

Appendix One

SMSF Options Pty Ltd Terms and Conditions of Business

1. Introduction

- 1.1 SMSF Options Pty Ltd (SMSF Options) have set out in this document our basic terms and conditions of business (the "Terms"), which, together with our Engagement letter (together called "this Agreement"), will apply to all work SMSF Options 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.
- 1.2 For the purposes of the Terms, "SMSF Options" includes its partners, employees and all its related entities.

2. Our services

- 2.1 SMSF Options 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.

3. Your obligations

- 3.1 You agree to pay for the Services in accordance with this Agreement.
- 3.2 You will provide SMSF Options promptly with such information as may reasonably be required for the proper performance of the Services, including access to appropriate members of your staff, records, information, technology, systems and premises.
- 3.3 SMSF Options shall be entitled to rely upon the accuracy of all information provided by you, or by others on your behalf, without independently verifying it.
- 3.4 You shall retain responsibility for the use of, or reliance on, advice or recommendations supplied by us in the delivery of the services.
- 3.5 You undertake that, if anything occurs after information is provided by you to SMSF Options, to render such information untrue, unfair or misleading, you will promptly notify SMSF Options and, if required by SMSF Options, take all necessary steps to correct any announcement, communication or document issued which contains, refers to or is based upon, such information.
- 3.6 You acknowledge that information made available by you, or by others on your behalf, to, or which is otherwise known by, directors or staff of SMSF Options who are not engaged in the provision of the Services shall not be deemed to have been made available to the individuals within SMSF Options who are engaged in the provision of the Services.

4. Confidentiality

- 4.1 Both parties acknowledge that they may, in the course of the engagement, be exposed to or acquire information that is proprietary or confidential to the other party. Both parties agree to hold such information in strict confidence, and not to divulge such information except as may be required by law or judicial process, by any persons or bodies responsible for regulating that party's business (including any regulatory or accounting profession supervisory authorities in Australia or elsewhere), as required by a party's internal policies or as the party reasonably determines is necessary to protect its own legitimate interests.

5. Staff

- 5.1 You agree that during the provision of the Services, and for a period of six months thereafter, you will not make any offer of employment to any SMSF Options partner or employee involved in the provision of the Services, without our prior consent.

6. Benefit of advice

- 6.1 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.
- 6.2 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.

- 6.3 SMSF Options 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.

7. Electronic mail

- 7.1 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).
- 7.2 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 SMSF Options.

8. Fees, expenses and payment terms

- 8.1 The time based fees, if any, quoted in the Engagement Letter or as separately quoted in a fee letter will remain in force until 31 December or 30 June (whichever occurs first) and we may increase fees for work continuing past that date. We review our time based fees six monthly.
- 8.2 Monthly (fixed fee) SMSF Administration will be in accordance with SMSF Options Fee Schedule. SMSF Options reserves the right to amend the fee schedule at any other time subject to providing a minimum of one calendar month's written notice to the representative of the Fund.
- 8.3 By using the SMSF Options Monthly Administration service you acknowledge and agree that you will pay the fee(s) for the Service(s) when they fall due by providing us with, and maintaining, a Direct Debit Authority (DDA) which authorises SMSF Options to deduct the relevant fees and expenses directly from the nominated Fund Operating Account under the DDA.
- 8.4 Monthly SMSF Administration Fees for the SMSF Options monthly service are due and payable on the first Business Day of each month.
- 8.5 SMSF Options becomes presently entitled to a Fee (other than the Monthly SMSF Administration Fee) when the Trustee has requested or requires additional service and when such service has been delivered or a service instruction has been given, whichever occurs earlier. When such Fee is currently owed to SMSF Options, an individual invoice will be issued to the representative of the Fund.
- 8.6 Out-of-pocket expenses incurred in connection with the engagement will be charged to you.
- 8.7 The consideration payable for any supply made or to be made under this Agreement is exclusive of any goods and services tax ("GST"). If GST is payable on any supply made or to be made under this Agreement, you agree that the consideration payable for any such supply shall be increased by an amount equal to the amount of GST payable by SMSF Options in respect of that supply.
- 8.8 Accounts are to be paid within 14 days of the billing date. If they are not paid by this date, we may charge you an additional amount for the Services equal to interest on the unpaid balances at a rate equal to 2% over the 180 Day Bank Bill Rate.
- 8.9 If we are required (pursuant to any order, subpoena, directive or other legal or regulatory process) to produce documents and/or information, answer enquiries, attend court or meetings or deal with any similar requests in relation to the Services for, or by, any judicial, regulatory, administrative or similar body or entity (including without limitation, any foreign regulator or similar), you shall reimburse us at standard billing rates for our professional time and expenses, including reasonable legal fees, incurred in dealing with those matters.

9. Problem resolution

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

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- 9.2 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.
- 9.3 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.

