

COSTS DISCLOSURE AND RETAINER AGREEMENT



BETWEEN

(The Client)

AND

WATSONS

Solicitors and Barristers

Level 4, 130 Elizabeth Street

SYDNEY NSW 2000

Tel: (02) 9283 0333 Fax: (02) 9283 0999 DX 1114 Sydney

(The Principal C H Watson is an Accredited Criminal Law Specialist)

The Client confirms the retainer of Christopher Heath Watson practising as Watsons Solicitors (Watsons) to do the work described in the Schedule (the work).

1. Charges and Expenses

The Client agrees to pay Watsons' costs, fees and expenses. Based on the Client's present instructions, the estimated costs, fees and expenses are set out in the Schedule. Watsons will update the estimate of costs, fees and expenses beyond a previous estimate, as it becomes necessary and possible, for the Client's approval. Any work in addition to the work carried out at the Client's request will be governed by this agreement.

2. Conduct of the Work

Watsons will at all times conduct the work efficiently, ethically and in the Client's interests. The Client authorises Watsons to take those actions and to incur those costs, fees and expenses Watsons believes to be necessary for the proper conduct of the matter.

3. Amounts and Estimates

All amounts for costs, fees and expenses in the schedule are estimates only, based on the Client's current instructions. The estimates may vary if there are changes in instructions or in the Client's representation. Alteration in the prosecution proceedings, court listing procedures, the number of availability of witnesses, and the conduct of the case by the prosecution may affect the estimates. Watsons will review the estimates in response to any significant changes.

4. Engagement of other Solicitors, Barristers, Agents, or Experts

If the Client requests Watsons to engage another solicitor, barrister, agent or expert to provide specialist advice or services Watsons will consult the Client about the terms of engagement of that other person. The Client may be required to enter into a costs or fees agreement directly with the other solicitor, barrister, agent or expert.

5. Unavailability of Nominated Lawyer

From time to time circumstances may arise where the particular lawyer requested by the Client becomes unavailable to appear before a court at a hearing. Watsons will notify the Client on becoming aware of such circumstances.

6. Rates Subject to Alteration

Any rates quoted are current as at the date of this agreement, and are subject to variation on fourteen(14) days notice in writing to the Client.

7. Client to Deposit Monies When Requested

Unless otherwise agreed in writing the Client will promptly deposit into Watsons Trust account the amount of estimated professional costs, fees and expenses and in the case of a hearing, by no later than 30 days prior to the first day of the hearing.

8. Trust Account

Watsons will maintain a trust account ledger and furnish the Client, for whom or on whose behalf money is held or controlled by Watsons, with a separate statement of account for each account maintained for the Client.

The statement of account will contain details of:

- (i) The money received, held or controlled by Watsons for or on behalf of the Client.
- (ii) The expenditure of money.
- (iii) The remaining balance of the money.

This statement will also identify the transactions to which the details relate.

Watsons will retain a copy of a statement of account with the file to which it relates. A statement of account will be furnished as soon as practicable after:

- (i) Watsons receives a written request for the statement.
- (ii) Completion of the work to which the ledger account relates.
- (iii) The closure and removal of the account from the ledger.

9. Transfer from Trust to Office Account

The Client authorises Watsons to transfer the amount of costs, fees and expenses from the Trust Account to Watsons' office account during the work and to apply such funds towards any incurred and billed costs, fees and expenses, any monies received on behalf of the Client. Subject to any requirements of the Legal Profession Act ('the Act') or Regulations, and to any Rule or Practice Direction issued by a court or the Law Society of N.S.W, an amount received on account of non-refundable agreed retainer costs, fees and/or expenses may be deposited into Watsons' office account or transferred to Watsons' office account from Watsons' Trust account following issue by Watsons of a Tax Invoice for the amount of the agreed costs, fees or expenses in advance of conduct of the Work covered by that retainer.

10. Interim and Final Accounts

Watsons will deliver to the Client interim or progress tax invoices for costs, fees and expenses incurred for the work while it is current and a final account on completion of the work.

