

STANDARD TERMS AND CONDITIONS

This document sets out our standard terms and conditions with effect from 1 July 2010.

These terms and conditions form part of and are referred to in your engagement letter with McGarry Partners. Where these standard terms and conditions are inconsistent with your engagement letter, the terms of the engagement letter shall prevail. These terms and conditions incorporate and are in addition to the requirements of the Tax Agent Services Act 2010 and the Code of Professional Conduct (“the Code”) contained therein.

These terms and conditions are subject to change without notice. Copies of the latest standard terms and conditions are available on request from McGarry Partners or alternately are able to be downloaded from our website www.mcgarrypartners.com.au.

YOUR RESPONSIBILITIES

Provide All Information

You must provide all information and documents relevant to the proper performance of the work at the outset of the engagement and during the engagement. This includes promptly advising us of anything that occurs subsequently to render information already provided misleading or incomplete, or advising of any change in your circumstances relevant to the work.

There are provisions in the Taxation Administration Act 1953 that provide you with “safe harbours” from administrative penalties for incorrect or late lodgement of returns if, among other things, you give us “all relevant taxation information” in a timely manner.

This means that it is to your advantage to

give us all information necessary for us to do the work.

We consider and you acknowledge that “in a timely manner” means within 7 days of our request for information unless some other reasonable time has been agreed.

You must provide all information and documentation which we should take into account in applying the taxation laws. Any failure by you to provide all such information and documentation, both voluntarily and in answer to our questions, may affect your ability to access the safe harbour provisions and will be taken into account when assessing our obligations under the Code.

You agree that in providing this information, we will be the sole arbiters of whether the information is relevant and we reserve the right to amend or withdraw any document or advice as a result of you providing such further information.

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Reliance

We will rely on you for both the completeness and accuracy of the information supplied to us and you are solely responsible to users of the special purpose financial reports compiled by us. This includes responsibility for the maintenance of adequate accounting records and internal controls and the selection and application of appropriate accounting policies.

Prior to the commencement of the preparation of annual financial statements and income tax returns, we will provide to you an initial list of the information that we require.

Rights and Obligations under the Taxation Laws

The taxation laws confer on you certain rights (such as to challenge a decision of, or an assessment issued by, the Australian Taxation Office) but also impose obligations on you (such as the keeping and retaining of adequate and accurate records and the filing of relevant returns with the Australian Taxation Office within the required time limits). We will keep you informed on specific rights and obligations under the taxation laws that become relevant from time to time during the course of the work we perform for you.

Conflicts of Interest

If during the engagement you become aware of any conflict of interest or potential conflict of interest or there is a change of

circumstances which may result in a conflict, you must advise us.

Events which may give rise to a conflict of interest or potential conflicts during the engagement include events affecting you, such as deaths, matrimonial disputes as well as litigation (threatened or actual) or changes in the nature or structure of your business or your business relationships.

Where a real or suspected conflict of interest arises, we have an obligation to ensure that arrangements are in place to manage that conflict of interest. The effective operation of these arrangements depends, in part, on you complying with your obligation to disclose any potential conflicts of interest to us.

Professional Fees

All professional fees for the services provided to you will be based on the time and degree of skill and acumen required to complete the tasks required, including out of pocket expenses and statutory charges, unless otherwise agreed between the parties.

We will allocate to your work appropriate staff according to their level of skill and experience commensurate with your work.

Terms of Payment

You agree to pay our fees and expenses within 14 days of the billing date. We reserve the right to perform no further work including not lodging tax returns and other

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statutory documents, until all outstanding accounts are paid in full.

Fee accounts will generally be rendered progressively as the work is completed. On a monthly basis, we will review work which has been undertaken since the last invoice was issued. Where the dollar value of accumulated work is in excess of \$1,000, we may raise an interim invoice. Details of work completed will be provided on a final invoice issued on completion of the work.

Trust Account

McGarry Partners operate a trust account which is audited annually. We will separately account to you for all money and other property received from you or for you other than money received from you in payment of our fees for services already rendered.

Where we receive monies from you or on your behalf into our trust account we will obtain from you a separate authority authorising withdrawal of monies from the trust account.

Where it has been agreed between you and us that our fees will be deducted directly from any tax refund, your refund will be deposited into our trust account, the fees will be deducted and the remaining amount forwarded to you in accordance with your instructions.

Delays

McGarry Partners will not be liable for any failure or delay in performing the work if that

failure or delay arises from anything beyond its control, including the untimely performance by you of your obligations. Our experience has been that delays in supplying information inevitably add to costs and this alone is a good reason to minimise delays. If the delay is substantial, McGarry Partners is entitled to terminate this agreement and raise a fee for the work undertaken to that point.