10 Termination of Agreement

- 10.1 Each of us may terminate this Agreement if:
- the other commits any material or persistent breach of its obligations under this Agreement (which, in the case of a breach capable of remedy, shall not have been remedied within 14 days of receipt by the party in breach of a notice identifying the breach and requiring its remedy); or
 - the other becomes insolvent; or
 - the Services are suspended under clause 9.3 for more than 10 normal working days.
- 10.2 Termination must be effected by written notice served on the other. The effective termination date is the date mutually agreed in writing by both parties or the latter of:
- 30 days after a valid written notice is served; or
 - The nominated date specified on the termination notice.
- 10.3 SMSF Options 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 by SMSF Options to violate such law, rule, regulation or professional standard or would otherwise, in the reasonable opinion of SMSF Options, prejudice SMSF Options' ability to comply with any applicable auditor independence requirement.
- 10.4 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.

11 Limitation of liability

- 11.1 In this section, we set out, and you accept, the limitations which apply to our liability to you should you have reason to make a claim against us. The limitations and exclusions are accepted by both of us to be fair and reasonable, given the duties we are undertaking, the sums to which we are entitled and the availability (and cost) of insurance.
- 11.2 Nothing in these Terms excludes, restricts or modifies the application of the provisions of any statute (including the Trade Practices Act 1974) where to do so would contravene that statute or cause any part of these Terms to be void.
- 11.3 These Terms, and the Engagement Letter, are the only communications governing our relationship. Subject to clause 11.2, SMSF Options expressly excludes and will have no liability for any statements, representations, guarantees, conditions or warranties, including any which may be implied by statute, common law or custom or which arise from oral or written communications with you, which are not expressly contained in this Agreement. If any representations are of importance to you, you should ensure that they are expressly set out in the Engagement Letter before signature.
- 11.4 Without limiting clauses 11.2, 12.1 and 12.2, SMSF Options' liability in relation to the Services is limited under an Institute of Chartered Accountants in Australia Scheme approved under the relevant Australian States and Territories professional standards legislation, including, where applicable, the Treasury Legislation Amendment (Professional Standards) Act 2004 (Cth) ("PSL Scheme").
- 11.5 Where a PSL Scheme does not apply, and subject to clauses 11.2 and 11.6, you agree that SMSF Options' liability for any loss or damage suffered by you (whether direct, indirect or consequential) in connection with the Services, including (without limitation) liability for any negligent act or omission or misrepresentation of SMSF Options, shall be limited to an amount equal to ten (10) times the reasonable charge for the Services, subject to a maximum amount of \$2 million. You agree to release

SMSF Options from all claims arising in connection with the Services to the extent that SMSF Options' liability in respect of such claims would exceed that sum.

- 11.6 If SMSF Options is liable for a breach of any warranty implied by section 74 of the Trade Practices Act, 1974 in respect of Services not of a kind ordinarily acquired for personal, domestic or household use or consumption, SMSF Options' liability under that section is limited to the supplying of the Services again or the payment of the cost of having the Services supplied again, whichever SMSF Options, in its absolute discretion, elects.
- 11.7 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, SMSF Options is not liable (in contract, tort or otherwise) for the loss or damage.

12 Indemnities

- 12.1 You agree to indemnify and hold harmless SMSF Options against any and all losses, claims, costs, expenses, actions, demands, damages, liabilities or any other proceedings, whatsoever incurred by SMSF Options in respect of any claim by a third party arising from or connected to any breach by you of your obligations under this Agreement.
- 12.2 SMSF Options 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 SMSF Options from any such liabilities we may have to you or any third party as a result of reliance by SMSF Options on any information provided by you or any of your representatives, which is false, misleading or incomplete.
- 12.3 In the event of any inconsistency between clauses 11 and 12, clause 12 shall prevail.

13 Privacy

- 13.1 SMSF Options is committed to complying with the Federal Privacy Act 1988 and National Privacy Principles when collecting, holding or disclosing personal and sensitive information concerning your shareholders, members, customers, employees and other individuals with whom you have dealings ('stakeholders').
- 13.2 If your stakeholders have not been made aware of the possible collection, holding, use or disclosure of their personal and sensitive information by SMSF Options as part of this engagement, you agree to inform SMSF Options so that should this be necessary, SMSF Options may take action to raise the awareness of your stakeholders about the same.

14 Force majeure

- 14.1 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.

15 Governing law and jurisdiction

- 15.1 Unless otherwise specified in the Engagement Letter, this Agreement and all aspects of our engagement and our performance of the Services are governed by, and construed in accordance with, the laws applicable in the State or Territory of the SMSF Options office entering into this Agreement. Both you and we agree to irrevocably submit any disputes arising under this agreement to the exclusive jurisdiction of the Courts of that state.

16 Variation

- 16.1 No variation of this Agreement will be valid unless confirmed in writing by authorised signatories of both parties on or after the date of signature of the Engagement Letter.