

Introduction

Set out below are our basic terms and conditions of business (the "Terms"), which together with our Engagement Letter (together called "this Agreement") will apply to all work Francis A Jones undertakes for you with respect to this engagement. If there is any conflict between these Terms and our Engagement Letter, then the Engagement Letter shall prevail, and if no Engagement Letter exists, these Terms will still apply.

For the purposes of the Terms, "Francis A Jones" includes its partners and its employees.

Our responsibilities

Francis A Jones will provide the services set out in our Engagement Letter (the "Services") and will use all reasonable commercial efforts to provide the Services in an efficient and timely manner, using the necessary skill and expertise to an appropriate professional standard.

Our services will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB).

Unless specifically engaged in writing we will not perform an audit of Financial Statements prepared and we understand that no audit is required. Therefore we will not be expressing an opinion as to the truth and fairness of those statements, however we will inform you of any such matters that come to our attention.

Your responsibilities

You agree to pay for the Services in accordance with this Agreement and the Engagement Letter.

You and your employees will be responsibly for maintaining an adequate accounting and internal control system.

You will provide Francis A Jones promptly with such material and relevant information as may reasonably be required for the proper performance of the Services, including access to appropriate employees, records, information, technology, systems and premises.

Francis A Jones shall be entitled to rely upon the accuracy of all information provided by you, or by others on your behalf, without independently verifying it. Our involvement will not disclose fraud, defalcations or other irregularities which may occur. However any material weaknesses in the accounting system or internal control systems which come to our notice will be drawn to your attention.

You shall retain responsibility for the use of, or reliance on, advice or recommendations supplied by us in the delivery of the services.

You undertake that, if anything occurs after information is provided by you to Francis A Jones, to render such information untrue, unfair or misleading, you will promptly notify Francis A Jones and, if

required by Francis A Jones, take all necessary steps to correct any announcement, communication or document issued which contains, refers to or is based upon, such information.

If our engagement includes the lodgement of income tax return(s), please be aware that:

- a) you are responsible for the accuracy and completeness of the particulars and information provided in relation to taxation services and this responsibility rests with you;
- (b) any advice given to you is only an opinion based on our knowledge of your particular circumstances; and
- (c) a taxpayer has obligations under self assessment to keep full and proper records in order to facilitate the preparation of accurate returns. It is the taxpayer's responsibility to keep those records for five (5) years.

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, you should check the return before it is signed to ensure that the information in the return is accurate.

Where the application of a taxation law to your particular circumstances is uncertain you also have 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 you in those circumstances. You must provide a description of all of the facts (with supporting documentation) that are relevant to your scheme or circumstances in your private ruling application. If there is any material difference between the facts set out in the ruling and what you actually do the private ruling is ineffective.

If you rely on a private ruling you have 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 you. Where you disagree with the decision in the private ruling, or the Commissioner fails to issue such a ruling, you can lodge an objection against the ruling if it relates to income tax, fuel tax credit or fringe benefits tax. Your time limits in lodging an objection will depend on whether you are issued an assessment for the matter (or period) covered by the private ruling.

Confidentiality and privacy

Any information acquired by us in the course of our engagement, including any information relating to your affairs whether or not it belongs to you or not or is provided by you or not, 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 your express consent. Our files may, however, be subject to review as part of the quality control review program of CPA Australia which monitors compliance with professional standards by its members. We advise you that by agreeing to these Terms you acknowledge that, if requested, our files relating to this engagement will be made available under this program. The same strict confidentiality requirements apply under this program as apply to us.

We may collect Personal Information about you, your representatives, your clients and others when we provide services to you. If we do, you agree to work with us to ensure that we both meet the obligations that we each may have under the Privacy Act 1988 (Cth) (as amended) (Privacy Act). The obligations may include notifying the relevant person to whom the personal information relates who we are and how we propose to use their personal information. Where you have collected personal

information, you confirm that you have collected the personal information in accordance with the Privacy Act, that you are entitled to provide this personal information to us and that we may use and disclose the personal information for the purpose/s we provide our services to you. We will handle personal information in accordance with the Privacy Act.

By accepting these Terms you acknowledge and agree that your personal information may be stored securely overseas. Information will be stored overseas only where third party applications require us to do so.

Staff

You agree that during the provision of the Services, and for a period of 12 months thereafter, you will not make any offer of employment to any Francis A Jones partner or employee involved in the provision of the Services, without our prior consent.

Ownership of documents

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

Where our engagement results in the production of Financial Statements and Income Tax Returns, ownership of these documents will vest in you. All other documents produced by us in respect of this engagement will remain the property of the firm, subject to any statutory obligations.

We reserve the right to explore a legal right of lien over any client documents in our possession in the event of a dispute.

Benefit of advice

Unless otherwise specifically stated in the Engagement Letter, any advice or opinion relating to the Services is provided solely for your benefit and may not be disclosed in any way, including any publication on any electronic media, to any other party and is not to be relied upon by any other party.

