

CLIENT ENGAGEMENT LETTER

This document sets out the Terms and Conditions of our engagement and the nature and limitations of the services that TJS Accounting Co Pty Ltd, Tax Agent Number 25533914 and its related and associated persons, including any partner, director, employee, consultant to or agent of TJS Accounting Co Pty Ltd and its related or associated entities ("TJS Accounting Co Pty Ltd"; "this firm"; "us"; "we") undertakes to provide to you in relation to this engagement ("this agreement"; "this engagement").

"Client" or "you" means the person, jointly and severally if more than one, acquiring goods or services from us in the Engagement Letter.

"Engagement Letter" means this document including the Terms and Conditions set out herein, schedules and annexures attached.

"Services" means the scope of the services specified in the Engagement Letter or as varied in accordance with these Terms and Conditions.

Purpose, Scope and Output of the Engagement

This firm will provide accounting, taxation and debt recovery services as required, which will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB).

The extent of our procedures and services will be limited exclusively for this purpose only. As a result, no audit or review will be performed and, accordingly, no assurance will be expressed.

Our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may exist. However, we will inform you of any such matters that come to our attention.

Income Tax returns, BAS & IAS returns and Financial Statements will be prepared for distribution to the individuals and business owners and the Australian Taxation Office for the agreed purpose.

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

This engagement includes the entire operations of the Client's businesses unless advised otherwise by the Client in writing.

Period of Engagement

This engagement will commence upon acceptance of the Terms and Conditions of the Engagement Letter by the Client as referred under the sub-heading "Client Acknowledgement and Confirmation" herein. We will not deal with earlier periods unless you specifically ask us to do so and we agree.

Our Responsibilities

In conducting this engagement, information acquired by us in the course of this engagement, including an information relating to your affairs whether it belongs to you or not or is provided by you or not, is subject to confidentiality requirements. That information will not be disclosed by us to other parties except as required or allowed for by law, or with your express consent. We wish to draw your attention to our firm's system of quality control which has been established and maintained in accordance with the relevant APESB standard. As a result, our files may be subject to review as part of the quality control review program of The Taxation Institute of Australia and the Institute of Public Accountants which monitors compliance with professional standards by its members.

We advise you that by accepting our engagement you acknowledge that, if requested, our files relating to this engagement will be made available under these programs. Unless otherwise advised, you are consenting to your files being part of such a quality review. This review is of our client records and not of you as a client and you have assurances that confidentiality will be maintained throughout. It is our duty (Under the Tax Agents Services Act 2009) to act lawfully in the best interest of the client and for the agent to act honestly and with integrity.

Your Responsibilities

Clients are required to arrange for full and complete access by us to relevant information and documents as determined by us in a timely manner and shall be responsible for and warrant both the completeness and accuracy of the information. When you sign your tax return, you are taking responsibility for the claims you are making and are aware of your responsibilities as a taxpayer under the taxation laws and the consequence of errors and omissions from the information given to the taxation authorities. If you are aware that information contained in your returns is incorrect, you will contact us as soon as possible to correct the error.

The responsibility for the maintenance of a business accounting system and internal control systems, including protection against and prevention of fraud, including cyber-attacks, 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 this firm that is to be relied upon. You have obligations under self-assessment to keep full and proper records in order to facilitate the preparation of accurate returns. It is your responsibility to keep those records for five (5) years. If any material weakness in the accounting systems or internal control systems comes to our notice, you will be advised accordingly.

You are required by law to keep full and accurate records relating of your tax affairs. It is your obligation to provide *me/us* with all information that would be reasonably expected will be necessary to allow *me/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 of client by the practitioner. Inaccurate, incomplete or late information could have a material effect on services and/or conclusions. Any advice given to you is only an opinion based on our knowledge of your particular circumstances.

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

Tax return preparation services

A taxpayer is responsible under self-assessment to keep full and proper records in order to facilitate the preparation of a correct return. Whilst the Commissioner of Taxation may accept claims made by a taxpayer in an income tax return and issue a notice of assessment, possibly without adjustment, the return may be subject to later review. Under the taxation law, such a review may take place within a period of up to four (4) years after tax becomes due and payable under the assessment. Furthermore, where there is fraud or evasion there is no time limit on amending the assessment. Accordingly, you should carefully check the return before it is signed to ensure that the information in the return is accurate.

Where the application of a taxation law to your particular circumstances is uncertain you also have the right to request a private ruling which will set out the Commissioner's opinion about the way a taxation law applies, or would apply, to you in those precise circumstances. You must provide full particulars and identity of all of the facts (with supporting documentation) that are relevant to your scheme or circumstances in your private ruling application. If there is any material difference between the facts set out in the ruling and what you actually do, the private ruling is ineffective.

