

Terms of Engagement

1. Introduction

Woodnet 2005 Limited (including its various divisions, principals, employees and related entities) (**we/us**) set out below our terms and conditions of business (**Terms**), which, together with the Engagement Letter (including all Appendices) and any Fixed Price Agreement (together called **this Agreement**), will apply to all work we undertake for a client (**you**) with respect to this engagement. If there is any conflict between these Terms and the Engagement Letter, then these Terms will prevail except in circumstances where the Engagement Letter refers to and modifies a specific provision of the Terms. If there is any inconsistency between these Terms and any Fixed Price Agreement, the Fixed Price Agreement will prevail. In providing the services, we may use people and other resources of other Woodnet firms (**Affiliates**, being any entity controlled by, controlling or under common control with Woodnet 2005 Limited), but the obligation to provide the services remains with us.

2. Our Services

We will provide the services set out in our Engagement Letter (**Services**) and will use all reasonable commercial efforts to provide the Services in an efficient and timely manner, using the necessary skill and expertise to an appropriate professional standard. Unless otherwise agreed in writing, any timetables set will be estimates for management purposes only and will not be binding upon us.

3. Our invoicing and Payment Terms

We believe it is important for our clients to understand how our fees are calculated and our expectations for payment.

3.1

Unless otherwise agreed in writing our fees are calculated after taking into account a number of factors, including but not limited to:

3.1.1

the reasonable costs of a running a business.

3.1.2

We are always willing to consider providing a fixed price or estimate for particular tasks or projects which can be adequately defined. Any fixed price given will be binding on us in accordance with the terms of any Fixed Price Agreement but any estimate given will be a guide and will not constitute a fixed price. Any fixed price or estimate will depend on the accuracy, completeness, relevance, and reliability of records and information provided by you.

3.1.3

Unless otherwise agreed in writing the terms of payment are:

(a) prior payment of all government forestry charges, and Woodnet costs incurred in respect of carbon emission trading; and

(b) invoices will be rendered on a monthly basis for time incurred within that month. In instances where your assignment has not been completed by month end, a progress invoice will be rendered.

3.2

Our fees are exclusive of general expenses such as reasonable travel, subsistence and document handling costs (photocopying, printing, facsimile and courier etc) incurred in connection with the Services.

3.3

For all disbursements in excess of \$500 (cumulative excluding Goods and Services Tax (GST)) we will require prior payment from you.

3.4

Our fees and expenses are exclusive of GST and we will be entitled to recover any applicable GST from you.

3.5

You agree to pay for the Services. Payment is due in accordance with the date of our invoice unless otherwise agreed in writing prior.

3.6

We may charge interest on overdue amounts at the rate of 5% over the current 90 day bank bill rate or such other rate as may be stipulated in the Engagement Letter. If your account remains unpaid and there is no satisfactory explanation for non-payment we may:

3.6.1

start proceedings to recover the amount owed, plus default interest and any collection costs incurred; and/or

3.6.2

do no further work for you, and will not release your papers and files until all accounts are paid.

4. General Authority

You agree that we will have a general authority to deposit funds belonging to you to our bank account. To the extent permitted by law, we may apply funds held in our bank account in satisfaction of amounts owing to us by you from any cause.

5. Information

5.1

You will provide us promptly with such accurate and complete information reasonably required for the proper performance of the Services, including access to property and forests.

5.2

We will be entitled to rely upon the accuracy of all information provided by you, or by others on your behalf, without independently verifying it.

5.3

You undertake that, if anything occurs after information is provided by you to us, to render such information untrue, unfair or misleading, you will promptly notify us, and, if required by us, take all necessary steps to correct any communication or document issued which contains, refers to or is based upon such information.

5.4

You acknowledge that information made available by you, or others on your behalf, to or which is otherwise known by our Directors or employees who are not engaged in the provision of the Services will not be deemed to have been made available to the individuals within Woodnet who are engaged in the provision of the Services. Further, we have no duty to disclose information to you which is not actually known by those working on your matter, even though that information may be known to other Directors or employees, and may be relevant to you.

