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This Debt Recovery Services Agreement is made between Australian Debt Recoveries Pty Ltd and the Client named in item 1 and commences on (Date of this Agreement). The parties enter into this Agreement after having read and understood the Terms and Conditions overleaf.

Australian Debt Recoveries Pty Ltd agrees to provide debt recovery services to the Client, and the Client agrees to retain Australian Debt Recoveries Pty Ltd, upon the basis set out in this Agreement, comprising this Schedule, the Terms and Conditions and Annexure (if any).

SCHEDULE

1. CLIENT

Registered Name	Trading Name
ABN	ACN
Registered Address	Trading Address
.....

2. CLIENT CONTACT INFORMATION

Statements, Remittances and Reports will be sent to:

Name

Title

Postal Address

.....

Telephone

Facsimile

E-mail Address

3. FEES FOR SERVICES

Commission Rate / Fee Structure

.....

.....

Manner of Remittance of Recovered Debts Net * or Gross *
 (* delete whichever is not applicable)

4. SIGNATORIES

Signed on behalf of the Client

Signature

.....

Print name of authorised signatory

.....

Position of authorised signatory

Signed on behalf of Australian Debt Recoveries Pty Ltd

Signature

.....

Print name of authorised signatory

.....

Position of authorised signatory

5. SERVICES

Standard Services comprise:

- Demand Letters (inc. Solicitor Demand Letters)
- Phone Calls
- Account Settlement Arrangements
- Postage
- Account Status Reports

Optional Services (not included in Commission Fees)

- Field calls, repossessions etc.
- Undefended legal action / proceedings
- Defended legal costs legal action/proceedings
- Searches

Terms and Conditions

1. DEFINITIONS

l) In this Agreement, unless the context otherwise requires: "ADR" means: Australian Debt Recoveries Pty Ltd. "Commission Fees" means: The amount which represents the percentage rate prescribed in item 3 of the Schedule, of each and every Recovered Debt. "Recovered Debt" means all payments or part payments of a Referred Debt, including payments or part payments made directly to the Client, or Referred Debts deemed settled or otherwise compromised by the Client in accordance with this Agreement. "Referred Debt" means a debt owned by the Client and which the Client refers to ADR for recovery.

2) FEES, EXPENSES AND ACCOUNTING

2.1) Fees and Charges

The Client will pay to ADR:

- Commission Fees upon payment or deemed payment / recovery of any Recovered Debt;
- All external expenses reasonably incurred by ADR in the performance of the Services, where ADR has first obtained the Client's approval to incur such external expenses;
- Charges for Optional Services as follows:
 - the then prevailing commercial rate (taking into account location and other reasonable factors) for Field Calls, Repossessions and the like, made at the request of the Client; and
 - all costs and outlays in respect of legal action or proceedings, unless otherwise specified in item 3 of the Schedule; payable on issue of an invoice for same by ADR to the Client; and
 - The fees (if any) specified in item 3 of the Schedule, and, unless otherwise specified in item 3 of the Schedule, upon issue of an invoice for same by ADR to the Client.

2.2) Indemnity and Re-impbursement of Recovered Legal Costs

Where the parties have agreed that ADR will bear the costs of any legal action or proceedings, the Client will indemnify and reimburse ADR against and for all legal and professional costs and outlays incurred by ADR for and on behalf of the Client in respect of all legal action or proceedings where the Client is, or is entitled to be, awarded costs.

2.3) General Legal Proceedings

The Client is responsible for the payment of any professional costs and outlays awarded against the Client, or payable pursuant to the terms of a settlement arrangement authorised by the Client, in any defended legal proceedings, and indemnifies ADR in respect of same.

2.4) Withdrawal after Legal Proceedings Commenced

If the Client withdraws a Referred Debt, or instructs ADR to discontinue or cease to pursue legal action or proceedings for the recovery of a Referred Debt, after legal proceedings have been commenced, the Client is responsible for the payment or reimbursement of all legal and professional costs and outlays incurred and charged by lawyers engaged by ADR for and on behalf of the Client, in addition to Commission Fees and other expenses and charges payable under this Agreement.