If you rely on a private ruling you have received, the Commissioner may, but not always, administer the law in the way set out in the ruling, unless it is found to be incorrect and applying the law correctly would lead to a better outcome for you. Where you disagree with the decision in the private ruling you can lodge an objection against the ruling if it relates to income tax, fuel tax credit or fringe benefits tax. Your time limits in lodging an objection will depend on whether you are issued an assessment for the matter (or period) covered by the private ruling.

Documents

Before documentation is lodged on your behalf, drafts will be forwarded for your approval. Documentation will be lodged with the relevant departments by the due dates, provided all information and documentation is received promptly after the Financial Year End or other statutory date. This will allow adequate time for preparation and lodgement. If you are late in providing information, best efforts will be made to meet deadlines. No responsibility will be accepted for any late lodgement penalties incurred.

Accounting and Record Keeping

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

- a) the bookkeeping for all business entities (including but not limited to PAYG, superannuation and taxes) are maintained accurately 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 stock take will be performed during the last weekend in June for each entity holding trading stock

Previous Returns

It is noted that we are not engaged to review the accuracy of previous returns lodged by your organisation including that of the Principals, Partners, Trustees, Directors, Shareholders or Beneficiaries. You have warranted that reliance can be placed on the balance sheet(s) and other financial records presented by you for this purpose.

Unless instructed otherwise by the Client, we will not conduct a thorough due diligence of the Client and Client's company/ companies' or trust's compliance history to ensure appropriate indemnities are in place to cover any risks and/or if there are any under-reported liabilities, in particular relating to director penalty regime and new directors.

Tax Practitioners obligation to comply with the law

We have a duty to act in our client's best interests. However, the duty to act in our client's best interests is subject to an overriding obligation to comply with the law, even if that may require me/us to act in a manner that may be contrary to your directions. For example, I/ we could not lodge an income tax return that I/we believe to be false in a material respect.

Spam

We do not send out any kind of material that can be construed to be spam. However, we occasionally send out newsletters and emails from time to time to advise clients of relevant updates. We will send these e-mails to you unless you notify us otherwise in writing in which case we cannot and will not be held responsible for any loss you may suffer as a result of not receiving our global e-mails.

Privacy Act

We are bound by the provisions of the Privacy Act to maintain all your records securely and in accordance with the provisions of that Act. Any breach of these requirements should be

notified to the Privacy Commissioner. As noted above under “Quality Review”, your file, unless you specifically forbid it, may be subject to a Quality Review. As a Tax Agent, I am/ we are subject to the code of professional conduct established by the *Tax Agent Services Act 2009* (TASA), this code requires that unless legally required to I/we cannot disclose information to a third party without your permission.

Limitation of Liability

Nothing in this agreement excludes, restricts or modifies any non-excludable statutory condition, warranty, guarantee, right, remedy or other benefit that is preserved by the *Competition and Consumer Act 2010* (Cth) or any other statutory provision.

If the *Professional Standards Act 2003* (Vic) or similar state or federal legislation (“Act”) applies to limit our ability, then the Act overrides any clause in these terms that provides for a limit of liability in excess of the amounts provided by the Act, but does not override any clause that provides for a limit of liability below the amounts provided by the Act.

To the maximum extent permitted by law, we exclude all warranties, conditions and/or terms, other than those expressly set out in this agreement, including, but not limited to, all warranties, conditions and terms implied in fact or by law.

If we are liable for any breach of warranty, condition or term, then our liability is limited, at our option, to either the resupply of the services or payment of the reasonable cost of having the services resupplied.

In all other instances, other than as set out in this agreement, our total liability to you for any loss or damage (including indirect and/or consequential loss or damage) caused by, resulting from, or in relation to the Services, including, but not limited to, loss or damage arising from:

- (a) breach of contract;
- (b) negligence;
- (c) any tort;
- (d) equity;
- (e) any statutory provision; or
- (f) save for fraudulent or criminal conduct, any other conduct by us, (in each case, “Loss”) and whether or not we were advised of the possibility of such Loss, is limited (to the extent permitted by law) to an amount equal to three times the fees paid by you in respect of the Services to which the claim relates.

If TJS Accounting Co. Pty Ltd has more than one client under this engagement, you agree that our total liability to all clients under this engagement is limited in accordance with this agreement, to be apportioned among the clients (including you).

To the maximum extent permitted by law, commencing on the earliest of three years from:

- (a) the date of completion of the Services;
- (b) the date of our final invoice for the provision of the Services; or
- (c) the date this agreement is terminated, you release us from, and agree that you are estopped from commencing, any claim for any Loss in relation to:
 - (a) the performance or non-performance of the Services; and
 - (b) any act or omission in connection with the Services, whether in contract, tort (including negligence), equity, pursuant to statute or otherwise.

