

Talos Services Pty Ltd
(ABN 25 159 118 724)

Consultancy Agreement

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Consultancy Agreement

Date

This agreement is made on the 1st day of November 2012

Parties

1. **Talos Services Pty Ltd** ABN 25 159 118 724, Level 21, 68 Pitt Street, Sydney NSW 2000 (**Company**)
2. **SL Consulting** ABN 91 454 668 839, of 70 King Street Manly Vale NSW 2093, or nominee (**Consultant**)

Background

- A. The Company carries on business in Australia as a provider of services to the accounting and financial services sector.
- B. The Company wishes to acquire the services of the Consultant as an independent contractor on the terms and conditions of this agreement.
- C. The Consultant has skill and expertise with respect to the Company's business as specified in annexed Schedule 2.

Operative provisions

3 Commencement

- 3.1 This agreement shall commence on the date specified in annexed Schedule 1.

4 Definitions and Interpretation

- 4.1 In this agreement, unless the context otherwise requires:

A\$ and \$ means Australian dollars

Agreements means all written and executed agreements between the Company and others which require the participation of the Consultant and/or its Personnel in the business of the Company or as required and set out in the respective agreements;

Corporations Act means the *Corporations Act 2001* (Cth);

Company Information includes information of any kind and in any form or state which is capable of any visual or audible representation, which relates to the Company or any Related Company, including:

know-how;

information relating to its shareholders, directors, officers, employees, professional consultants, suppliers or agents;

information relating to its products, services, business systems, business policies and procedures, business transactions and contracts, business risks and business opportunities;

its financial accounts and records and legal advice; and

as well as information derived or developed from such information;

Confidential Information means all Company Information and know-how which is not in the public domain;

Consultant means SL Consulting and includes its Personnel;

Day means a day other than a Saturday or Sunday or public holiday and **daily** has a corresponding meaning;

Know-how means all trade secrets, technical data and formulae, technical analyses, pricing information, computer programs, know-how, research records, market surveys, market analyses, customer and supplier lists and similar data, competitor information and all derivations, developments or representations of such material, including without limitation, know-how in the form of designs, design rights, copyright and similar intellectual property rights;

GST means goods and services tax payable pursuant to the *A New Tax System (Goods and Services Tax (various)) Act 1999* (Cth);

Law includes common and customary law, principles of equity, any statute, decree, constitution, ordinance, regulation, order, treaty, pact or other agreement to which any governmental authority is a party;

Loss includes loss of margin or loss of profit;

Personnel means any officer, employee, contractor, consultant or professional adviser of the Consultant;

Property includes the whole and any part of the relevant person's business, assets, undertaking, revenues and rights (in each case, present and future), and reference to any property includes any legal or equitable interest in it;

Related Company has the same meaning as in the Corporations Act;

Relative has the same meaning as in the Corporations Act;

Tax includes any present or future tax, levy, impost, duty, rate, charge, fee, deduction or withholding of any nature, imposed or levied by any governmental authority, together with any interest, penalty, charge, fee or other amount imposed or made on, or in respect of, any of the foregoing, and **taxes** and **taxation** are to be construed accordingly; and

Term means the term set out in annexed **Schedule 1**.

4.2 Interpretation: In the construction and interpretation of this agreement, unless the context otherwise requires:

- (a) the introduction, headings and marginal notes do not affect interpretation of the agreement;
- (b) words importing one gender include other genders and a singular includes the plural and vice versa;
- (c) a reference to a clause or schedule is a reference to a clause or schedule of this agreement;
- (d) a reference to a **person** includes a reference to a natural person, corporation sole, a company or other body corporate, an unincorporated body of persons, a statutory body or an instrument of the Crown, and a reference to a **company** includes a reference to a person;
- (e) a reference to **nominee** refers to a person nominated by the Consultant, and approved by Talos Services Pty Ltd, to perform the service on behalf of the Consultant.
- (f) a reference to a **month** means a calendar month;
- (g) a statute includes that statute as amended from time to time and any regulations, other orders in council, and other instruments issued or made under that statute from time to time, as well as legislation passed in substitution for that statute;
- (h) references to **written** and **in writing** includes any means of permanent visual representation, including telexed, cabled, facsimile and emailed communications; and
- (i) a reference to one party notifying another or giving a notice to another, or agreeing, consenting, approving or objecting to any matter or nominating or making any nomination or giving any direction means that party doing so in writing.

