Engagement Terms and Conditions

These Terms and Conditions (T&Cs) are to be read in conjunction with our engagement letter with you. They apply to all services that we perform for you that are described in our engagement letter ("the Services"). Together, our engagement letter and these T&Cs are called "this Agreement". If the two documents are inconsistent, the terms in the engagement letter overrule these T&Cs. This Agreement constitutes the entire agreement between us with respect to our work under this agreement and supersedes all prior agreements, proposals, oral and written representations and negotiations.

1. Events Required to be Disclosed

In accordance with the *Tax Agent Services (Code of Professional Conduct) Determination 2024* (the Determination), I advise you that there are no events which have occurred within the last 5 years which require disclosure.

2. TPB Register and Complaints Process

The TPB maintains a register of tax agents and BAS agents (tax practitioners) and this register can be accessed and searched at https://www.tpb.gov.au/public-register. The TPB's register confirms that I am a registered tax practitioner with no conditions imposed on my registration.

All complaints should be raised with us at first instance with the view that your concerns can be resolved amicably between us. In the event that your concerns cannot be satisfactorily resolved, you may wish to raise a complaint with the IPA and/or the TPB:

- IPA's complaints process can be accessed at https://www.publicaccountants.org.au/about/complaint-investigation/complaints-about-an-ipa-member.
- The TPB's complaints process can be accessed at https://www.tpb.gov.au/complaints.

Further information is contained in an Information for Clients document on the TPB's website: https://www.tpb.gov.au/sites/default/files/2024-10/Information%20for%20clients%20factsheet.pdf.

3. Objective and Scope of the Engagement

We will provide tax services to you as described in our engagement letter.

You have given us, AFPG Accounting Pty Ltd, with Tax Registration 25490538, authority to use the Australian Taxation Office (ATO)'s online portal for tax agents for the purpose of managing and meeting your taxation obligations.

Please be aware that we will not conduct an audit or review as a service to be performed for you and accordingly, no assurance will be expressed. Unless specified in our engagement letter as a service to be performed for you, our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may occur. However, we will inform you of such matters if they come to our attention.

We will perform the services agreed in accordance with professional and ethical standards including APES 220 *Taxation Services*. These standards require that, in undertaking this engagement, we comply with relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* and the *Tax Agents Services Act 2009*.

Independence and conflicts of interest

We have procedures in place to periodically assess our independence assigned to our engagement. We will notify you in a timely manner should we become aware of any conflict of interest or independence issues.

If during the engagement you become aware of any conflict of interest or potential conflict of interest or there is a change of circumstances which may result in a conflict, you must advise us.

Events that may give rise to a conflict of interest or potential conflicts of interest include:

- Events affecting you, such as deaths, matrimonial disputes as well as litigation (threatened or actual).
- Changes to the structure of your business or your business relationships.
- Offering an employment opportunity to a current or former employee of our practice.

Confidentiality

We will conduct this engagement in accordance with professional and ethical standards issued by the APESB. The information acquired from you for our engagement is subject to strict confidentiality requirements and will not be disclosed by us to other parties except as required by law or professional and ethical standards, unless we have your written consent.

NOCLAR obligations

Pursuant to the Responding to Non-Compliance with Laws and Regulations (NOCLAR) requirements of APES 110, we are required to report any non-compliance with laws and regulations or acts of omission or commission, intentional or unintentional by a client or by those charged with governance, by management or by other individuals working for or under the direction of a client which are contrary to the prevailing laws or regulations.

4. Our Obligation to Comply with the Law

We have a professional duty to act in your best interests. However, our duty to act in your best interests is subject to an overriding obligation to comply with the law, even if that may require us to act in a manner that may be contrary to your directions. For example, we cannot lodge an income tax return that we believe to be false in a material respect. Further, where a statement lodged with the ATO contains a false or misleading statement, the Determination requires us to, in certain circumstances, take particular actions which may include one or more of:

- advising you that the statement should be corrected;
- withdrawing from our engagement and professional relationship with you;
- notifying the ATO that we are not reasonably satisfied that our advice to correct the statement was acted upon; or
- taking further action in the public interest.

5. Your Rights and Obligations Under the Taxation Laws

Taxpayers have certain rights under taxation laws, including the right to seek a private ruling from the ATO or to appeal or object against a decision made by the Commissioner. Taxpayers also have certain obligations under Australian taxation laws, such as the obligation to keep proper records and the obligation to lodge returns by the due date. We must keep you informed of any specific rights and obligations that may arise under Australian taxation laws. Further, we must keep you informed of my rights, responsibilities and obligations as a tax practitioner.