2.5) Goods and Services Tax

All Commission Fees and any other amounts payable to ADR under this Agreement do not include Goods and Services Tax ("GST"). In addition to all other amounts payable to ADR, the Client must and will pay to ADR any amount ("GST Amount") which is payable by ADR on account of GST, as a consequence of any supply ("Relevant Supply") made or deemed to be made under this Agreement. Any GST Amount payable by the Client in respect of any Relevant Supply is payable at the same time as the consideration for the Relevant Supply. The expressions "consideration", "GST" and "supply" shall have the same meaning as given to them in A New Tax System (Goods and Services Tax) Act 1999 of the Commonwealth of Australia, as amended.

2.6) Trust Account

All Moneys directly recovered by ADR ("Recovered Moneys") will be paid into a trust account, and ADR will remit the Recovered Moneys to the Client at the end of each month in accordance with this Agreement. ADR shall be responsible for all bank fees, government taxes and duties arising from the operation of the trust account.

2.7) Direction for use of Recovered Moneys

This Agreement shall be deemed to constitute a written direction from the Client to ADR for the use

and application of all Recovered Moneys in the manner provided for in this Agreement or as otherwise directed by the Client from time to time.

2.8) Authority to Deduct Amounts Payable

The Client hereby irrevocably authorises ADR to deduct and pay to itself from the Recovered Moneys, all Commission Fees, GST Amounts, and any other amounts, expenses and charges due and payable to ADR under this Agreement, at the end of each calendar month. ADR will remit the balance of Recovered Moneys to the Client within seven (7) days after the end of each month or as otherwise agreed. a) This sub clause does not apply where the manner of remission of Recovered Debts is prescribed as "Gross" in item 3 of the Schedule.

2.9) Authority to Pay Fees and Charges from Moneys Held.

If an Event of Insolvency occurs, then all moneys payable by the Client pursuant to this Agreement shall be deemed due and payable by the Client to ADR on the day immediately before the Event of Insolvency, and ADR shall be immediately entitled to set-off deduct and pay to itself all such moneys from any Recovered Moneys held by ADR on behalf of the Client.

3) GENERAL PROVISIONS

The Client will immediately notify ADR if it receives payment of, or compromises, any Referred Debt. ADR will obtain the Client's written or verbal authority before:

- commencing legal action or proceedings; and / or
- accepting from a Debtor a proposal of compromise, or a settlement of any Referred Debt in an amount less than payment in full, or payment of any Referred Debt by instalments; unless otherwise agreed by the parties from time to time.

3.1) Referred Debts howsoever settled or compromised by the Client, including the return or acceptance of merchandise or product, are deemed to be Recovered Debts, and are subject to payment by the Client of Commission Fees, expenses and charges applicable at the time ADR receives notice from the Client or otherwise learns of that event.

3.2) Referred Debts credited or withdrawn by the Client are deemed to be Recovered Debts under this Agreement.

3.3) In the event that a Referred Debt is withdrawn, and there is any dispute over the payment of Commission Fees, ADR are entitled, in the alternative, to remuneration on a Quantum Meruit basis at an hourly rate for work carried out in attempts to recover the Referred Debt. The hourly rate will be \$150.00 + GST. The parties agree to be bound by the Special Conditions (if any) set out in the Annexure (if any).

4) DUTIES AND OBLIGATIONS OF Australian Debt Recoveries Pty Ltd

4.1) Diligence and Reasonable Care

ADR will:

- provide the Services in a timely, proper and workmanlike manner;
- ensure that its conduct and the conduct of its employees, agents, subcontractors and servants is ethical, honest and professional;
- at the request of the Client, make available its records and provide the Client with copies of documents to allow the Client to satisfy itself that ADR has met its obligations under this Agreement; and
- otherwise comply with its duties and obligations under this Agreement.

