

LETTER OF ENGAGEMENT FOR SERVICES

The purpose of this letter is to confirm the terms of Our engagement by You and the disclosure of Our services and fees ("**Agreement**"). This letter also sets out Our respective rights and obligations when working with each other to achieve Your aims.

By accepting the terms of this engagement letter you acknowledge that you are entering into a legally binding agreement.

We strongly encourage and recommend that You obtain independent advice from Your financial and/or legal advisor prior to entering into this Agreement to determine whether You are happy with the services that We will provide and the fees We will charge.

INTERPRETATION

In this Agreement, references to:

"Our" or "Us" or "We" refers to Chapter Two Australia Pty Ltd its directors, staff, representatives and agents;

"You" or "Your" means all persons or entities who entered into this Agreement.

"Schedule" means the schedule to this Agreement.

"Services" means the services recorded in the Schedule to this Agreement

INSTRUCTIONS

YOUR OBLIGATIONS:

We cannot act for You without your specific instructions on certain issues. Therefore, to help Us look after You most timely and cost effective manner you must:

- Provide us with clear and full instructions about what You want us to do for You. We will assist You to do this by providing You with a document requesting the information and details required to enable Us to perform the Services;
- Tell us what You want to achieve in your matter and select the Services from the Schedule;
- Tell us if You have important time limits including payment due dates and key dates of any Court initiated proceedings or debt collection process;
- Tell us if You are unclear about any aspects of the work or anything we have told You;
- Tell us promptly if You have any questions that you would like Us to address;
- Make sure that You understand the likely fees and disbursements involved in Us providing the Services to You.

- Provide Us with all requested information in a timely manner.
- Provide Us with a letter of authorisation prepared by Us in order to contact Your creditors.
- Fully disclose Your true financial position.
- Pay Your first instalment of your Direct Debit within fourteen days of engagement with Us.
- Pay Your Full and Final Settlement success fee, as referred to in the Schedule within 14 days of being issued a tax Invoice.

OUR OBLIGATIONS:

We agree to do the following:

- Conduct an initial consultation to gather relevant information about Your financial situation and assess your personal financial position;
- Prepare a strategic plan with recommendations;
- Perform the work set out in the Schedule of Services for each nominated creditor;
- Seek further instructions from You as required and resolve or settle the matter on Your behalf once a result from within the pre-authorised range of outcomes can be achieved by us;
- Report back to You on completion of the Services;
- Act in a professional and diligent manner when acting on Your behalf.

PROPOSED TERM OF AGREEMENT

The term of this Agreement is six months. The Agreement will be extended should you choose to engage us for further services outlined in Schedule 1 under "Term".

PROFESSIONAL SERVICES:

You instruct Us to perform the Services set out in the Schedule.

ACCEPTANCE OF OUR OFFER

You may negotiate and enter into this Agreement with Us based on the information contained in this letter. If you wish to do so, you may accept the terms and conditions of this Agreement by providing your electronic consent via our website.

Upon electronic acceptance of the terms and conditions of this Agreement You will be bound by them.

PROFESSIONAL FEES

We will charge You for the Services in accordance with the Schedule.

We can also recommend other service providers in related fields that may be of assistance to You. You will need to enter into separate arrangements with these providers. The professional fees paid to Udo not include the fees of other service providers that We may recommend to You from time to time.

INTEREST ON UNPAID TAX INVOICES

You agree that if Your account remains outstanding for more than 14 days, interest will be charged at a rate of 10% per annum on all unpaid fees and disbursements. This rate is subject to change and We will write to you if We change this rate at any time, no minimum period of notice is required to be given by Us

RECOVERY OF OUTSTANDING FEES DISBURSEMENTS/INDEMNITY

If You do not pay Our tax invoice and the tax invoice remain outstanding for 30 days We may commence legal proceedings for the recovery of the tax invoice along with interest and legal costs. You agree that if this occurs then You will indemnify Us in respect to all associated costs and expenses.

If We commence proceedings against You, You agree that we may serve You with any court document, including initiating process, by posting the documents to the last known address that We have for You.

TERMINATION OF OUR AGREEMENT

We may terminate this Agreement at any time with immediate effect if You fail to pay to us the fees and disbursements claimed in a tax invoice. We may also terminate this Agreement, should We feel that you have misled or misrepresented any information that You should have been disclosed at the time of the initial engagement and fail to provide us with requested documents, details or other information within a timely fashion. We will write to you in the event we terminate.

You may terminate this Agreement at any time but this will not affect your liability to Us for any unpaid tax invoices, or services provided up to the time of notice of termination.