Further information is contained in an Information for Clients document on the TPB's website: https://www.tpb.gov.au/sites/default/files/2024-10/Information%20for%20clients%20factsheet.pdf.

6. Your Responsibilities

The responsibility for the maintenance of a business accounting system and internal control systems, including protection against and prevention of fraud, rest with you the client. You will also be responsible for the maintenance of books of account. This includes any work produced by a third party not engaged by us that is to be relied upon. If any material weakness in the accounting systems or internal control systems comes to our notice, you will be advised accordingly.

In undertaking this engagement, it is understood that you will ensure that:

a) the bookkeeping for all business entities are maintained on a regular basis. It is recommended that all bookkeeping and record-keeping tasks be attended to weekly;
b) reconciliations of bank accounts, debtors and creditors are performed at the end of each month for each of the business entities;
c) a stocktake will be performed during the last weekend in June for each entity holding trading stock.

It is expected that the trial balance of each of the business entities will be completed no later than 30 November of each year.

It is important to remember you are personally responsible for the information contained in any statutory form, return or schedule. Before documentation is lodged on your behalf, drafts will be forwarded for your review and approval. Documentation will be lodged with the relevant departments/authorities by the due date(s), provided all necessary information and documentation is received by the agreed date(s). If you are late in providing information, best efforts will be made to meet lodgement due dates. However, no responsibility will be accepted for any late lodgement penalties incurred.

Your disclosure and record-keeping obligations

You are required by law to keep full and accurate records relating to your tax affairs. It is your obligation to provide us with all information that is reasonably expected as necessary to allow us to perform work contemplated under this engagement within a timely manner or as requested. This includes providing accurate and complete responses to questions asked. Inaccurate, incomplete or late information could have a material effect on services provided and/or conclusions reached.

We need not verify the underlying accuracy or completeness of information from you if it appears reasonable. However, if we believe information is missing, incorrect or misleading, we will need to seek further assurance from you.

The *Taxation Administration Act 1953* contains specific provisions that may provide you with "safe harbour" protection from administrative penalties for incorrect or late lodgement of returns. These safe harbour provisions will only be available to you if, amongst other things, you provide "all relevant taxation information" to us in a timely manner. Accordingly, it is to your advantage that all relevant information is disclosed to us, as any failure by you to provide this information may affect your ability to rely on the "safe harbour" provisions and will be taken into account in determining your liability to an administrative penalty. It is your responsibility to show that you have brought all matters to our attention if you want to take advantage of this legislative safe harbour.

7. Terms by Service Category

This section outlines the basis of our engagement in the context of the specific services to be provided. Our engagement is limited to the services agreed upon and described in the Engagement Summary and these Terms and Conditions.

Please note that, as a general principle, we rely upon you to provide accurate and timely information to enable us to properly perform our professional obligations. Any rectification work required due to inaccurate, incomplete, or late information will fall outside the scope of this engagement and be charged as additional services.
<u>BAS Returns</u>

Where your engagement includes the preparation and lodgment of Business Activity Statements (BAS), these are prepared quarterly during the financial year based solely on the financial information you provide. As our engagement to prepare annual accounts occurs after year-end, it is not possible to verify the accuracy of the information provided for BAS at the time of its preparation.

Accordingly, it is assumed that:

- The financial information you provide is accurate and complete;
- The GST position has been correctly recorded in your accounting records, including input tax credits and GST payable amounts;
- You retain all supporting documentation required by the ATO, including valid tax invoices and adjustment notes;
- You are aware of the GST obligations relevant to your business. If you require assistance or advice on GST treatment, this will be considered work outside the scope of this engagement and charged accordingly.

Any discrepancies identified between quarterly BAS disclosures and the year-end financial statements will be discussed with you. Adjustments or corrections required will be treated as additional work outside this engagement.

Financial Accounts

Where your engagement includes preparation of financial accounts, our services will include:

- Profit and loss statements;
- Balance sheets;
- Supporting notes to the accounts;
- Maintenance of the chart of accounts;
- Telephone support for coding and transaction queries;
- Preparation and lodgment of standard ASIC reports.

This service excludes preparation of special-purpose accounts (e.g. for loan applications or third-party presentations). These services, if requested, will be charged separately.