5 The services

- 5.1 The Consultant will provide to the Company during the Term the services set out in annexed **Schedule 2** and other services as the Company may direct the Consultant to provide from time to time (the Services).
- 5.2 In the performance of the Services, the Consultant shall be accountable to the person identified in annexed **Schedule 1**.
- 5.3 Subject to the express requirements of this agreement, the manner in, and the time at, which the Services are performed will be at the discretion of the Consultant but such discretion will be exercised at all times in such a way as to ensure that the interests of the Company are met and recognised as paramount.

6 Change of services

- 6.1 If the Company is satisfied with the Consultant's performance of the Services, the Company at its absolute discretion may agree to change the services performed by the Consultant.

7 Resources

- 7.1 With the consent of the Company, the Consultant will carry out the Services at the premises of the Company or its clients from time to time as required, or at another location as from time to time agreed between the parties.
- 7.2 The Company shall pay any reasonable expenses incurred by the Consultant and approved on a monthly basis in the performance of the Services unless otherwise agreed between the parties.

8 Payment

- 8.1 The Consultant's fee will be that set out in annexed **Schedule 1**.
- 8.2 The Consultant shall invoice the Company the period specified in annexed **Schedule 1** in arrears. Each invoice shall specify the amount of GST payable. Any amounts owing to the Consultant by the Company under this agreement will be paid to a bank account nominated by the Consultant.

9 Status of Consultant

- 9.1 The Consultant and/or its nominee is and shall remain at all times an independent self-employed Consultant and is not an employee or partner of the Company.
- 9.2 The Consultant and/or its nominee has no authority to pledge credit or incur liability on behalf of the Company unless otherwise agreed between the parties.

9.3 The Consultant and/or its nominee has no authority to give directions to any person so as to legally bind the Company, or otherwise legally bind the Company unless otherwise agreed between the parties.

9.4 The Consultant and/or its nominee acknowledges that the Company is the owner of the business to which the Consultant is to supply the Services and the goodwill (including the benefit of all contracts and association with suppliers and customers, whether made by the Consultant or the Company) of such business is and will remain the sole property of the Company.

10 Nominated Representative and Continuity of Service

10.1 The nominated representative provided by the Consultant is Stephen Lacy who cannot be permanently replaced without the approval in writing of Talos Services Pty Ltd.

The Consultant is, however, to ensure continuity of service to Talos Services Pty Ltd in the event of illness or any other absence of the nominated representative.

11 Liability

11.1 The Consultant is solely responsible for payment of all taxes, duties or levies which may be payable in respect of payments or benefits provided by the Company under this agreement and the Company shall make no deductions on account of tax or any other imposition except where the Company is required by law to do so.

11.2 The Consultant shall ensure it is registered for GST purposes.

11.3 The Consultant will arrange and be liable for any relevant insurances.

11.4 The Consultant shall be liable for and pay any fines which may be imposed on the Consultant or on the Company for breaches of any statute or regulations by the Consultant during performance of the Services.

11.5 The Consultant shall indemnify and keep indemnified the Company, its servants and agents from and against all losses, damages, costs, actions, proceedings, claims and demands which the Company may incur, or be subject to, arising out of or as a consequence of, any breach by the Consultant of any term of this agreement or the negligent or wrongful act or default of the Consultant.

11.6 The Consultant agrees to comply with all policies and procedures of the Company.

12 Consultant's accounts

12.1 The Consultant will keep an up to date record of all accounts relating to the Consultant's performance of the Services.

13 Standards

- 13.1 Subject to the provisions of this agreement, the Consultant will perform the Services competently, promptly and diligently and in accordance with the Company's policies and procedures as notified to the Consultant from time to time.
- 13.2 The Consultant will endeavour to maintain, improve and extend the Company's business and to protect the interests of the Company at all times and, subject to clause 14 of this agreement, will not be engaged directly or indirectly in any capacity in any enterprise or activity which might conflict with the interests of the Company without the express written consent of the Company.
- 13.3 The Consultant shall at all times comply with all legislation, regulations and any industry codes of practice applying to the provision of the Services including all applicable HSE requirements, and in that respect, shall:
- take all practical steps when providing the Services to ensure the safety of himself/herself and all third parties;
 - read, remain familiar with and follow, the procedures and requirements of the Company's health and safety policies (as amended from time to time);
 - use any safety equipment provided;
 - not knowingly expose itself or others to harm; and
 - report to the Company anything which the Consultant believes is a hazard or a potential hazard to health and safety or any event which gives or may give rise to the Consultant being charged with an offence under the HSE.
- 13.4 The Consultant will maintain a reasonable standard of dress when meeting with representatives or clients of the Company.
- 13.5 The Consultant will at all times be courteous to, and co-operative with, the Company, its staff, other Consultants, suppliers and customers whether on or off the Company's premises.

14 Confidentiality

- 14.1 A condition of the Company entering into this Agreement is the Consultant executing the Deed of Confidentiality in the form contained in annexed Schedule 3. The terms of the Deed will survive the termination of this Agreement.

15 Intellectual property

- 15.1 The Consultant agrees that all Company Information and any information derived by the Consultant from the Company Information is and will be the exclusive and absolute property of the Company.

15.2 The Consultant is not to use or permit to be used, any Company Information except in connection with the conduct of the Company's business and in particular, the Consultant will not use any Company Information for its own purposes or for any purpose which is adverse to the interests of the Company.

15.3 The Consultant specifically acknowledges that any actual or potential beneficial modification, improvement or development in relation to the Company's business or know-how must be promptly advised to the Company in circumstances which enable it to properly consider the use and exploitation of the modification, improvement or development concerned.

16 Termination

16.1 Unless extended by the parties in writing, this agreement will terminate at the end of the Term.

16.2 The Company may terminate this agreement by immediate notice if the Consultant:

commits any act of dishonesty;

is charged with any offence which in the opinion of the Company is likely to adversely affect the business or standing of the Company;

is adjudicated bankrupt or deemed by the Company to be insolvent in its absolute discretion;

commits any act which in the opinion of the Company is incompatible with the Consultant's continued due performance of the Services; or

breaches clauses 11.1, 11.2, 11.3 or 11.5 (or any of them) twice or more in any 20 day period.

16.3 The Consultant or the Company may terminate this agreement by immediate notice if:

the other of them is in default, and where the default is capable of remedy, has failed to remedy it within the time (being a reasonable time in all the circumstances, but in no event greater than 5 days) specified in a notice to the party in default requiring its remedy; or

the other of them is in default and that default is incapable of remedy.

16.4 In the event of the Company terminating this agreement following a default by the Consultant it shall have the right, without prejudice to any other rights or remedies it may have, to deduct from moneys due and owing to the Consultant for services rendered such reasonable sum as it may determine for any loss or damage sustained by it in consequence of such default.

- 16.5 Either party may terminate this agreement without cause by one month's notice to the other, or such earlier period of notice that is mutually agreed between the parties.
- 16.6 Termination shall not affect the rights and liabilities of the parties in relation to any matter arising prior to termination.
- 16.7 On termination, the Consultant must return to the Company all Company Information and other property of the Company in his or her possession or control.
- 16.8 The obligations created by the provisions of clauses 11, 12 and 13 shall survive termination of this agreement.

17 General provisions

- 17.1 Amendments: No amendment or waiver of any provision of this agreement, nor any consent to any departure by any party from any such provision, shall in any event be of any effect, unless it is in writing, signed by the parties or, in the case of a waiver, by the party giving it.
- 17.2 Entire Agreement: This agreement comprises the entire agreement between the parties; it supersedes any previous agreements and negotiations between them relating to provision of services to the Company, and no other terms and conditions, express or implied, shall form part of the agreement.
- 17.3 Waivers: No failure, delay or relaxation on the part of any party in exercising any right or power conferred upon such party pursuant to this agreement will operate as a waiver of such power or right, nor will any single or partial exercise of any such power or right or any single failure to do so, preclude any other or future exercise thereof, or the exercise of any other power or right under this agreement.
- 17.4 Assignment: The Consultant may not sell, transfer, assign or sub-contract all or any part of its interests or obligations under this agreement.
- 17.5 Notice: The Company's address for service of any notice from the Consultant under this agreement is the address of its registered office for the time being, and the Consultant's address for service of any notice from the Company shall be that set out in annexed Schedule 1.
- 17.6 Mediation: If any dispute shall arise between the parties arising out of or in connection with this agreement, the parties will first endeavour to settle the dispute by mediation:
- either party may require the dispute to be referred to mediation by giving notice to the other party setting out the general nature of the dispute;

the mediator will be a person mutually agreed by the parties or, failing agreement within ten days of notification of the dispute, the person appointed by the Institute of Arbitrators and Mediators Australia;

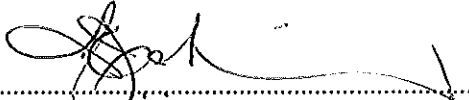
the mediation will be conducted in accordance with and subject to Mediation and Conciliation Rules of the Institute of Arbitrators and Mediators Australia.

- 17.7 Arbitration: Any dispute arising out of or in connection with this agreement which has not been capable of resolution by mediation shall be referred to and finally resolved by arbitration in Australia in accordance with Australian law. The arbitration shall be by one arbitrator to be agreed upon by the parties or, failing agreement within fifteen days, the person appointed by the Institute of Arbitrators and Mediators Australia.


Execution Page

Executed as an agreement:

Signed by the director of SL Consulting ABN 91 454)
668 839 in the presence of:)



.....
Signature of witness

JAMES EAKIN
.....
Name of witness (please print)

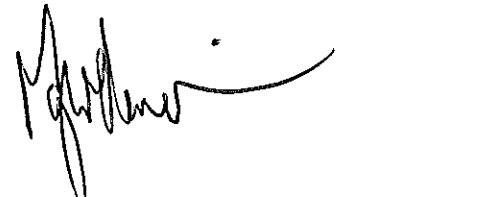

.....
Signature of director

STEPHEN NACY
.....
Name of director (please print)

Signed by a director of Talos Services Pty Ltd ABN)
25 159 118 724)


.....
Signature of director

STEPHEN NACY
.....
Name of director (please print)


MATTHEW ROGERS GARSINA
WITNESS

Schedule 1

The Consultant:	SL Consulting ABN 91 454 668 839
Consultant's address for service of notices:	P O Box 607, Manly Vale, NSW 2093
The agreement shall commence on:	1 November 2012
Term:	12 months from the date of commencement and for further term of 12 months as agreed by both parties
The fees payable to the Consultant shall be:	\$ 4,400.00 per month (incl GST)
Services not stated in Schedule 2 – to be agreed in writing	\$220 per hour (incl GST)
The invoice period shall be:	Monthly
The Consultant shall report to the following Person:	Mark Ryan of the Company

Schedule 2

Skills and expertise:

- Director's duties
- CPA
- Information Technology
- Project Management

Services to be performed:

- Director of Talos Accounting Group Pty Ltd, Talos Services Pty Ltd and acquired accounting practice companies as required
- Weekly IT reporting
- Weekly attendance at operational / Board meetings
- Review & comment on due diligence reports
- Review & comment on bank loan applications for acquiring accounting practices
- IT software review & recommendations

Schedule 3

Deed of Confidentiality

In favour of **Talos Services Pty Ltd ABN25 159 118 724, and its Related Companies**

In consideration of **Talos Services Pty Ltd** offering SL Consulting ABN 91 454 668 839 (**Consultant** as defined in the Consultancy Agreement) an engagement to carry out services on the terms and conditions as contained in an independent contractor consultancy agreement dated 17th day of December 2012 (**Consultancy Agreement**), the Consultant agrees:

Confidential information

1. During and after the term of the Consultancy Agreement, the Consultant will not divulge, use or appropriate for its, his or her own use or for the use of others, except as **Talos Services Pty Ltd** may authorise or direct in writing, any trade secrets or other secret or confidential information or knowledge obtained by the Consultant during the term of the Consultancy Agreement.
2. The Consultant will fully and promptly disclose and assign to **Talos Services Pty Ltd** without additional compensation all intellectual property, ideas, inventions, discoveries and improvements, patentable or not, which, while the Consultant is engaged, are made, conceived or reduced to practice by the Consultant, alone or with others, during or after usual hours in which the services are provided, and which are related to the business or interests of, or which result from tasks assigned to the Consultant by **Talos Services Pty Ltd**
3. The Consultant agrees to and at any time during or after the term of the Consultancy Agreement, sign all papers and do such other acts and things as **Talos Services Pty Ltd** deems necessary or desirable and may be reasonably required of the Consultant to protect the rights of **Talos Services Pty Ltd** to such intellectual property, ideas, discoveries, inventions and improvements, including applying for, obtaining and enforcing patents on such ideas, discoveries, inventions, and improvements in any or all countries.
4. Upon termination of the Consultancy Agreement, the Consultant will promptly deliver to **Talos Services Pty Ltd** all property belonging to **Talos Services Pty Ltd** then in the Consultant's possession, including all drawings, blueprints, manuals, letters, notes, notebooks, reports or other material whether recorded, written or electronic and all other materials which **Talos Services Pty Ltd** determines to be of a secret or confidential nature relating to the business of **Talos Services Pty Ltd**.
5. This deed will be interpreted in accordance with the laws of Australia and the Consultant agrees to submit to the non-exclusive jurisdiction of the courts of Australia in any action arising out of this Deed. With respect to its subject matter, this Deed supersedes any previous oral or written communications, representations, understandings or agreements with **Talos Services Pty Ltd** and can be amended only in writing signed by **Talos Services Pty Ltd** and the

Consultant. The Consultant recognises that a breach of this Deed would cause irreparable harm to **Talos Services Pty Ltd** and agrees that, without limiting other available remedies, **Talos Services Pty Ltd** will be entitled to an injunction if the Consultant fails to comply with this Deed.

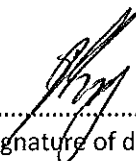
6. As used in this Deed, **trade secrets** means information disclosed to the Consultant or known by the Consultant as a result of the Consultancy Agreement by **Talos Services Pty Ltd** not generally known in the industry in which **Talos Services Pty Ltd** is engaged, which **Talos Services Pty Ltd** considers to be proprietary or confidential, including, but not limited to, information concerning business plans, financial information, products, services, manufacturing processes, costs, sources of supply, strategic plans, advertising and marketing plans, customer lists, sales, profits, pricing methods, personnel, business relationships, research and development, discoveries, improvements, processes, know-how, drawings, blueprints, specifications, samples, formulae, patents copyrights, trademarks, trade names, and patent, trademark and copyright applications, whether or not reduced to writing or other tangible expression.

The Consultant acknowledges that it had opportunities to obtain independent advice in relation to this Deed and has read and accepts the terms of this Deed.


Executed as a deed:

Signed by the director SL Consulting ABN 91 454 668
839 in the presence of:

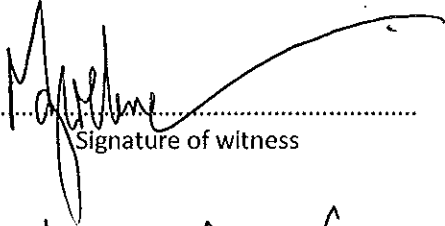
.....
Signature of witness


.....
Signature of director

.....
Name of witness (please print)

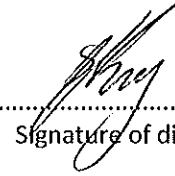

.....
Name of director (please print)

Signed by a director of Talos Services Pty Ltd ABN
25 159 118 724 in the presence of:



.....
Signature of witness

.....
MATTHEW ROBERT CARDIN
Name of witness (please print)



.....
Signature of director

.....
STEPHEN BALY
Name of director (please print)