In the event of termination by either party, You will be required to pay to us any amounts which have fallen due for payment pursuant to this Agreement and which, at the date of termination, remain unpaid.

On termination, We are entitled to retain possession of Your papers and documents while there is money owing to Us for our charges and expenses.

PRIVACY POLICY

We are committed to respecting the privacy of your personal information. We bound by the *Privacy Act* ("Act") and the 13 Australian Privacy Principles ("APPs") set out in that Act. The APPs regulate the way that certain entities handle personal information. If You want more information about this privacy policy, if you want to enquire about any of Your personal information, or if You believe Your personal information is inaccurate, out-of-date or incomplete, please contact Us. You can obtain more information on privacy at the website for the Office of the Australian Information Commissioner: www.oaic.gov.au. Please note that disclosure of Your personal information may be compelled by law (for example under the *Social Security Act*). You authorise us to disclose such information where necessary to others in furtherance of the scope of this Agreement (e.g. internally within Chapter Two, to any appointed liquidator or trustee, to financial institutions, lawyers, experts etc). For a copy of our Privacy Policy, please go to <http://chaptertwo.com.au/privacy-statement>

APPLICABLE LAW AND FORUM

This Agreement will be governed and construed in accordance with the laws in force in the State of New South Wales and You submit to the non-exclusive jurisdiction of the Courts of New South Wales.

DISCLAIMER

You acknowledge and agree that:

- We have been engaged to provide general advisory services with respect to Your financial position and structure and available alternatives;
- Nothing in this Agreement constitutes a representation or warranty by Us as to the viability, possibility, probability or achievability of any available alternatives or that any one or more of the available alternatives will be achieved;
- We will only be required to advise You generally and to Use our best endeavours to assist You in Your efforts to achieve any one or more of the available alternatives;
- We will not be liable to You for any loss or damages in the event that any one or more of the available alternatives is not in fact achieved; and
- If applicable, the person or entity that introduced You to us has access to view this letter at any time throughout the period in which you are engaged with Us.

ENTIRETY OF AGREEMENT

This Agreement constitutes the entire agreement between the parties in relation to our engagement and You agree and acknowledge that You have not relied on any warranty, representation, guarantee or other term or condition of any nature, which is not contained or recorded in this Agreement.

Yours sincerely

CHAPTER TWO AUSTRALIA PTY LTD

SCHEDULE 1

Service	Fees
<p>Hardship Arrangement:</p> <ul style="list-style-type: none"> • Review and assist with completion of Statement of Financial Position (SOFP) for submission to your nominated creditor(s); • Compile all necessary supporting information to address the relevant hardship criteria under Credit Code; • Contact your nominated creditors on your behalf; and • Utilise our knowledge of Australian Consumer Law and policies of Financial Services Providers to negotiate with your nominated creditor(s) to obtain hardship assistance in the form of obtaining a moratorium period on your unsecured debts. <p>Term: 6 months</p>	<p>\$700.00 plus GST per debt.</p>
<p>Long Term Payment Arrangement - after the 6 month hardship period.</p> <ul style="list-style-type: none"> • Re-assess your Personal and Financial Position; • Compile all relevant supporting documentation and prepare your Proposal(s) to enter long-term payment arrangements with your creditors; • Utilise our knowledge of Australian Consumer Law and policies of Financial Services Providers to negotiate the best possible terms for a long-term arrangement. • Ensure all required details of arrangements confirmed are communicated promptly. <p><i>If you have a Bankwest debt, then please note that Bankwest does not offer LTA. Instead we can negotiate a clearing arrangement with Bankwest.</i></p> <p>Term: 1 – 60 months dependant on the LTA agreement</p>	<p>17 % plus GST on the debt balances. This is paid over the term of the LTA.</p>
<p>Full and Final Settlement Offer:</p> <ul style="list-style-type: none"> • If you would like to proceed with a full and final settlement offer, Chapter Two will require your authorization in writing to commence the settlement procedures. • Chapter Two will re-assess your personal and financial situation and negotiate a full and final settlement arrangement with your nominated creditor(s). • Once a settlement is reached we will issue an invoice for the settlement amount and our success fee. We will disburse the funds to your relevant creditors and send remittance and confirmation of the settlement. The success fee will only be charged where we succeed through our negotiations on your behalf. <p>Should you take this option instead of the LTA after the 6 month hardship period, then your weekly/monthly fee for LTA will cease on the settled debts.</p> <p>Term: 2 months</p>	<p>Success Fee of 15% plus GST applies to the total amount of debt reduction we achieve from each creditor.</p>