Income Tax Returns

Our engagement may include preparation and lodgment of income tax returns for the Group. We do not verify or audit source data (e.g. spreadsheets, accounting software records), nor do we review your coding or classifications. Assistance with coding, classification, or preparation of supporting schedules (e.g. rental property or logbook calculations) will be treated as additional services.

You are responsible for maintaining all documentation required under tax law. The ATO may request substantiation, and you must retain source records to support all claims. We may request access to these records where tax implications are uncertain or contentious.

For individual tax returns, clients are expected to meet all substantiation requirements under the Income Tax Assessment Act. While we may advise on the applicable rules, it is not within our engagement to verify compliance.

Templates and tools may be provided free of charge to assist with information collection. Our service does not include managing ATO investigations or inquiries, which are considered additional services.

Each Group client agrees that we may receive and deposit tax refunds into our trust account and deduct outstanding fees for any Group member before forwarding the balance.

Fringe Benefits Tax (FBT) Returns

Where we are engaged to prepare and lodge FBT returns, our services include:

- Guidance on information collation;
- Annual review of methods to minimise FBT;
- Telephone advice on basic FBT matters;
- Calculation of Reportable Fringe Benefit Amounts for inclusion in payment summaries.

Due to GST complexity, general ledger data alone is insufficient for FBT preparation. Source documentation is required for us to assess relevant FBT implications.

Superannuation (SMSF Compliance)

Where your engagement includes compliance services for a self-managed superannuation fund (SMSF), we will:

- Prepare the SMSF's accounts under the Superannuation Industry (Supervision) Act 1993;
- Prepare and lodge the SMSF Annual Return;
- Facilitate the annual audit, undertaken by an external SMSF auditor.

Trustees are responsible for providing all necessary records by 30 November to ensure timely audit and lodgment.

This service does not include legal review of fund deeds. We recommend that trustees engage a qualified superannuation lawyer to review compliance annually. Our fee does not cover this.

ATO audits and investigations fall outside the scope of this service.

Superannuation Advice

We are not licensed to provide financial product advice under the Corporations Act and are not authorised representatives of an AFS licensee.

We are unable to provide advice intended to influence decisions about establishing, contributing to, or drawing from superannuation, or any related investment decisions. However, we may provide factual information and guidance on how the rules apply.

Where Financial Advice is requested, we will refer you to an appropriately licensed provider or, with your consent, coordinate with a third-party advisor. Any related work performed by us will be subject to your approval and charged accordingly.

8. Previous Tax Returns

It is noted that we are not engaged to review the accuracy of previous tax returns lodged by you or another tax practitioner. Where relevant, you have warranted that reliance can be placed on financial statements and other financial records presented by you for this purpose.

9. Engagement Output

There is no assumption of responsibility for any reliance on our tax and accounting services by any person or entity other than you and those parties indicated in the tax and accounting services. The tax and accounting services shall not be inferred or used for any purpose other than for which it was specifically prepared. Accordingly, our tax and accounting services may include a disclaimer to this effect.

10. Engagement Period

The engagement period commences on the date you acknowledge and confirm acceptance of our terms of engagement and will continue until revoked by you/us. Any change to engagement fees will be issued on a separate engagement letter, and a change to these fees does not result in a change to these engagement terms and conditions.

11. Professional Fees and Terms of Payment

Our services will be provided on a fee-for-service basis. The specific fees applicable to your engagement are detailed in your engagement letter. The following terms outline the general basis of our fees, billing, and GST treatment.

Unless otherwise stated in writing, any estimates we provide to you of our anticipated fees, disbursements and charges for any work are only indicative of the amounts you can expect to be charged. Estimates are not quotes or caps and are not binding on us.

Where an estimate is given and the scope of the work changes, or if it becomes apparent that the work involves matters which were not considered in the estimate, we'll endeavour to advise you and provide an amended estimate as soon as it's possible to do so.

You agree to pay our invoices within 14 days of the issue.

Each client in the Group is jointly and severally liable to pay our fees in respect of all work performed for all members of the Group. We may require that payment of our fees be guaranteed by one or more persons who are associated with the Group but are not themselves our clients (for example, company directors). If you don't provide a required guarantee, we may stop work or end the engagement.

If we stop work or end the engagement by reason of you not making a trust deposit or providing a guarantee as required, we won't be liable for any loss or damage suffered by any client in the Group as a result of the suspension or termination.