During the supply of our services, we may supply oral, draft or interim advice, reports or presentations but in such circumstances our written advice or final written report shall take precedence. No reliance should be placed by you on any oral, draft or interim advice, reports or presentations. Where you wish to rely on oral advice or an oral presentation, you shall inform us and we will provide documentary confirmation of the advice.

Francis A Jones shall not be under any obligation in any circumstance to update any advice or report, oral or written, for events occurring after the advice or report has been issued in final form.

Electronic mail

If you ask us to transmit any document to you electronically, you agree to release us from any claim you may have as a result of any unauthorised copying, recording, reading or interference with that document after transmission, for any delay or non-delivery of any document and for any damage caused to your system or any files by the transmission (including by any computer virus).

You may not rely on electronically transmitted advice or opinion unless it is subsequently confirmed by fax or letter signed by a partner or authorised signatory of Francis A Jones.

Fees, expenses and payment terms

The fees, if any, quoted in the Engagement Letter or as separately quoted in a fee letter will remain in force until 30 June and we may increase fees for work continuing past that date. We review our fees and charge rates annually.

Out-of-pocket expenses incurred in connection with the engagement will be charged to you.

Accounts are to be paid within 14 days of the billing date. If they are not paid by this date, we may suspend provision of services until the outstanding fees are paid.

Fees for bookkeeping services are to be paid by direct debit at agreed intervals, and clients will be required to sign a direct debit authority.

Problem resolution

If at any time you would like to discuss with us how our Services can be improved or if you have a complaint about them, you are invited to telephone the partner or director identified in the Engagement Letter. We will investigate any complaint promptly and do what we can to resolve the difficulties.

If the problem cannot be resolved, the parties agree to enter into mediation, or some other form of alternative dispute resolution, before commencing legal proceedings.

In the event of a dispute, or where fees remain unpaid beyond the due date, we reserve the right to suspend provision of the Services until such time as the dispute is resolved or the fees are paid. Suspension of the Services will not affect your obligation to pay us for Services rendered to the date of suspension.

Termination of Agreement

Each of us may terminate this Agreement if: the other commits any material or persistent breach of its obligations under this Agreement, or the other becomes insolvent, or the Services are suspended as a result of outstanding fees.

Termination must be effected by written notice served on the other.

Francis A Jones may terminate this Agreement immediately by providing written notice to you if there has been a change of law, rule, regulation or professional standard or a change in circumstance that would cause the continued provision of these Services under this Agreement to violate such law, rule, regulation or professional standard or would otherwise, in the reasonable opinion of Francis A Jones, prejudice Francis A Jones's ability to comply with any applicable independence requirement.

Termination under this clause shall be without prejudice to any rights that may have accrued for either of us before termination and all sums due to us shall become payable in full when termination takes effect.

Limitation of liability

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>.

To the extent permitted by law, you agree that to the extent that any loss or damage suffered by you is attributable to negligence, fault or lack of care on your part or on the part of any person for whom you are responsible, Francis A Jones is not liable (in contract, tort or otherwise) for the loss or damage.

Indemnities

You agree to indemnify and hold harmless Francis A Jones against any and all losses, claims, costs, expenses, actions, demands, damages, liabilities or any other proceedings, whatsoever incurred by Francis A Jones in respect of any claim by a third party arising from or connected to any breach by you of your obligations under this Agreement.

Francis A Jones shall not be liable for any losses, claims, expenses, actions, demands, damages, liabilities or any other proceedings arising out of reliance on any information provided by you or any of your representatives, which is false, misleading or incomplete. You agree to indemnify and hold harmless Francis A Jones from any such liabilities we may have to you or any third party as a result of reliance by Francis A Jones on any information provided by you or any of your representatives, which is false, misleading or incomplete.

Force majeure

If the performance of this Agreement by a party, is prevented or restricted by reason of fire, storm, flood, earthquake, war, labour dispute, transportation embargo, law, order, or directive of any government in matters relating to this Agreement, or any other act or condition beyond the reasonable control of that party, then the party is excused from such performance to the extent of the same, but will use their best efforts to avoid or remove the causes of non- performance and to cure and complete performance with the utmost dispatch.

Reliance on Advice

You acknowledge and agree that any advice, recommendations, information or work product provided to you by Francis A Jones in connection with this engagement is for your sole use. You agree that if you make such advice, recommendations, information or work product available to any third party, you will notify such third party, in writing, that Francis A Jones's advice, recommendations, information and work product is for your sole benefit based on the specific facts and circumstances and the scope of Francis A Jones's engagement with you and is not intended to be relied upon by any other person. In the event of a claim by any third party relating to our services under this engagement that arises out of a breach by you or any of your personnel of this paragraph, you agree to indemnify and hold harmless Francis A Jones and our personnel from all such claims, liabilities, costs and expenses (including legal fees and disbursements).