Indemnities

You agree to indemnify and hold harmless TJS Accounting Co. Pty Ltd from and against any loss (including legal fees on an indemnity basis), expense, damage, liability or claim by any person (including any third party) arising out of or in relation to;

- (a) any breach of your obligations under this agreement;
- (b) any wilful, unlawful or negligent act or omission of you, your officers, employees, agents, contractors or subcontractors in connection with this agreement.

Where TJS Accounting Co. Pty Ltd is engaged as company auditors under this engagement, this indemnity shall not apply to audit services provided under this engagement.

No Financial Planning Advice

We are accountants and are therefore prohibited under law from giving financial planning advice. Accordingly, our staff are under strict instructions not to issue financial planning advice. If you feel as though you have received financial planning advice, we request that you not act upon it.

TJS Financial Planning Pty Ltd ABN 42 625 605 021

This firm works closely with TJS Financial Planning Pty Ltd, who is a Corporate Authorised Representative (No. 1264687) of Capstone Financial Planning Pty Ltd. ABN 24 093 733 969. Australian Financial Services Licence No.223135. In agreeing to this engagement, you are agreeing to us releasing your information to TJS Financial Planning Pty Ltd who may contact you to discuss financial planning opportunities.

Professional Fees and Payment

Our fees are based on the amount of time and the level of staff required to complete the Income Tax returns, Financial Statements and reports as agreed.

Our fees will be subject to change if the following circumstances should occur: extra work is agreed to between us, unexpected problems occur that require extra time to rectify, new rules are brought in by any governing bodies that your business requires our assistance to comply with or your business grows in size or complexity and requires extra work to be done because of this.

The standard professional fees are (subject to notification of changes):

Senior Accountant	\$ 275.00 per hour
Accountant	\$ 220.00 per hour
Secretarial	\$ 220.00 per hour

For work undertaken for a period of less than an hour, the rate shall be charged in 6 minute blocks, or part thereof. All fees are GST exclusive. Individual tax returns have a minimum fee of \$120.00 plus GST.

Where, as part of this engagement, the services of an external consultant or expert are required, an estimated cost and involvement will be provided to you for your approval. Where we engage third parties as your agent, we may ask you to provide us with sufficient funds in advance to pay their fees.

Invoices will be raised at either the completion of the job or at month end. However, we reserve the right to request payment prior to the commencement of work. Payment of invoices is required within 7 days of the invoice or prior to the lodgement of returns unless alternative arrangements have been made. Payment of invoices through the use of the firms trust account will incur additional charges of \$22.00 per return including GST. Payment's not received within 7 days will incur monthly statement fees of \$22.00 including GST until the debt is repaid and in the event of debt recovery proceedings any and all costs involved in such proceedings will remain at the expense of the client. Payment by cheque is not deemed made until the proceeds of the cheque have cleared. Time for payment is of the essence.

Additionally, we have a lien over any and all of your documents that we hold and we may retain possession of all such documents until our account is paid in full. The lien extends to all documents of yours that we hold and not merely those, which relate to this engagement in respect of which fees remain unpaid.

Ownership of documents

All original documents obtained from our clients arising from this engagement shall remain the property of the client. However, we reserve the right to either scan or make copies of the original documents for our records. Our engagement may result in the production of Income Tax returns, Financial Statements, BAS & IAS Returns and reports as required. Ownership of these documents will remain by you. All other documents produced by us in respect of this engagement will remain the property of the firm. The firm has a policy of exploring a legal right of lien over any client documents in our possession in the event of a dispute or until such time that our fees are paid in full. The firm has also established dispute resolution processes.

Single Touch Payroll

In undertaking this engagement, it is understood that the client acknowledges and accepts responsibility for:

- providing staff salaries, rates of pay and worked hours information to us, by the appropriate pay-run date(s);
- correctly characterising its staff as employees or contractors;
- correctly classifying its employees for the purposes of applicable industrial awards or workplace agreements;
- ensuring that entitlements paid to its employees comply with the applicable industrial awards and workplace agreements and obligations under the Fair Work Act 2009; and
- ensuring that its employees and contractors have the correct PAYG amounts withheld from each pay and the statutory rate of superannuation is paid quarterly.

Intellectual Property

Unless otherwise specified in the Engagement Letter, we own the copyright and all other intellectual property rights in everything we create in the course of providing the Services.

We may use or develop software, including spreadsheets, databases and other electronic tools ("tools") in providing the Services.

If we provide these tools to you, you acknowledge that they are not your property, were developed for our purposes and without consideration of any purpose for which you might use them, are made available on an 'as is' basis for your use only, and must not be distributed to or shared with any third party. We make no representation or warranties as to the sufficiency or appropriateness of the tools for any purpose for which you or a third party may use them. Any tools developed specifically for you and any restrictions on their use will be covered under the Engagement Letter.