<u>Goods and Services Tax (GST) – Professional fees</u>

Our professional fees are inclusive of GST. If our services are provided to Individuals or Entities that are registered for GST, then those Individuals or Entities may be able to claim a GST input tax credit for the GST they pay on our services. However, this won't be the case if the services we provide are used by the recipient in creating an input taxed supply or otherwise for a non-creditable purpose. In this situation, the GST associated with our professional fees can't be claimed as an input tax credit.

If your matter involves a mixture of taxable, GST-free and input taxed supplies, we won't apportion our professional fees between these categories of supply unless you've expressly requested us to do so.

Please note that if you make such a request after the beginning of any particular matter it may not be possible for us to apportion professional fees that were incurred prior to receiving your request. If you need separate advice on whether you will receive the benefit of a GST input tax credit for the GST paid to us, please do let us know.

<u>GST – Disbursements</u>

As well as our professional fees, you'll be responsible for payment of expenses which we incur on your behalf (together with the GST that we pay in relation to such expenses), as set out below.

Certain government charges and fees included in some matters undertaken in the scope of our engagement are effectively GST-free to the applicant but will attract the 10% GST if paid by this firm and then passed on to you as part of our services.

Accordingly, for certain disbursements in this category, namely:

- ASIC fees;
- new company and trust deed orders; and
- other specific disbursements notified from time to time

We'll act as your agents in incurring those disbursements. You'll therefore technically be primarily liable to pay the account to the supplier. Under this agency relationship, you'll receive the benefit of any concessional GST treatment of any part of the disbursement.

Where GST is payable on some or all of a supply acquired by us as your agent, we'll send you the Tax Invoice and you'll be entitled to claim the input tax credits directly if you have an ABN and are entitled to claim input tax credits. For disbursements incurred in this way, we may in some cases ask for separate cheques for the relevant amounts to be paid directly to the relevant government body or supplier.

For all other disbursements (e.g., couriers, searches, photocopying, etc.) the treatment will be the same as for professional fees – that is, we'll incur the costs at first instance and invoice them on to you after making allowances for any GST input tax credits received by us on the acquisition. These invoices will include GST for which you may be entitled to claim an input tax credit.

12. Ownership of Documents

The financial statements, tax returns and any other documents which we are engaged to prepare, together with any original documents given to us by you, are your property. Any other documents brought into existence by us, including general working papers, the general ledger and draft documents is our property.

If our services are terminated (by either party), each client separately agrees that we shall be entitled to retain all documents owned by that client (including all tax refund cheques of that client which come into our possession) until payment in full of all outstanding fees outstanding from all members of the Group on any account. Where copies of any documents released to you are required for our records, we charge for the cost of photocopying at our normal rates.

13. Lien over Documents

If permitted by law, we may exercise a lien over all materials or records in our possession to all engagements for you until all outstanding fees and disbursements are paid in full.

14. Quality Review

As a member of the Institute of Public Accountants (IPA), we are subject to the IPA's Quality Review Program (QRP) mandated by the International Federation of Accountants (IFAC). QRP reviews assess member compliance with the professional and ethical standards and by accepting our engagement you acknowledge that, if requested by the IPA, files relating to this engagement may be made available for QRP review. Unless otherwise advised, you are consenting to your files being part of a QRP review.

15. Professional Standards Scheme

As a member of the IPA, we are part of the IPA Professional Standards Scheme and our liability is limited by a Scheme approved under Professional Standards Legislation. For more information on the IPA Professional Standards Scheme or Professional Standards Schemes generally, please refer to: www.psc.gov.au.

16. Privacy

We understand the importance of protecting the privacy of your personal information. In handling personal information, we comply with the *Privacy Act 1988* (Cth) (Privacy Act), as amended from time to time, and with the 13 Australian Privacy Principles in the Privacy Act and other applicable privacy-related legislation.

We collect, use, disclose and store your personal information in accordance with our privacy policy, a copy of which can be found on our website or otherwise made available to you upon request.

We may collect your personal information directly from you or your authorised representatives, from third parties where you have provided your consent, or where the collection of your personal information is permitted by law.

The types of personal information we collect includes general identification information such as names, occupation, and date of birth, contact details such as address, email address, and mobile phone number, government-issued identification numbers such as tax file numbers, financial information, and information regarding your superannuation and/or insurance arrangements.

Generally, we collect, use and disclose your personal information for the purposes of providing you with taxation services.

If you do not provide your personal information to us this may affect our ability to assist you.

We may also use your personal information for the purpose of providing marketing information to you. Please let us know if you do not want this information to be sent to you.

To provide our tax and accounting services, we may disclose your information to third parties engaged to perform administrative or other business management services. We may also disclose your personal information to third parties engaged to undertake specific processes, functions or activities and/or provide services for us.

Any disclosure is always on a confidential basis. We may also disclose your personal information if required or authorised by law.

We may disclose personal information to overseas recipients in order to provide necessary tax and accounting services and for administrative or other business management purposes. Before disclosing any personal information to an overseas recipient, we take steps reasonable in the circumstances to ensure the overseas recipient complies with the Australian Privacy Principles or is bound by a substantially similar privacy scheme unless you consent to the overseas disclosure or it is otherwise required or permitted by law.

If you would like to access, or seek correction of, the personal information we collect and hold about you, or otherwise enquire or complain about our approach to privacy, please contact our privacy compliance officer on 02 8268 7000 or at hello@afpg.com.au. Our privacy policy contains further information about these processes.

17. Third-Party Involvement

At times we may outsource some of our work which involves us entering into an agreement with a third-party to provide specific processes, functions, services or activities for us.

We currently have outsourcing arrangements with Satellite Office (https://www.satelliteoffice.com.au) and Empata, in Manila, Philippines and Bula Outsourcing (https://bulaoutsourcing.com.au) in Suva, Fiji whom we engage from time to time to assist us. We'll notify you of any change to this arrangement, where relevant to your services.

In providing our services to you, we utilise cloud computing systems provided by SuiteFiles (https://www.suitefiles.com/), which is based in Wellington, New Zealand. Data is stored in Microsoft Azure datacentres and the Microsoft office 365 services (SuiteFiles uses Microsoft data centres located in Sydney, Melbourne and Singapore). Any personal information provided to SuiteFiles by the Customer through use of the Service, whether it is provided via the Site or otherwise, will be treated in accordance with SuiteFiles Privacy Policy (https://www.suitefiles.com/wp-content/uploads/2020/04/Privacy-Policy.pdf).

We also utilise cloud computing systems provided by Xero (https://www.xero.com/au/), which uses a top-tier, third party data hosting provider (Amazon Web Services (AWS)) to store subscriber data (which includes personal data), on servers located in the U.S. For Australian customers, this means that personal information is transferred to AWS's servers in the U.S., in compliance with EU data protection laws including Standard Contractual Clauses under the General Data Protection Regulation (GDPR).

By allowing us to enter your personal information into Xero, you consent to that personal information being hosted on servers located in the U.S. While your personal information is stored on servers located in the U.S., it remains within Xero effective control at all times. AWS's role is limited to providing a hosting and storage service to Xero, and as such has taken steps to ensure that AWS doesn't have access to, and uses the necessary level of protection for your personal information. AWS doesn't control, and aren't permitted to access or use your personal information, except for the limited purpose of storing the information. This means that, for the purposes of Australian privacy legislation and Australian users, Xero doesn't currently "disclose" personal information to third parties located overseas.

From time to time, our firm and our third-party contractors may engage external IT service providers (including in relation to cloud computing services) in the performance of services under this engagement.
The list of external IT service provider(s) currently used by our firm or our third-party contractors, to whom client information will or may be disclosed, is as follows:

- Simplicity IT, NSW Australia
- eNerds, NSW Australia

We'll notify you of any change to this arrangement, where relevant to your services.

Each client in the Group hereby authorises us and our third-party contractors to disclose information relating to those clients' affairs to such external IT service providers as we or our third-party contractors may choose to engage.

This engagement is a contract between you and us, and you agree that none of the third parties we use will have any liability to you and you will not bring any claim or proceedings of any nature in connection with this engagement against any third-party that we may use to provide the services. This exclusion will not apply to any liability, claim or proceeding founded on an allegation of fraud or other liability that cannot be excluded under law.

We may also need to disclose information relating to one client's affairs to other clients in the Group to assist in performing our work, to persons responsible for the governance of an entity to comply with accounting standards, or to a professional body of which we are a member, in relation to a quality review program undertaken by that body. Each client in the Group hereby authorises us to do so when we consider it appropriate to further our performance of work for the Group, or when required by that professional body.

Right to Vary Standard Terms and Conditions

These terms and conditions can be varied or amended in writing from time to time without notice. A current copy of these terms and conditions is available from our website at www.afpg.com.au.