4.2) Keeping of Accounts, Availability for Audit

ADR will at all times keep proper books of account of all receipted payments, transactions and dealings in connection with the Services. ADR will permit the Client, or its representatives, at all reasonable times and upon reasonable notice to inspect and take copies of those books of account, including relevant receipts, invoices, correspondence and files in relation to Referred Debt.

4.3) Compliance

ADR will comply in all respects with all Privacy legislation, Guidelines, Codes of Conduct, Regulations, and other legislation relevant to the Services, and will ensure that all of its employees, agents, subcontractors and servants receive appropriate training and remain conversant with such requirements.

5) OBLIGATIONS AND WARRANTIES OF THE CLIENT

5.1) Referred Debts Due and Owing

The Client warrants to ADR that all Referred Debts are, at the time of referral to ADR, due, owing and payable to the Client, and that the Client is not aware of any circumstances that may give rise to a sustainable defence, counter-claim, or set-off in relation to any Referred Debts.

5.2) Particulars of Referred Debts

At the time of referral of a Debt, the Client will provide ADR with full particulars of each Referred Debt, including:

- the contractual rate of interest (if applicable);
- an itemisation of principal, interest, and any other recoverable costs and charges; and
- copies of all relevant documents, correspondence and particulars relating to any Referred Debt.

5.3) Privacy Laws

The Client warrants to ADR that all information concerning Debtors has been collected, obtained, used and disclosed in accordance with all relevant Privacy legislation, in particular, the National Privacy Principles under the Privacy Act (Cth), as amended.

5.4) Consumer Credit Laws

The Client warrants to ADR that it has observed and complied in all respects with its obligations (if any) under any applicable Consumer Credit legislation or Code in relation to each Referred Debt, and that all necessary notices, demands (if any) or otherwise required under any relevant Consumer Credit legislation or Code has been given to the Debtor or other party as required under the Consumer Credit legislation or Code or otherwise, and such notice or demand period there under has expired before referral to ADR.

6) LEGAL SERVICES

6.1) In providing the Services, ADR intends to instruct their nominated legal firm from time to time to undertake legal services in connection with the attempted recovery of Referred Debts. The Client irrevocably authorises ADR to engage and instruct such legal firm on behalf of the Client.

6.2) In any matter where, under the terms of this Agreement, the Client is liable to pay legal costs, those legal costs shall be

- For commencement of and carrying on of undefended matters, in accordance with the relevant court scale of fees and charges in the state where action or proceedings are taken, or as notified for any document not having a scale fee.
- For defended matters, including where a request for particulars is filed, or a motion to set aside a defence is filed (or imminent), in accordance with the fees as indicated by the nominated legal firm, and advised by ADR.

6.3) If in any legal proceedings, the Debtor or other party to the proceedings, raises a valid defence, counter-claim, or set-off:

- The Client will provide ADR, and the lawyers engaged by ADR in relation to the proceedings, with all original documents, statements, records, information reasonably required to conduct the proceedings, and will cooperate fully with any enquiries undertaken by ADR and such lawyers; and
- ADR will promptly advise the Client of any trial date, and will give the Client reasonable notice of witnesses, documents and other requirements for the trial or any other step in the proceedings.

7) CONFIDENTIALITY

The parties agree that this Agreement and the Referred Debts are confidential and sensitive commercial information. Unless otherwise agreed by the parties, or unless disclosure is permitted or required by law, the parties will keep this Agreement, the Referred Debts and information relating to them, confidential. However, nothing in this clause prevents ADR from disclosing information where it is reasonably necessary to do so for the purposes of providing the Services.

8) GOVERNING LAW AND JURISDICTION

The laws of the State of New South Wales govern this Agreement and the parties irrevocably submit to the non-exclusive jurisdiction of the Courts of New South Wales.

9) INSURANCE

For the duration of this Agreement, ADR will maintain fidelity insurance to cover ADR's obligations under this Agreement.