

ENGAGEMENT TERMS & CONDITIONS

These are the Terms of Engagement (“Terms”) between MAC Accounting & Advisory Pty Ltd (“We”) ABN 22 669 527 726 and “Your Business” ABN 00 000 000 000 (“You”). This Agreement is constituted by these Terms and any other later document that we advise you becomes part of or varies this Agreement. These Terms confirm our understanding of the nature and the limitations of the services we will provide.

1. Who may instruct us

You confirm that you, and any other person you nominate in writing from time to time (provided we have acknowledged such nomination), are authorised to give us instructions and information on behalf of all persons we are acting for and to receive our advice and documents on their behalf.

If we are acting for a business, and we receive conflicting advice, information or instructions from different persons, we may refer the matter to the board of directors, partners or proprietors (as applicable) and act only as requested by them.

2. You and your spouse/partner (if applicable)

We will advise you and your spouse/partner on the basis that you are a family unit with shared interests. We may deal with either of you and may discuss with either of you the affairs of the other. If you wish to change these arrangements, please let us know.

3. Know your customers

We may be required to verify your identity for the purposes of the anti-money laundering laws. We may request from you such information as we require for these purposes and make searches of appropriate databases.

4. Your Responsibilities

You must provide us with all information necessary for dealing with your affairs including information which we reasonably request, in sufficient time to enable our services to be completed before any applicable deadline. We will rely on such information being true, correct and complete and will not audit the information.

You authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs.

You must keep us informed on a timely basis of changes in your circumstances that may affect our services.

Review of Documentation

The responsibility for reviewing final reports and/or work rests with you. You will not be charged to correct errors which are clearly my/our fault, but revisions performed at your request will be charged at the agreed hourly rate.

Responsibility for Bookkeeping Records

Responsibility for the maintenance of business records rests with you. This includes security of those records and prevention against fraud. It is important to remember that you are personally responsible for the information contained in any statutory return and that you must retain all necessary supporting documentation to substantiate the transactions.

As your advisor, we will question the nature of transactions which may require our review of the source documents. We will then discuss with you the impact of our review.

We have discussed and agreed on the requirement for business records, including primary source documents, to be retained by you. We have discussed your expectations as to our involvement in the verification that such records are accurate, correct and being maintained.

It is also important to state that as a BAS Agent, if we are advised in writing by yourself that you have copies of the invoices and the GST is applicable, we will process on the basis that you have the correct records.

Business documents are the legal property of yours the client.

Responsibility of Backup of Accounting File and Other Supporting Documents

We advise that the responsibility of backup maintenance of the accounting file and supporting documents rests with you. We will check that appropriate backups are taken at critical times of the financial year.

While we will perform local backups of bookkeeping work for our own records, you should ensure all your business electronic data is backed up securely. Our backup process does not replace your own (legally required) secure back up process.

Please note:

- Unless otherwise discussed and agreed upon, it is your responsibility as the business owners for the maintenance and accuracy of business records and availability of records either for our processing or for verification and provision to authorities if required.
- We may request source documents for some items and process transactions based on the information provided by you, which does not necessarily include all source documents.
- It is a requirement that you must hold copies of all relevant documentation in compliance with the ATO standards.
- It is a requirement by the ATO that ABNs of suppliers be checked at least once a year to ensure that they are valid.
- All relevant documentation and information required to allow us to prepare and produce financial reporting to comply with legislative requirements must be received 14 days prior to due lodgement dates. We will not be liable for any penalties incurred if documentation and information has not been provided.
- A separate signed authority must be provided to us if we are engaged in making payments on your behalf
- A separate specific authority form must be provided to us for each lodgement of documentation with the ATO; we will provide this form to you before each lodgement.
- You authorise me to contact your tax agent via email and phone as required.

5. Payroll Matters

MAC Accounting & Advisory Pty Ltd is engaged to establish the payroll systems based on the payroll information provided to us. We will implement and maintain the payroll based on this information. It is agreed MAC Accounting & Advisory Pty Ltd is not engaged to interpret and apply the Fair Work provisions to this business.

We will however advise the business owners of any concerns or legislative changes that may impact the business. If the business is in breach of Fair Work provisions, we will immediately notify you and discuss this. We note that we will not continue our engagement with you if the business continues to be in breach of the law after receiving our information and advice.

6. Qualifications on our services

To the extent our services involve the performance of services established by law, nothing in the engagement letter or these terms reduce our obligations under such law.

You must not act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid.

Our services are limited exclusively to those you have engaged us to perform. Unless otherwise specified in the engagement letter, our services cannot be relied upon to disclose irregularities and errors, including fraud and other illegal acts, in your affairs.

Where our engagement is recurring, we may amend our engagement letter and these terms where we consider it is necessary or appropriate to do so. If you do not accept such amendments, you must notify us promptly in which case you may terminate our engagement in accordance with section 19 below and those amendments will not apply prior to such termination.

7. Reliance on advice

We will endeavour to record all advice on important matters in writing. Advice given verbally is not intended to be relied upon unless confirmed in writing. If we provide verbal advice (for example during a meeting or telephone conversation) that you wish to rely on, you must ask us to confirm the advice in writing.