5.5

We often have to obtain and rely on external information or public records (eg, government agencies or registers) to carry out your instructions. This information may not always be accurate or complete. We do not accept responsibility and will not be liable for any direct or indirect damage or loss caused by errors or omissions in external information.

5.6

You will make any third party user of the information generated from our Services aware of the limited scope of our engagement. You acknowledge and agree that Woodnet is not responsible for any reliance on the information provided to you by any third party.

5.7

You must provide us with full details of any illegal or possible illegal act or information that may affect any of the Services we carry out on your behalf.

6. Confidentiality

6.1

Both parties acknowledge that they may, in the course of the engagement acquire information that is proprietary or confidential to the other party. Both parties agree to hold such information in strict confidence, and not to divulge such information, except:

6.1.1

as required by law or professional regulation;

6.1.2

as is already or becomes public knowledge, otherwise than as a result of a breach, by the party

disclosing or using that confidential information, of any provision of this Agreement;

6.1.3

as authorised in writing by the other party;

6.1.4

to the extent reasonably required by this agreement (and, without limiting the effect of this clause, a party may disclose confidential information only to those of its officers, employees or professional advisers, on a "need to know" basis, as is reasonably required for the implementation of this Agreement).

6.2

The conduct of any engagement will be in accordance with the standards rules and ethical requirements of the New Zealand Institute of Forestry. Information obtained by us in the course of any engagement is subject to confidentiality requirements, in addition to our obligations under the Privacy Act 1993.

6.3

To assist in protecting your confidential information, all our employees are employed under a service contract which contains a clause forbidding the unauthorised disclosure of information.

7. Our work papers and client documents

7.1

You acknowledge that the work papers we produce in the course of our work for you, which are not an integral part of the end product of that work, are our property.

7.2

Where reasonably possible we will:

7.2.1

inform you if any other person seeks access to your work papers; and

7.2.2

seek your comment before granting access to any person unless we are compelled to do otherwise by law.

7.3

In certain circumstances the Inland Revenue Department may request access to information and work papers and we may not be legally able to prevent such access.

7.4

If we are provided with custody of any documents by you or on your behalf, those documents will be retained during the course of our appointment (unless their earlier return is requested), at the end of which they will be returned to you unless separate arrangements have been made. We will be entitled to retain copies.

7.5

We reserve the right to exercise a lien over any documents and files belonging to you, which may be in our possession.

7.6

While we are engaged by you we will keep your file and documents for the minimum period stipulated by any relevant legislation. In the event that the engagement is terminated we may destroy your file and documents and you agree that the responsibility to retain records of any files and the Services shall pass back to you.

8. Personal Tax Implications

Some of the matters on which we may be asked to advise you may have personal tax implications for you. We will not bear any liability to you or any relevant entities or persons in respect of those personal tax implications, and you indemnify us against any claim by any entity or person in this respect.

9. Ownership

9.1

We retain ownership of the copyright and all other intellectual property rights in the product of the Services, whether oral or tangible, and ownership of our working papers. You will acquire ownership of any end product of the Services on payment of our charges. Subject to our obligations of confidentiality, for the purposes of delivering Services to you or other clients, we will be entitled to use, develop or share with others any knowledge, experience, skills, methodologies, systems, spreadsheets, databases or know how gained through performing the Services without an obligation to account to you.

9.2

We may from time to time provide you with intellectual property for use with, or to assist with the provision of, the product of our Services, any intellectual property provided by us to you is provided for your own use and must not be copied, distributed or used for any other purpose. We do not provide any warranties in relation to your use of the intellectual property provided and will not be liable for any damage or loss incurred by you as a result of your use of intellectually property as contemplated by this clause.

10. Benefit of Advice

10.1

Unless otherwise specifically stated in the Engagement Letter, any advice or opinion relating to the Services is provided solely for your benefit and may not be disclosed in any way, including any publication on any electronic media, to any other party and is not to be relied upon by any other party. We accept no liability to any third party who does obtain and rely on any advice or opinion in relation to the Services.

10.2

During the supply of our Services, we may supply oral, draft or interim advice, reports or presentations but in such circumstances our written advice or final written report will take precedence. No reliance should be placed by you on any oral, draft or interim advice, reports or presentations. Where you wish to rely on oral advice or an oral presentation, you must inform us and we will provide documentary confirmation of the advice.

10.3

We will not be under any obligation in any circumstance to update any advice or report, oral or written, for events occurring after the advice or report has been issued in final form.

11. Problem resolution/Feedback

11.1

If at any time you would like to discuss with us how the Services can be improved or if you have a complaint about them, you are invited to telephone the Directors or employee identified in the Engagement Letter. We will investigate any complaint promptly to resolve the difficulties.

11.2

In the event of a dispute, or where fees remain unpaid beyond the due date, we reserve the right to suspend provision of the Services until such time as the dispute is resolved or the fees are paid. Suspension of the Services will not affect your obligation to pay us for Services rendered to the date of suspension.

12. Limitation of liability

12.1

Subject to clause 12.3, to the maximum extent permitted by law, you agree that our liability for any and all loss or damage suffered by you (in aggregate) (whether direct, indirect or special) in connection with our engagement will be limited to the amount of professional fees paid to us for the Services associated with that specific engagement and you agree to release us from all claims arising in connection with the Services to the extent that our liability in respect of such claims would exceed this amount.

12.2

To the maximum extent permitted by law, you agree that any loss or damage suffered by you which is directly or indirectly attributable to negligence, fault or lack of care on your part or on the part of any other person (including advisers to you), we are not liable (in contract, tort or otherwise) for the loss or damage and any damages payable by us will be reduced to the amount which would be payable by us as if the legislation providing for apportionment of damages in cases of contributory negligence applied to a claim based on breach of contractual or other duty.

12.3

You agree that all claims against us, whether in contract, negligence or otherwise, must be formally commenced within twelve months after the party bringing the claim becomes aware (or ought reasonably to have become aware) of the fact which gave rise to the action.

12.4

Where this Agreement applies to more than one Client, the limitation of liability contained in clause 12.1 must be allocated among these Clients. Such allocation is a matter to be resolved by those Clients.

12.5

To the maximum extent permitted by law, we will have no liability for any statements, representations, guarantees, conditions or warranties (collectively referred to as "representations") arising from communications (oral or written) which are not expressly contained in this Agreement and all representations to exercise reasonable care or render our Services with due care and skill which may otherwise be implied by statute, common law or custom are expressly excluded.

13. Indemnities

13.1

To the maximum extent permitted by law, except in the case of fraud or dishonesty on our part, you agree to indemnify us and hold us harmless against any and all losses, claims, costs, expenses, actions, demands, damages, liabilities or any other proceedings, incurred by us in respect of any claim by a third party (whether in contract, tort, or otherwise) arising from any breach by you of your obligations under this Agreement.

13.2

To the maximum extent permitted by law, we will not be liable for any losses, claims, expenses, actions, demands, damages, liabilities or any other proceedings arising out of reliance on any information provided by you or any of your representatives which is false, misleading or incomplete. You agree to indemnify us and hold us harmless from any such liabilities we may have to you or any third party as a result of reliance by us on any information provided by you or any of your representatives, which is false, misleading or incomplete.

13.3

The indemnities in this clause will include all costs incurred by us in regard to such liability or claim, including legal costs on a solicitor-client basis, and the costs of any expert engaged by us to advise us or assist us in dealing with the claim or liability in any way.

13.4

You agree to look only to Woodnet or the insurance maintained by us to satisfy our obligations or liabilities to you under this Agreement or otherwise. None of our Affiliates nor ours or our Affiliates'

officers, principals or employees will be liable for our obligations to you. You will not commence any action or proceeding against any such persons for the purposes of enforcing your rights under this Agreement. This clause is intended to be for the benefit of, and enforceable by, those persons described in this clause for the purposes of the Contracts (Privity) Act 1982.

13.6

In the event of any inconsistency between clauses 12 and 13, clause 13 will prevail.