You must own or have the right to provide any information that you provide to us.

You consent to us inserting your logos and other similar intellectual property on our deliverables where appropriate unless you notify us to the contrary. You must not use the TJS Accounting Co. Pty Ltd name or logo in any public statement, documents or website without firstly obtaining our written consent.

Confirmation of terms

Please sign and return a copy of this letter to indicate that it is in accordance with your understanding of the arrangements. This letter will be effective for future years unless an amended engagement document has been entered into between our firm and you or we advise you of any change. If the contents are not in accordance with your understanding, we would be pleased to receive your comments and to give you any further information you may require.

Storage of Personal Information

By signing this letter and accepting these services you acknowledge and agree that your personal information may be stored overseas.

Termination of this engagement

Subject to any statutory provisions that apply to the Services, and unless otherwise provided in the Engagement Letter, either party may terminate this engagement at any time by giving 14 days written notice to the other. A party may terminate this engagement immediately if the other commits any material or persistent breach of its obligations under this agreement, in particular Terms and Conditions set out in the Engagement Letter (which, in the case of a breach capable of remedy, has not been remedied within 7 days of receipt by the party in breach of a notice identifying the breach and requiring its remedy), or if the other becomes insolvent.

In addition we may terminate this engagement on reasonable notice if any of the following circumstances occur:

- (a) you fail to pay our accounts on time;
- (b) you fail to provide us with adequate instructions;
- (c) your instructions involve acting contrary to the interests of another client;
- (d) a conflict of interest has arisen or it is not appropriate for us to continue to act for you;
- (e) we are no longer able to provide all or part of the Services to you because of applicable auditor independence rules or legislation without ceasing to be independent in relation to an audit client; or
- (f) for any other just cause.

In addition to our other rights, upon termination you will be required to pay our charges for work done, and for any expenses incurred up to the date of termination together with our reasonable costs and expenses incurred in connection with the early termination of this engagement.

Termination of this engagement is without prejudice to any rights that may have accrued before termination. The Terms and Conditions of this agreement which expressly or by implication are intended to survive its termination or expiry will survive and continue to bind the parties.

Force majeure

No party will be liable to the other for any delay or failure to fulfil their obligations under this agreement to the extent that any such delay or failure arises from causes beyond their control, including but not limited to fire, floods, acts of God, acts or regulations of any government or supranational authority, war, riot, terrorist activities, strikes, lockouts and industrial disputes.

Severance

If any provision of this agreement is found to be illegal, unenforceable or otherwise invalid in whole or in part, such provision will be deemed not to form part of and will be severed from, this agreement. The enforceability of the remainder of this agreement will not be affected.

Entire agreement

The Engagement Letter forms the entire agreement between the Client and TJS Accounting Co Pty Ltd relating to the Services. It replaces and supersedes any previous proposals, correspondence, understandings or other communications either written or oral.

You accept and acknowledge that we have not made any warranties or guarantees of any nature in respect of the Services or satisfactory conclusion of the Services or with respect to the financial, economic, or other results which you may experience as a result of the provision of the Services.

Applicable law

The agreement and the Services will be governed by the law of Victoria and TJS Accounting Co. Pty Ltd and the Client submits to the non-exclusive jurisdiction of the courts of Victoria.

Variation

These Terms and Conditions may only be varied by written agreement.

Client Acknowledgement and Confirmation

Please contact the undersigned if you have any queries about this engagement.

Please sign and return the confirmation of acceptance of this engagement.

If you fail to return a signed acceptance but continue to use our services this will be taken as acceptance of the terms of this Engagement Letter.

Thank you for the opportunity to provide professional accounting and taxation services.

We look forward to developing a close and mutually satisfying relationship with you for many years to come.

TJS Accounting Co Pty Ltd
Suite 1 / 5-7 Golf Links Road, Frankston, VIC 3199
Phone: 03 9770 2255
Fax: 03 9770 2250
info@tjsaccounting.com.au

Agreement with terms of engagement

I/we, the Client(s) and/or director(s) of the Company, understand and agree to the terms of this engagement of TJS Accounting Co Pty Ltd. I/we acknowledge and warrant that I/we accept personal liability for the full cost of services provided to our entity(ies) should our entity(ies) fail to make payment of fees payable to TJS Accounting Co Pty Ltd on time.

I/We each hereby irrevocably charge in favour of TJS Accounting Co Pty Ltd all our respective rights, titles and interests in all personal property and real property that I/we each now hold or acquire in the future, and I/we each also authorise TJS Accounting Co Pty to cause a caveat to be lodged in respect of all real property held by me/us in any state of territory of Australia charged by this clause.

Acknowledged for and on behalf of:

Signed:

Date: