

## **Standard Terms & Conditions of Engagement**

### **1. Acceptance of Proposal**

If you accept this proposal you will have entered into an enforceable costs agreement. This means you will be bound by what this document says, including the way in which we will charge you and the way in which you must pay our invoices. You should be sure you are content with everything it says and, if you have any doubts, you are most welcome to discuss the contents with another professional you trust (such as your solicitor).

You can accept this proposal by:

- Signing the agreement and returning one copy to our office; or
- Continuing to give us instructions after you receive this document; or
- Verbally accepting our proposal.

If you do not accept this proposal within 7 days we may withdraw our offer to act on your behalf.

### **2. Confidentiality**

Where you disclose personal information regarding a third party (including employees), you confirm that you have complied with the Privacy Act 1998 (Cth), including that the information has been lawfully collected and that you are entitled to disclose the information to us.

We will not disclose any information relating to your affairs to any third party without your consent, unless required by law. As a member firm of the Institute of Chartered Accountants in Australia, our files may be subject to review as part of the quality control review program. By signing this letter, you acknowledge that, if requested, our files will be made available under this program. If this occurs, we will advise you. The same strict confidentiality requirements apply to this program as apply to us as your accountants.

Data and electronic information provided may be stored on computer servers located in our office or via third party cloud computing services.

### **3. Privacy Policy**

Your privacy will be maintained to ensure we protect the trust you place in us as your accountants and advisers.

Chapman Eastway collects information from you when you first engage the firm and from time to time thereafter so that we may provide you with the accounting / tax / business advice and other primary purpose services that you have engaged us for. Every effort is made to ensure the security of your information by maintaining physical, electronic and procedural safeguards.

You may contact us at any time to obtain a copy of our Privacy Policy. Our Privacy Policy is also available on our website.

### **4. Group Entities**

You acknowledge new entities associated or affiliated with your Group may be added in the future and such entities will be covered by the terms of this Engagement Letter. If new entities are added to your Group, it may result in a variation of the scope of work and additional charges.

### **5. Disclosure Statement**

As members of the Institute of Chartered Accountants in Australia, the Directors of this firm are participants in an Institute scheme which limits the liability of its members. This scheme has been approved under the Professional Standards Act (NSW) 1994/ Professional Standards Act (WA) 1997/ Professional Standards Act (Vic) 2003/ Professional Standards Act (Qld) 2004/ Professional Standards Act (SA) 2004/ Professional Standards Act (NT) 2004/Civil Law(Wrongs) Act 2002 (ACT). The scheme has also been approved by the Commonwealth, giving effect to the limitation on liability in relation to any claim for misleading or deceptive conduct under the Australian Consumer Law, the Corporations Act 2001 or the ASIC Act 2001.

This Professional Standards legislation, which is in place in all states and territories, enables professional bodies to establish schemes which legally limit the civil liability of their members. In return, the members of the professional bodies are committed to achieve and maintain the appropriate level and currency of professional qualifications and experience, to adhere to a prescribed code of ethics and to maintain business assets and/or insurance to meet claims made against them to a prescribed limit, while the professional bodies are obliged to promote risk management procedures and conduct an effective process to discipline members who act contrary to professional requirements.

The Institute scheme came into effect on 8 October 2014 and is designed to limit the maximum liability for damages arising out of a cause of action for occupational liability which may be awarded against a person to whom the scheme applies

### **6. Contributory Negligence**

To the extent permitted by law, you agree that if you or a group member make any claim against us for loss as a result of a breach of our contract or for negligent advice, and that loss is contributed to by your Group's acts or omissions, then liability for the loss will be apportioned, as is appropriate, having regard to the respective responsibility for the loss. Accordingly, the amount you or other group members may recover from us will be reduced by the extent of your Group's contributions to that loss. If your Group's acts or omissions are the first causative step in the occurrence of such loss, you will be wholly responsible.

### **7. Proportionate Liability**

You expressly agree that Chapman Eastway shall not be held liable for any loss, damage or expense, directly or indirectly suffered by you or a group member which is caused, directly or indirectly in whole or in part, by a third party.

You agree to indemnify Chapman Eastway in respect of any costs, claim, action, proceedings or demand made against us by any third party claiming contribution or indemnity in respect of any liability of such third party to you or a group member.

#### **8. Qualified Advice**

Sometimes we may be required to give you advice based on assumptions. If so, we will advise you of those assumptions. You must promptly tell us if the assumptions are wrong. We cannot accept responsibility for any part of our advice if we have not been made aware that it is based on incorrect assumptions.

#### **9. Fees/Billing Arrangements**

Your agreed Fee Arrangement is outlined in the terms of document.

All persons or Group entities (including any added to the group at a later date) and any person or entity which receives a benefit from the performance of accounting services or advice from us, will be jointly and severally liable for the payment of our fees.

In accepting these Terms of Engagement, you accept that all such persons or entities undertake joint and several responsibilities for the payment of fees rendered to your Group by us, and we rely on your warranty of authority that you have the authority to bind all members of your Group. If our fees and costs are not paid within our agreed arrangements we reserve the right to charge interest. The rate of interest will be 2% above the Reserve Bank of Australia Indicator Lending Rates for Small Business Overdrafts and will be calculated on a daily basis commencing from the overdue date.

We reserve the right to cease work if any invoice remains unpaid for more than 30 days from the date of the invoice or if any request for information is not dealt with to our satisfaction within 30 days from the making of the request. A lien on all papers in our possession or under our control, including original documents, will be claimed until all invoiced amounts are paid in full.

Where you are in default of payment under the terms of this Engagement, we will cease to be responsible for the delivery of any services referred to in this engagement that would allow you to satisfy any of your obligations to third parties, including but not limited to statutory obligations, banking covenants and any other matter pertaining to the Group's affairs. You agree that we will not be responsible for any damages or penalties that may arise.

*If you are on a fixed fee engagement:*

If services are required outside the scope of this engagement we will endeavour to notify you as soon as practicable to agree a change order. If the out of scope attendances are urgent or minor they will be charged at standard hourly rates.

*If you are on time cost engagement:*

Statements made or estimates given regarding the likely cost of performing the work, or the likely time to perform work, are estimates made in good faith, but are not warranties or representations made for the purpose of reliance. Every reasonable endeavour will be made to meet the estimates, however such estimates may be exceeded and have no contractual force.

Our fees for professional services, on a time cost engagement will be billed as work progresses, are calculated on time spent by our directors and staff in carrying out the work. Individual hourly rates (quoted, exclusive of GST) vary according to the degree of responsibility involved and the experience and skill required.

Disbursements and out of pocket costs will be charged at cost, unless expressly included in these Terms of Engagement.

#### **10. Ownership of Records and Work Papers**

The Group maintains ownership of its source documentation, subject to any lien for unpaid fees. We maintain ownership of all working papers produced by Chapman Eastway during the course of the Engagement. Any intellectual property developed by Chapman Eastway during the course of the Engagement is the

property of Chapman Eastway and the Group is granted a non exclusive license to use the intellectual property developed in their business.

#### **11. Retention and Destruction of Documents**

Our files and working documents (either in hard copy or electronic form) that you leave with us are kept for the following time periods:

- Superannuation Fund Minutes = 10 years
- Original Statutory Deeds, Agreements, Wills and legal documents = Permanently
- All other records = 7 years.

You authorise us to destroy files after expiration of the above time periods. We may elect at our complete discretion to store documents with an external storage provider (general practice is that files older than 2 years. You will be responsible for our out of pocket costs for storing such files, including costs for storage, retrieval or destruction subsequent to the termination of this Engagement.

#### **12. Specialist Advisers**

If we need to brief a specialist in any of your matters:

- We will first seek your approval, and discuss the choice with you
- If the specialist provides us with fee disclosures, or the basis of fee calculation, we will pass this information on to you, and
- You will be responsible for the specialist adviser's costs and if we become liable to pay the costs and/or interest on any specialist's fees we will also pass that charge on to you.