14. Health and Safety

14.1

We are required to comply with the provisions of the Health and Safety in Employment Act 1992 (**Act**) by taking all practical steps to ensure the health and safety of our people. We expect our people to take responsibility to ensure their own safety and that no harm is caused to others in the workplace. However, the Act places responsibility for their safety on you when they are visitors to your site. It may be appropriate for your Health and Safety representative to hold a safety briefing at the beginning of the assignment for those involved, regarding the hazards, provision of any appropriate equipment, awareness of accident reporting procedures and emergency procedures.

15. Privacy

15.1

We will comply with the Privacy Act 1993 when collecting, holding or disclosing personal and sensitive information concerning you (if you are an individual), your shareholders, members, customers, employees and other individuals with whom you have dealings (**Stakeholders**). Under the Privacy Act 1993, we must follow the information privacy principles when we collect, use and disclose information about Stakeholders (**personal information**).

15.2

If your Stakeholders have not been made aware of the possible collection, holding, use or disclosure of their personal and sensitive information by us as part of this engagement, you agree to inform us so that, should this be necessary, we may take action to raise the awareness of your Stakeholders.

15.3

If we do not collect this personal information we may not be able to carry out your instructions. In most cases anyone can request access to the personal information we hold about them. We may also use contact details and other information (eg, subjects you are interested in) to keep you informed about developments in areas relevant to the Services, other forestry, guiding or carbon emission trading services or seminars we offer. If you do not want your personal information used for this purpose, please let us know.

16. Circumstances beyond your or our control

16.1

Neither of us will be in breach of our contractual obligations nor will either of us incur any liability to the other if we or you are unable to comply with this Agreement as a result of any cause beyond our or your reasonable control. In the event of any such occurrence affecting one of us, that party must notify the other as soon as reasonably practicable, who will have the option of immediately suspending or terminating this Agreement.

17. Governing law and jurisdiction

17.1

This Agreement is governed by New Zealand law. Both parties agree to irrevocably submit any disputes arising under this Agreement to the exclusive jurisdiction of the courts of New Zealand.

18. Variation

18.1

No variation of this Agreement will be valid unless confirmed in writing by authorised signatories of both parties on or after the date of signature of the Engagement Letter.

19. Term and Termination

19.1

The Agreement will apply from the commencement date stated in the Engagement letter or, where no commencement date is stated, from the date on which you sign the Engagement Letter.

19.2

If either party commits a breach of this Agreement and fails to remedy the breach within 14 days of receiving written notice calling for the breach to be remedied, the party giving the notice may cancel this Agreement on written notice, without prejudice to any other right it may have in the circumstances. In any case this Agreement may be terminated by either party on written notice to the other party. You must pay our fees for work done and for other charges incurred up to the time of termination.

20. Entire agreement

20.1

These Terms, the Engagement Letter and any other agreement record our entire understanding and agreement relating to the matters dealt with in them. The Agreement supersedes all previous understandings or agreements (whether written, oral or both) between us relating to such matters.

21. No assignment

21.1

You may not assign or transfer any of your rights or obligations under this Agreement.

22. Partial invalidity

22.1

If any provision of this Agreement is or becomes invalid or unenforceable, that provision will be deemed deleted from this Agreement. The invalidity or unenforceability of that provision will not affect the other provisions of this Agreement, all of which will remain in full force and effect to the extent permitted by law, subject to any modifications made necessary by the deletion of the invalid or unenforceable provision.

Definitions

Affiliates means any entity controlled by, controlling or under common control with Woodnet.

Agreement means the Engagement letter, the Terms, all other Appendices to the Engagement Letter and any Fixed Price Agreement.

Appendices means the appendices to the Engagement Letter.

Client means you and all other entities and group companies you instruct us to act for under this Agreement.

Engagement Letter means the engagement Letter and includes all Appendices.

Fixed Price Agreement means an agreement to provide specific services to you at a fixed price and which is expressly stated to be a fixed price agreement.

Services means the services set out in our Engagement Letter.

Stakeholder means you, your shareholders, members, customers, employees and others with whom you have dealings.

Terms means these terms and conditions of business.