8. Investment and financial advisory advice

We will not provide you with investment or financial advice regulated under the *Corporations Act 2001* (Cth) unless we have expressly agreed to do so in writing, specifying an applicable Australian Financial Services Licence number.

9. Professional obligations

We will comply with the professional and ethical standards of the Accounting Professional and Ethical Standards Board, available at apesb.org.au. This includes APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*, which among other things contains provisions that apply if we become aware of any actual or potential 'non-compliance with governing laws or regulations (NOCLAR). Where any such non-compliance poses substantial harm (such as serious adverse consequences to investors, creditors, employees, auditor, group auditor or the public), we may be required to disclose the matter to an appropriate authority.

We are bound by The Institute of Certified Bookkeepers Code of Conduct, which is inclusive of confidentiality agreements detailed in this engagement.

10. Conflicts of interest

We will inform you if we become aware of any conflict of interest in our relationship with you (including between the various persons this engagement letter covers) or in our relationship with you and another client. Where conflicts are identified which cannot be managed in a way that protects your interests then we will be unable to provide further services to some or all of the persons to whom this engagement applies. If this arises, we will inform you promptly.

We may act for other clients whose interests are not the same as or are adverse to yours, subject to the obligations of conflicts of interest and confidentiality referred to above.

11. Fees and payment

Our fees will be charged on the basis set out in the engagement letter and have been set based on the level of skill, responsibility, importance and value of the advice, as well as the level of risk.

If we have provided you with an estimate of our fees for any specific work, this is an estimate only and our actual fees may vary.

We may provide a fixed fee for the provision of specific services. A fixed fee can only be determined after a minimum of 3 months of work has been performed to ensure accuracy of quote. This will be reviewed each quarter or at least annually. If it becomes apparent to us, due to unforeseen circumstances, that a fixed fee is inadequate, we may notify you of a revised figure and seek your agreement to it.

In some cases, you may be entitled to assistance with your professional fees, particularly in relation to any investigation into your tax affairs by the ATO. Assistance may be provided through insurance policies you hold or via membership of a professional or trade body. Other than where such insurance was arranged through us, you will need to advise us of any such insurance cover that you have. You will remain liable for our fees regardless of whether all or part are to be paid by someone else.

We will bill monthly in advance and our invoices are due for payment within 7 days of issue. We reserve the right to stop work if you fail to make payment when and as it falls due. Any debts beyond 30 days (unless a prior payment arrangement has been entered into) will be referred to a debt collection agency and any costs associated in recovering such debts will be passed onto you.

Our fees set out in our engagement letter are exclusive of GST which will be added to our invoice where it is chargeable. Any disbursements and expenses we incur in the course of performing our services will be added to our invoices where appropriate.

Unless otherwise agreed to the contrary, our fees do not include the costs of any counsel, or other professionals or third parties engaged with your approval.

We may charge interest on late paid invoices above the RBA cash rate. We may also suspend our services or to cease to act for you on giving written notice if payment of any fees is unduly delayed.

We intend to exercise these rights only where it is fair and reasonable to do so.

12. Lien

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

Where an outstanding debt arises, we will exercise a legal right of lien over any of your documents in our possession in the event of a dispute between us. We also have established dispute resolution processes, details of which are available on request

13. Client money

We do not maintain a trust account for dealing with client monies on their behalf.

14. Confidentiality

We will take all reasonable steps to keep your information confidential, except where:

- We need to disclose your information to our service providers (including auditors of client monies if applicable) or regulatory bodies in performing the services, our professional advisers or insurers or as part of an external peer review from time to time. Our files may also be subject to review as part of the quality review program of Chartered Accountants Australia and New Zealand and the Tax Practitioners Board as appropriate. By accepting this engagement you acknowledge that, if requested, our files relating to this engagement will be made available under this program. We will take reasonable steps to ensure any such recipient (other than a regulatory body) keeps such information confidential on the same basis;
- We are required by law, regulation, a court of competent authority, or those professional obligations referred to in section 9 above, to disclose the information;
- We provide limited information (but only to the extent reasonably necessary) to potential purchasers (or their professional advisors) of our practice but we will take reasonable steps to ensure that any such recipient keeps the disclosed information confidential;
- We use the information for training purposes, in the development of products or technology, in research or as source material for industry or other benchmarking data or studies; or
- You give us permission to disclose the information.

We may retain your information during and after our engagement to comply with our legal requirements or as part of our regular IT back-up and archiving practices. We will continue to hold such information confidentially.

Where we use the information for training purposes, product or technology development, research or as source material for industry or other benchmarking data or studies, the identity of any individual or entity to which such information relates will not be identifiable from the output of the activity for which the information is to be used or disclosed

We may mention that you are a client for promotional purposes.

15. Privacy

You must make all necessary notifications and obtain any necessary consents for us to process personal information you provide to us. We collect and use that personal information for the purposes of providing the services described in the engagement letter to you and we will comply with the *Privacy Act 1988*

(Cth) when processing that personal information. Our privacy policy provides further details of our privacy practices.

