



**SALTER POWER**  
**TERMS OF ENGAGEMENT**  
**COSTS AGREEMENT**

**Salter Power Pty Ltd (Firm)** will provide legal services to [insert name, address and company registration details] (**Company**) subject to the terms and conditions in this agreement. The Firm agrees to act in the Company's best interests but is not required to do anything unethical or illegal. The Company agrees with the Firm that the Firm will render accounts for fees in all matters to be handled for the Company as follows:

1. **Fees**

The Firm's fees will be calculated by reference to the time spent by and the hourly rate of the director, solicitor or law clerk responsible for undertaking the work in relation to the matter.

Our rates are revised from time to time and any variations that affect you will be notified to you in writing. Our current hourly rates for the personnel who will be assisting you on this matter are as follows:

[Insert name]

[Insert hourly rate].

These rates are inclusive of all secretarial and administrative support services, including telephone and photocopying expenses, but exclusive of GST and disbursements.

2. **Accounts**

Accounts are rendered on a regular basis, usually monthly.

Accounts are payable 14 days from date of invoice.

The firm may charge interest on any account which has been outstanding for more than 60 days. Such interest shall be at the current National Australia Bank Limited Benchmark Rate that shall apply from time to time and will accrue from the date of the invoice.

3. **Disbursements**

The Firm will generally require funds from the Company to cover disbursements before they are incurred by the Firm on the Company's behalf. Common disbursements are Department of Industry and Resources and Australian Securities and Investments Commission search fees, Court lodgement fees, expert report fees

and courier fees. Where required, GST will be charged and payable on disbursements. Likewise, should essential expenditure be anticipated, e.g. travel costs, witness fees, etc. the Firm may require funds on account of such costs.

4. **Briefing Counsel**

If it appears desirable to brief counsel, the Company will be consulted in the matter and counsel will not be briefed without the Company's prior instructions. The Firm may require funds from the Company to cover anticipated fees before a brief is sent to counsel.

5. **Money in Trust**

The Firm reserves the right to request from time to time money on account of its fees likely to be incurred in the future conduct of the matter.

Any such sums shall be held by the Firm on trust and applied upon rendering of accounts. If the Firm needs to draw from the account for the direct payment of disbursements, then the Firm will ask the Company for the Company's prior authority to release the money. The Firm shall also be entitled to draw on any amount held in trust for the Company to pay GST on accounts rendered.

Where a substantial amount is involved, the Company may instruct the Firm to place the trust moneys in an interest bearing account, which will be held with the National Australia Bank, in which case the Company must provide the Firm with all information and authorities necessary for that purpose and the Company shall be liable for any tax on any interest earned.

6. **Property in work created**

Property in all documents, records, papers and other material created by the firm in performance of instructions other than file notes is that of the Firm and does not pass until the matter is completed and all outstanding fees and disbursements have been paid.

7. **Ceasing to Act**

The Firm reserves the right to cease acting in the matter and, if applicable, to withdraw from the Court record as the Company's solicitors if:

- (a) the Company does not comply with this agreement;

- (b) any request for funds to cover disbursements, Counsel's fees, other essential expenditure or fees on account is not complied with promptly;
- (c) adequate instructions or replies to correspondence are not forthcoming within a reasonable time;
- (d) any account for fees is not paid in accordance with these terms; or
- (e) the Firm perceives in its discretion that the necessary mutual relationship of trust and confidence required for a workable solicitor/client relationship no longer exists.

8. **Terminating instructions**

The Company may terminate instructions to the Firm at any time, and we do not require the Company to provide any reason. The Firm will render a final account and may exercise a lien over the Company's papers until payment of all outstanding accounts in this instance and also where we cease to act pursuant to clause 7 above.

9. **Moneys held in trust**

The Firm is expressly authorised to apply any moneys received or held on trust by it on the Company's behalf in settlement or reduction of any outstanding fees or disbursements that the Company owes to the firm.

10. **Other**

The Company agrees that these Terms of Engagement apply for the benefit of the Firm and continue to apply despite any change or alteration in the Firm at any time during the currency of the Company's instructions, and may be relied upon by the Firm as it exists from time to time.

Any action taken by the Firm prior to receipt of the Company's signed copy of these Terms of Engagement and any moneys requested under clause 5, is to be regarded as a provisional acceptance of instructions only and the Firm may cease to act at any time prior to such receipt.

All instructions are accepted on the terms set out above. A director or officer of the Company, or other such person acting with the authority of the Company, is urged to read these terms carefully and in the first instance seek clarification from us should there be any uncertainty. If the Company has any queries regarding the legal or other implications of

signing these terms of engagement the Company should obtain independent legal advice in relation to these terms of engagement.

If the Company wishes to proceed with its instructions, **please sign the enclosed Acceptance** of these terms, and return it to us

Please retain the other copy for the Company's own records.

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SALTER POWER

### **ACCEPTANCE**

We have read and understand the above terms of engagement and confirm that we instruct Salter Power Pty Ltd (as that Firm may be constituted from time to time) to act for the Company on the terms set out in this memorandum.

Dated                                      day of                                      2007.

Signed by [state name] for and on behalf of the Company:

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Insert title of duly authorised signatory