the scope.
- 2.9 References in the Proposal to services or expertise outside the scope do not imply that these services are included.
- 2.10 The Company is not responsible for any action or consequences of any action by the Client or others that may relate to the Company's expertise in areas outside the scope.
- 2.11 Liability is limited by a scheme approved under professional standards legislation.

3. RESPONSIBILITIES

- 3.1 In conducting this engagement, information acquired by the Company in the course of the engagement is subject to strict confidentiality requirements. That information will not be disclosed by the Company to other parties except as required or allowed for by law, or with the Clients express consent.
- 3.2 We wish to draw the Clients attention to our firm's system of quality control which has been established and maintained in accordance with the relevant APESB

standard. As a result, our files may be subject to review as part of the quality control review program of the Institute of Chartered Accountants which monitors compliance with professional standards by its members. We advise the Client that by accepting our engagement you acknowledge that, if requested, our files relating to this engagement will be made available under this program. Should this occur, we will advise the Client.

- 3.3 The Client is responsible for the reliability, accuracy and completeness of the accounting records, particulars and information provided and disclosure of all material and relevant information. Clients are required to arrange for reasonable access by the Company to relevant individuals and documents, and shall be responsible for both the completeness and accuracy of the information supplied to the Company. Any advice given to the Client is only an opinion based on our knowledge of the Client's particular circumstances.
- 3.4 A taxpayer is responsible under self-assessment to keep full and proper records in order to facilitate the preparation of a correct return. Whilst the Commissioner of Taxation will accept claims made by a taxpayer in an income tax return and issue a notice of assessment, usually without adjustment, the return may be subject to later review. Under the taxation law such a review may take place within a period of up to four (4) years after tax becomes due and payable under the assessment. Furthermore, where there is fraud or evasion there is no time limit on amending the assessment. Accordingly, the Client should check the return before it is signed to ensure that the information in the return is accurate.
- 3.5 Where the application of a taxation law to the Client's particular circumstances is uncertain the Client also has the right to request a private ruling which will set out the Commissioner's opinion about the way a taxation law applies, or would apply, to the Client in those circumstances. The Client must provide a description of all of the facts (with supporting documentation) that are relevant to the Client scheme or circumstances in the Client's private ruling application. If there is any material difference between the facts set out in the ruling and what the Client actually does, the private ruling is ineffective.
- 3.6 If the Client relies on a private ruling the Client has received, the Commissioner must administer the law in the way set out in the ruling, unless it is found to be incorrect and applying the law correctly would lead to a better outcome for the Client. Where the Client disagrees with the decision in the private ruling, or the Commissioner fails to issue such a ruling, the Client can lodge an objection against the ruling if it relates to income tax or fringe benefits tax. The Client's time limits in lodging an objection will depend on whether the Client is issued an assessment for the matter (or period) covered by the private ruling.

4. ACCEPTANCE BY THE CLIENT

- 4.1 The Company is not obliged to commence the supply of the services until it has received official acceptance of the proposal from the Client.
- 4.2 The fee arrangement is based on the expected amount of time and the level of staff required to complete the services as per the Proposal.
- 4.3 The Company is entitled to cease supply of the services at any time at its discretion and without penalty if the Client's

official acceptance is not provided and / or payment of fees are not paid by due dates.

- 4.4 The Company is entitled to commence / continue supply of the services and presume that its proposal is accepted where instructions are received from the Client or with the willing participation of the Client.
- 4.5 Instructions of willing participation of the Client may be verbal, written or electronic communication of attendance at meetings involving delivery of the scope.
- 4.6 Commencement of works is subject to the Company's current production schedule.

5. FEES

- 5.1 The fee structure is nominated by the Company in the proposal
- 5.2 The fee proposal has been based on the expected amount of time and the level of expertise of staff required to complete the services task.
- 5.3 The fee may be based on a lump sum, price per unit, schedule of hourly rates, a percentage of the costs of the works or any other measure or combination of the preceding measures depending on the preferences of the Client, the Company and the project specifics.
- 5.4 A fee quoted is not a fixed price unless specifically stated so in the proposal and only where the scope is specifically defined.
- 5.5 Where a fee is stated to be "estimated", "approximate" or similar in a proposal, this does not constitute a fixed fee and is subject to variation.
- 5.6 Where additional time is required to deliver the scope the Client will be notified of a revised estimate and accordingly, the fee will be varied through either the existing proposal or through an additional proposal.
- 5.7 Unless otherwise provided by the Company; variations in scope or additional services undertaken will be charged out at the following hourly rates:
- | | |
|-----------------|----------------|
| Principal | \$375.00 + GST |
| Partner Manager | \$300.00 + GST |
| Senior Manager | \$250.00 + GST |
| Account Manager | \$200.00 + GST |
| Accountant | \$175.00 + GST |
- 5.8 For continuing engagements, future year fees as per the Engagement Services Agreement Schedule will be subject to increase based on a combination of annual CPI and cost increases that the firm is subject to.
- 5.9 Each member of the Client group is jointly and severally liable to pay our fee accounts regardless of which group member those accounts are addressed to and regardless of which group member received the benefit of the work performed.

6. GST

- 6.1 Good and Services (GST) is detailed in our quoted fees and is required to be added to all domestic invoices in accordance with the legislative statutes of Australia.

7. OTHER CONSULTANTS

- 7.1 The Scope does not include the services of any other consultants unless specifically stated in the Proposal.
- 7.2 Where the engagement of a Sub-consultant is included in the scope, fees may be charged at cost plus 10% for procurement and management.
- 7.3 The Company does not accept any liability whatsoever for any consequential damages caused by negligence,

misleading conduct, errors or poor performance of any sub-consultant or any other consultants engaged by the Client or by the Company on the Client's behalf.

8. CLIENT'S RIGHT TO VARY THE SCOPE OF WORK

- 8.1 The Company is only obligated to provide the services described in the proposal for the fees set out in the proposal.
- 8.2 The Client may vary the scope by requesting the change in written or electronic form and the Company agreeing to the change.
- 8.3 The Company will advise the Client if it agrees to a change of scope, the consequential variation of the fee and any extension of time that may apply.

9. VARIATIONS

- 9.1 Where the scope is changed and the change is due to the requirements of the Client or of third parties or by circumstances outside the control of the Company a variation to the fee will apply.
- 9.2 The Company will advise the Client as soon as is practical, the extent of any variation work and the associated fee variation if greater than \$1,000.
- 9.3 The Company is entitled to extensions to scheduled delivery dates and / or times when variations occur.
- 9.4 The Company is not obliged to commence the variation work until the Company receives the Client's written consent.

10. DISBURSEMENTS

- 10.1 All disbursements incurred by the Company in the provision of services will be charged to the Client in addition to fees.
- 10.2 Disbursements include; but are not limited to; postage, printing, courier, CD/DVD copying, travel and accommodation.

11. PAYMENT TERMS

- 11.1 The Company will submit an interim invoice to the Client for part payment of fees as detailed in the Proposal, at the commencement of work.
- 11.2 The Company will submit a final invoice to the Client for the balance of fees as detailed in the Proposal, on the completion of work.
- 11.3 The Client shall pay the Company's invoices within the terms specified thereon.
- 11.4 Where the full scope of works have been completed and delivered, the Company may retain the files and documents until full payment of all outstanding invoices has been received.
- 11.5 Where the Client refuses or neglects to pay an invoice by more than or equal to fourteen (14) days past the terms detailed therein, the Company reserves the legal right to:
- 11.5.1 Suspend the agreement as per *Section 18*; and / or
- 11.5.2 Terminate the agreement as per *Section 19*; and / or
- 11.5.3 Charge the Client interest on overdue payments at the compounding daily rate of 10% p.a. from the date the invoice was payable to the current date or the date that the invoice is finally paid by the Client; and / or
- 11.5.4 Charge the Client a reasonable monthly account keeping fee whilst any overdue invoices remain unpaid.
- 11.6 At the Company's discretion, any unpaid invoice(s) which turn in excess of sixty (60) days past due may be handed

by the Company to a third party for collection and / or legal action. All additional expenses in this regard will be borne by the Client.

- 11.7 If the Client disputes an invoice, the items disputed must be submitted in writing to the Company within fourteen (14) days of receiving the invoice.

12. PROTRACTION & DELAYS TO SERVICES

- 12.1 Where the scope is changed and the change is due to the requirements of the Client or of third parties or by circumstances outside to the control of the Company, the Client shall accept all reasonable delays that the such changes will cause to the schedule, and indemnify the Company of all liability or costs that the Client may incur as a result of such delays.
- 12.2 The proposal does not provide for delays incurred whilst waiting for information, documents and / or feedback from the client or the client's consultant.

13. CHANGES IN LEGISLATION, FEES, CHARGES AND PAYMENTS

- 13.1 If a change in legislation necessitates a change to the agreement services or scope or there is a change in a fee, charge or payment, the difference shall be passed on to the Client through a discount or additional charge within the Company's fees.

14. LIMITATION OF LIABILITY

- 14.1 Our liability is limited by a scheme approved under Professional Standards Legislation. Further information on the scheme is available from the Professional Standards Councils' website: <http://www.professionalstandardscouncil.gov.au>.

15. MATERIALS, INFORMATION & INDEMNITY

- 15.1 The Client must provide the Company with all information and documentation that is required for the Company to provide the services unless stated otherwise in writing when the information is supplied.
- 15.2 The Client warrants that any document or information given by it in relation to or for the purpose of the services is accurate, adequate and complete unless stated otherwise in writing when the information is supplied.
- 15.3 The Client continually indemnifies the Company against any claims, actions, proceedings, demands, whether expressed or implied; and all liabilities, losses, loss of profit, damages or costs (including legal costs on a full indemnity basis) that the Company incurs or suffers as a direct or indirect result of anything the Client does or provides, or fails to do or disclose to the Company under the agreement.

16. OWNERSHIP OF DOCUMENTS

- 16.1 All original documents obtained from the Client arising from the engagement shall remain the property of the client. However, we reserve the right to make copies of the original documents for our records.
- 16.2 Our engagement will result in the production of:
- Financial Statements
 - Income Tax Returns
 - Management Reports
 - Business Activity Statements
 - Instalment Activity Statements
 - Fringe Benefit Tax Returns
 - Employer Annual Payroll Returns

- 16.3 Ownership of these documents will vest in you. All other documents produced by the Company in respect of this engagement will remain the property of the firm.
- 16.4 Any documents brought into existence by us including but not limited to general workpapers, general ledger and draft documents will remain our property at all times.
- 16.5 The firm has a policy of exploring a legal right of lien over any client documents in our possession in the event of a dispute. The firm has also established dispute resolution processes.

17. CLIENT FEEDBACK

- 17.1 Client feedback is encouraged and accepted and will be responded to in a timely manner.

18. COPYRIGHT

- 18.1 The Company retains all Copyrights to intellectual and physical property provided in the services.

19. DISPUTE RESOLUTION

- 19.1 If a dispute or disparity arises in relation to the fulfilment of the services under this agreement, either party shall give the other notice of the dispute and provide details of the dispute to allow the other to resolve the dispute.
- 19.2 Within fourteen (14) days of service of the notice, the Company and the Client shall confer at least once to resolve the dispute.
- 19.3 Where the dispute remains unresolved twenty-one (21) days after service of the written notice, an arbitration notice will be issued by the Company to the Client requiring that an attempt be made to resolve the dispute with the help of a mediator to be appointed jointly by the parties.
- 19.4 If the parties do not agree on a mediator within seven (7) days after the arbitration notice is given, the mediator is to be appointed by the President of the Institution of Arbitrators and Mediators.
- 19.5 Each party must co-operate fully with the mediator and pay an equal share of the mediator's fees and expenses.
- 19.6 If the dispute is unresolved, then either party is free to pursue its rights as law.

20. SUSPENSION

- 20.1 If the Client fails to pay the Company in accordance with; or is otherwise in default of; this agreement, the Company may at its discretion suspend the services upon immediate notice in writing to the Client.
- 20.2 The Company shall not forego any of its rights under the agreement as a consequence of a suspension.
- 20.3 The Client must pay the Company all reasonable costs incurred as a result of a suspension.

21. TERMINATION OF AGREEMENT / WITHDRAWAL OF SERVICES

- 21.1 This agreement may be suspended or terminated at any time by seven (7) days written notice being provided to the other:

21.2 By the Company;

- 21.2.1 Upon the Client failing to pay the Company's fees in accordance with this agreement; and / or
- 21.2.2 Upon the Client being in breach of any provisions of this agreement; and / or

- 21.2.3 Upon the Client becoming bankrupt or executing a deed of assignment or making an arrangement or any other composition for the benefit of creditors; and / or
- 21.2.4 Upon the Client – as a company, or its creditors; passing a resolution / order for the winding up of the Client.

21.3 By the Client;

- 21.3.1 Upon the Company failing to carry out the services with reasonable care and skill; and / or
- 21.3.2 Upon the Company being in breach of any provisions of this agreement
- 21.4 Where the agreement is suspended or terminated by the Client, the Company is entitled to be paid reasonable costs.
- 21.5 Where the agreement is suspended or terminated by the Company, and provided that an agreement dispute is not in progress, the Company shall cooperate fully with any reasonable request from the Client to assist it to hand-over to another consultant.