#### **13. Financial Investment Advice**

Any information or advice provided by Chapman Eastway pertaining to investments or taxation of investments does not constitute "financial product advice" as defined by the Corporations Act (as amended by the Financial Services Reform Act 2001). Chapman Eastway is not licensed to provide financial product advice.

Please bear in mind that taxation is only one of the matters that you need to consider when making a decision on a financial product.

#### **14. Income Tax Matters**

We will not be held responsible for the late lodgement of your tax returns or late payment of any tax owing where we have given you prior notice of the due date for lodgement or payment and you have not provided the information requested within the time that we specify to supply all the information or made the payment to the taxation authority.

You agree to indemnify us for any fines, penalties or interest (in any form, no matter how named) that are levied on us as a result of incorrect or misleading information being made available to us, or for any information that is not provided.

The Taxation Administration Act 1953 contains specific provisions that may provide you with "safe harbours" from administrative penalties for incorrect or late lodgements of returns if, amongst other things, you give us "all relevant taxation information" in a timely manner (the safe harbour provisions apply from 1 March 2010). It is therefore in your best interest to disclose all relevant information in a timely manner in order to potentially limit such penalties.

You are responsible for the accuracy and completeness of the particulars and information provided. Any advice given is only an opinion based on our understanding of your particular circumstances. All taxpayers have an obligation under the self-assessment system to keep full and proper records in order to facilitate the preparation of accurate returns.

#### **15. Outsourced Financial Controller and CFO Services**

Where we have been engaged to provide services in relation to the

payment of creditors and employees, we will not be held responsible for penalties or interest relating to late payment. Nor will we be held responsible for trade discounts forgone.

We will not be held responsible for penalties or damages relating to employment law obligations, including superannuation guarantee, PAYG withholding, statutory reporting or requirements under the Fair Work Act 2009 (Cth).

#### **16. Term of Engagement**

This Engagement commences on the date identified in Item 3 as the Commencement Date or when you sign and return the letter to us or when we first start work on your behalf, whichever is first.

Unless it is terminated earlier as per below, or superseded, any non-recurring aspects of this Engagement terminate when we have completed providing the services to you and you have paid all outstanding fees.

You may terminate this Engagement by giving 30 days written notice. This period of 30 days is known as the Termination Period. During the Termination Period you acknowledge that we have the right to continue work on your affairs in accordance with the Term of the Engagement. In addition to any other rights, we may terminate this Engagement at any time by giving you written notice. Any unpaid work at the time of termination as calculated below must be paid for in full within 14 days.

On termination of the engagement, we will cease to be responsible for any liability arising after the termination date.

*If you are on a fixed fee engagement:*

In the event of termination we will determine the percentage of work complete at the end of the Termination Period of the total fee including Change Orders,

and deducting any amounts paid during the term of this agreement.

*If you are on a time cost engagement:*

In the event of termination, unpaid work will be determined by from the time charged to the Firm's work in progress during the term of this agreement.

#### **17. Continuing Engagement**

*If you are on a fixed fee engagement:*

Any recurring aspects of this Engagement remain in place until terminated or superseded. Should the period extend beyond 12 months, the Fees will increase by 5% each year unless mutually agreed otherwise.

*If you are on a time cost engagement:*

Any recurring aspects of this Engagement remain in place until terminated or superseded. Fees will be rendered for the Engagement in line with the Firm's current Charge Rates, as updated from time to time.

#### **18. General**

During the course of the Engagement pertinent matters that come to our attention will be communicated to you, however our work does not constitute an audit and cannot be relied upon as such. Accordingly, we will not be expressing an opinion as to the truth and fairness of those statements.

Our Engagement will not necessarily uncover fraud, defalcations or other irregularities, which may occur. However, any material matters including weakness in the accounting or internal control systems which come to our notice will be drawn to your attention.

*Standard Terms & Conditions updated as at March 2023*