16. Ownership of materials

We own the copyright and all other intellectual property rights in everything we create in connection with this engagement. Unless we agree otherwise, anything we create in connection with this agreement may be used by you only for the purpose for which you have engaged us.

All working papers prepared by us (in any form whatsoever, including physical and electronic) remain our property. We will retain these papers in accordance with our normal record keeping practices in accordance with our professional and legal obligations.

You agree we can use your logos and trade marks for the sole purpose of providing advice to you in connection with the engagement, unless you tell us otherwise.

17. Limitation of liability

Our liability is limited by a scheme approved under Professional Standards Legislation.

You agree not to bring any claim against any of our directors, shareholders or employees in their personal capacity.

To the maximum extent permitted by law, we are not liable to you for:

- indirect, special or consequential losses or damages of any kind; or
- liability arising due to the acts or omissions of any other person or circumstances outside our reasonable control, or your breach of these terms.

18. Limitation of third party rights

Our advice and information is for your sole use, and we accept no responsibility to any third party, unless we have expressly agreed in the engagement letter that a specified third party may rely on our work.

19. Termination

Each of us may terminate this agreement by giving not less than 21 days' notice in writing to the other party except where a conflict of interest has arisen, you fail to cooperate with us or we have reason to believe that you have provided us or any other person with misleading or factually inaccurate information, in which case we may terminate this agreement immediately. Termination will not affect any accrued rights.

In the event of termination of the contract by you without the agreed notice, you agree to pay \$500 in lieu of notice. This period is required to allow professional and complete handover of your accounts.

20. Communication

You must advise of any changes to your contact details. We may send any communications to the last contact details you have provided. Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means. The recipient is responsible for virus checking emails and any attachments. There is a risk of non- receipt, delayed receipt, inadvertent misdirection or interception by third parties in any form of communication, whether electronic, postal or otherwise. We are not responsible for any such matters beyond our control.

21. Applicable Law

Our engagement is governed by our Queensland State law. The courts sitting in our Queensland State will have non-exclusive jurisdiction in relation to any dispute between us.

22. Interpretation

If any provision of the engagement letter or these terms is void, that provision will be severed and the remainder will continue to apply. If there is any conflict between the engagement letter and these terms, these terms prevail.

23. Disputes and complaints

If you have any concerns about our costs or services, please speak to the person responsible for this engagement, who is identified in our engagement letter. To resolve your concerns we have policies and procedures in place to deal appropriately with complaints and will use best endeavours to resolve a complaint or dispute to the mutual satisfaction of the parties involved.

We may require you to detail your complaint in writing to allow us to fully investigate any concerns that you raise.

Where your complaint concerns a BAS agent service that we have provided, you also have the right to make a complaint to the Tax Practitioners Board in accordance with their complaints process described here <https://www.tpb.gov.au/complaints>.

The TPB will send you an email to acknowledge the receipt of your complaint and review and risk assess your complaint. If you are unhappy with how the TPB has dealt with your complaint, the above link includes details about your review rights and who can further assist you.

24. Third party responsibilities

We may utilise outsourced service providers and cloud computing service providers, including:

- Xero Australia Pty Ltd (Australia) to assist in accounting and tax preparation; and
- Microsoft 365 (Australia) email, document and data storage; and
- Xbert Pty Ltd (Australia) Practice Management Software; and
- Other third parties from time to time and as separately notified to you.

To perform the services, we may provide these third parties with access to your data to the extent this is required to perform the services. By signing this engagement, you agree to MAC Accounts connecting your data to the listed software as needed.

Your data will be stored in servers physically located in Australia (unless otherwise specified) and in accordance with the security practices of the third party service provider and our Privacy Policy.

By agreeing to this engagement and accepting these services you acknowledge and agree that your personal information may be stored overseas.

25. Consumer Data Rights

You may consent for an Accredited Data Recipient under the Consumer Data Right (CDR) to disclose your CDR data to us. You may nominate us as your Trusted Adviser for this purpose. As your Trusted Adviser, we will only access the data necessary to provide the services in this engagement letter.

26. Register of Tax Agents and BAS Agents available for you to search

The Tax Practitioners Board (TPB) maintains a register with details of registered, suspended and deregistered tax and BAS agents. This register is available to the public to search at <https://www.tpb.gov.au/public-register>.

We are obliged to advise clients of certain events which may influence your decision to engage us as your BAS agent registration.

There are no current issues about which are obliged to advise you.

We are also obliged to advise you whether there are any conditions attached to our registration.

There are no current conditions attached to our registration.

27. Your rights under Taxation Laws (including Tax Agent Services Act and the Tax Agent Services (Code of Professional Conduct) Determination)

Please refer to the attached fact sheet published by the Tax Practitioners Board (TPB) summarising your obligations to the ATO and your tax practitioner, and your tax practitioner's obligations to you, the TPB and ATO.

The fact sheet is here: https://www.tpb.gov.au/sites/default/files/2025-03/Information%20for%20clients%20factsheet%202025_0.pdf