11. Interest on Overdue Accounts

The Client will pay tax invoices within seven(7) days. After thirty(30) days interest will be charged on accounts unpaid, at the rate specified in the Legal Profession Act.

12. Credit

Credit will not be given to the Client unless specific arrangements have been approved in writing by Watsons. If credit is approved on terms that security is to be provided by the Client, the costs and expenses of preparing, documenting, stamping or registering the security will be promptly paid by the Client to Watsons.

13. Application to have Bill Assessed

The Legal Profession Act gives the Client the right to apply to have solicitor's charges assessed for fairness and reasonableness by an Assessor appointed by the Supreme court. That right is not available to the Client in certain circumstances where there is a costs agreement which complies with the Act, unless the agreement is determined by a Costs Assessor to be unjust.

14. Change Over Costs and Expenses Recovered

Any costs, fees and expenses recovered from another party shall be applied towards payment of any amounts owing by the Client to Watsons. The Client is aware that any costs, fees and expenses recovered from another party to litigation usually do not indemnify costs, fees and expenses incurred by the Client. The Client charges all costs, fees and expenses recovered with payment of Watsons' costs, fees and expenses.

15. Retention of Clients Documents

Subject to the provisions of the Legal Profession Act and to any Rule to the contrary Watsons is entitled to retain custody of all files and the Client's documents while there is any money owing by the Client to Watsons for costs, fees or expenses. On completion of the work, the documents to which the Client is entitled are to be collected by the Client. If those documents, other than documents which the Client has deposited in safe custody, are not collected by the Client or by another person authorised by the Client to receive them, or the Client has not instructed Watsons to deal with them in some other way, then as the Solicitors Rules require that they be stored for seven years after the work has been completed, before they may be destroyed an amount estimated to meet the costs of storage for seven years and destruction of the documents will be added to the costs payable to Watsons on completion of the work. The charge will be calculated on the estimated number of archive boxes required to store the documents, with a minimum allowance of one archive box. The present estimated storage charge per archive box for seven years and its secure destruction is \$125.00, and the present estimated cost for each occasion on which retrieval of the file is required is \$25.00 for each archive box retrieved.

16. Clients Right to Terminate

The Client may terminate this agreement at any time. The Client will pay Watsons' costs, fees and expenses up to and including the date of termination, including the amount of all liabilities which Watsons may have incurred on the Clients behalf, whether paid, unpaid or contingent, and all costs, fees and expenses payable to Watsons on termination including any amount for costs, fees and expenses payable on termination as set out in clause 18.

17. Watsons Right to Terminate

Watsons may decide not to continue to do the work if the Client does not deposit sufficient money to cover the estimated costs of that work when requested, or if approved security is not provided when requested, or if tax invoices remain unpaid after seven(7) days. Some rules of professional conduct may require substantial notice (e.g not less than 30 days) to be given prior to a trial date of the intention of a solicitor to cease the work because of non-payment of costs, fees and expenses. Non-payment may, at Watsons election, give rise to termination of this retainer agreement.

18. Basis of Cancellation Fees Payable

Watsons has agreed to the Client's request, to make available the services of a solicitor and, where requested to do so, to retain counsel to advise or to appear for the Client in proceedings before a Court. The Client acknowledges that Watsons' agreement to do these things restricts acceptance by Watsons of retainers to do other work on the hearing dates set aside, or because a possible conflict of interest may arise. Watsons' agreement to do the work is in consideration of the Client's agreement to deposit into Watsons' Trust account the estimated costs, fees and expenses when requested to do so, and to pay Watsons' Tax Invoices promptly. Watsons will be entitled to be paid the amount of the estimated costs fees and expenses incurred and to retain for that purpose amounts paid on account into its Trust Account if the Client gives less than seven(7) days notice before a hearing withdrawing the Client's instructions, or if a hearing does not commence on the day appointed for reasons beyond the control of Watsons, or if the hearing commences, but aborts or is adjourned and does not immediately recommence.

THE SCHEDULE

Responsible Solicitor:

The work:

Estimated future costs, fees and expenses:

Watsons

The Client