OUR RESPONSIBILITIES

Act in Your Best Interests

We will act in your best interests but like all citizens, we must comply with the law, even where that may be contrary to your interests. For example, we must comply with certain statutory notices from the ATO, which may require payment to it of money we are holding on your behalf, or the production of documents or information.

Where we receive notices to produce records or documents which we hold, we will contact you to see if you wish to seek appropriate legal advice.

Confidentiality

Subject to the law, we must not disclose any information relating to your affairs to a third party without your consent. You agree that we may treat all entities listed in your engagement letter and any entities controlled by or related to you as part of the same group, and we may disclose confidential information, including tax file numbers, to entities within that same group

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in the performance of your work unless you instruct us otherwise in writing.

Engagement of Other Professionals

Where in the course of providing services to you, it is necessary to engage the services of other professionals, such as a solicitor, we will seek instructions from you as to whom you may wish to engage.

Where we recommend another professional to you, we will obtain your consent before engaging them on your behalf. In giving such consent you acknowledge that we act as your agent in engaging those professionals and are not engaging those professionals in our own right. Any instructions we may give are given as your agent and with your authority and you acknowledge that we may disclose confidential information to these other professionals on your behalf. Accordingly, costs for these other professionals will be borne by you.

Exercise Due Care & Skill

McGarry Partners must use all reasonable efforts to complete the work within the specified time. Our ability to do so will be significantly influenced by the quality of the information provided to us and your response time to queries and issues raised by us in the course of the assignment. We will perform the work with due care, competence and diligence.

Our procedures will not include verification or validation procedures. No audit or review will be performed (unless specified in your

engagement letter) 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 you of any such matters which come to our attention.

In preparing the income tax returns, we will exercise due care and skill. However the Income Tax Assessment Act places responsibility for the provision of all relevant information to prepare the return on the taxpayer. Your ability to access safe harbour provisions in relation to penalties may be compromised if you do not provide all relevant information in a timely manner.

Documents

Before we lodge any necessary documentation on your behalf, we will forward draft documentation to you for approval. We shall endeavour to ensure that the documentation is lodged with the relevant authorities by the due dates, provided all information is received so that there is sufficient time to allow us to prepare and lodge the documentation.

Retention of Documents and Intellectual Property

We will retain for a period of seven years papers which relate to the lodgement of an income tax return or activity statement, or to the provision of advice. By accepting these terms of engagement you acknowledge that we may destroy these papers and our files at the expiration of seven years.

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All original documents obtained from our clients remain the property of the client. However, we reserve the right to either scan or make copies of the original documents for our records.

Our engagement will result in the production of tax returns, financial statements, activity statements and reports as required. Ownership of these documents will vest in you, the client. All other documents or intellectual property generated as part of performing services for you will remain the property of McGarry Partners.

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>

Quality Assurance

We draw your attention to the firm's system of quality control which has been established and maintained in accordance with the relevant APESB standard. As a member of the Institute of Chartered Accountants in Australia, we are subject to periodic quality assurance reviews as well as an annual audit of our trust account. By accepting our engagement you acknowledge that, if requested, our files, as they pertain to your affairs, will be made available under these programs. Should this occur, we will advise you.

Standards & Complaint Resolution

We aim to provide the highest standard of professional service to our clients. If for any reason you feel you have not received the service level expected or have an issue to raise, please, at first instance, contact the Partner in charge of your work to discuss how the problem may be resolved.

Duration & Termination

Your engagement and these standard terms and conditions will cover services we provide to you in future years unless it is terminated by you or us. The engagement may be terminated by you or us by notice in writing for any breach including:

- Failure to pay our fees
- Failure to provide information within a reasonable time
- Withholding of information
- Failure to advise us of a material change in circumstances, e.g. a change of address
- The occurrence of an insolvency event (such as your bankruptcy or reaching an agreement with your creditors)

Where we terminate this agreement for any of the above reasons, we reserve the right to raise a fee for work performed to that date.

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Definitions

You/Your Shall mean the entity/entities referred to in the engagement letter and shall include all directors, partners, trustees, beneficiaries or members and shall include all relative of such persons for whom we act.

Us/We/Our Shall mean McGarry Partners and McGarry Partners Services Pty Ltd as trustee for the McGarry (Brisbane) Unit Trust and shall include their partners, directors, employees, agents, heirs, successors and assigns.

Any reference to one gender shall mean a reference to all genders.

Any reference to the singular shall mean a reference to the plural and vice versa.

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