

## **TERMS OF BUSINESS OF COMMERCIAL ASSOCIATES**

This document, together with your Engagement Letter and, where applicable, any subsequent Confirmation Letter, form the contract between Commercial Associates Accountants and Advisors Pty Limited (referred to as 'Commercial Associates' 'We', 'Us' and 'Our') and our client. The terms defined in the Engagement or Confirmation Letter have the same meaning in these Terms of Business

### **1. SERVICES**

We will provide the services described in the Engagement Letter and any subsequent Confirmation Letter.

Our work will be based solely on the information provided, the circumstances made known to us and the assumptions set out in our correspondence. We rely on you bringing to our attention as soon as possible any changes in the information as originally presented as it may impact on our advice.

Changes in the law and in interpretations may take place before our advice is acted upon or may be retrospective in effect. Unless specifically stated in the Engagement Letter we accept no responsibility to inform you of changes in the law or interpretations affecting advice previously given by us.

Some of the matters on which we may be asked to advise on (e.g. employee share schemes, superannuation funds) may have personal tax implications for directors and employees for which we are not responsible. Unless specifically instructed to address these issues on an individual basis, we take no responsibility for the consequences such advice has on them.

#### **Time Scale**

We will endeavour to carry out our obligations in accordance with the time scales set out in the Engagement or Confirmation Letters or as otherwise agreed. However, unless both of us specifically agree otherwise in writing, the dates contained in the Engagement or Confirmation Letters or otherwise advised, are indicative dates intended for planning and estimating purposes only and are not contractually binding.

#### **Changes to Services**

Either of us may request changes to the services to be provided, but no such changes take effect unless agreed in writing. Both of us agree to work together to enable both parties to assess the impact of any requested changes on the cost, timing or any other aspect of the services.

#### **Commercial Associates Engagement Team**

Where specific Commercial Associates directors and staff are named in the Engagement or Confirmation Letters, we will use reasonable efforts to ensure that these people are available to provide the services for you. Where any changes are necessary, we reserve the right to make changes without notice.

### **2. REPORTING**

We will report to you in accordance with the terms set out in the Engagement or Confirmation Letters. You may make copies of any reports for your own internal use but you must not provide the report, or copies of it, to any third party without first obtaining our written consent. Such Consent will only be granted on the terms we deem appropriate, which will include that we accept no duty or responsibility to any other party who may seek to rely on our report.

#### **Intellectual Property**

Intellectual property rights in all documentation, systems, materials, methodologies and processes brought to the assignment or created in the course of the assignment shall remain and be vested in Commercial Associates.

### **3. INFORMATION**

You agree to provide in a timely fashion all information and documents reasonably required to enable us to provide the services. Unless otherwise stated in the Engagement or Confirmation Letter, we will not independently verify the accuracy of such information and documents and we will not be liable for any loss or damage arising from any inaccuracy or other defect in any information or documents supplied by you.

### **4. FEES AND PAYMENT**

#### **How will fees be calculated**

Fees for the Services will be charged on the basis set out in the Engagement or Confirmation Letter. Where these letters do not state the basis on which our fees will be charged, our fees will reflect time spent and such

other factors as complexity, monetary values involved, specialist input required and the urgency of the matter. Goods and services tax ("GST") at the prevailing rate will be added to and forms part of our fees.

Our total fees or hourly rates and, where applicable, out of pocket expenses (our "Billings") are based on the currently applicable GST rate (except where we have assessed that the services to be provided are GST free). If this GST rate changes, our billings will be adjusted to reflect the change. The Engagement will be taken to have been accepted and/or scope accepted or extended where the client continues to instruct / request advice, verbally or in writing for Commercial Associates to provide advice or services. It is not incumbent on Commercial Associates to continually reissue Engagement Letters with a new scope, nor advise the client that such a new scope exists. However Commercial Associates will issue new engagement or confirmation letters to cover new scope if specifically requested to do so in writing, or at their discretion.

Where our engagement involves deliverables of any kind, such as financial statements or tax return preparation, once complete and signed by our clients, it is taken that both parties irrevocably agree that this constitutes acceptance of any fee issued within the terms of engagement with respect to that matter.

Should any matter be terminated prior to completion by the client, and subject to any contrary provisions in the Engagement or Confirmation Letter, the client will be liable for the value of work in progress at the applicable hourly rates.

#### **Expenses**

All charges are exclusive of expenses unless the Engagement or Confirmation Letter states otherwise. We will charge you out of pocket expenses such as reasonable travel, subsistence and document handling costs incurred by us (net of any applicable GST Input tax credit to which we are entitled) plus GST as applicable. Any special expense arrangements will be agreed and set out in the Engagement or Confirmation Letter.

#### **Hourly rates (exc GST)**

Directors – upto \$400 per hour; Managers and Supervisors – from \$220 per hour; Accountants – from \$135 per hour; Paraprofessionals - from \$100 per hour.

#### **Payment of Invoices**

Where an amount for GST is stated to be a component of the fees and expenses, our fee account will comply with the law specifying what is a "tax invoice" for GST purposes.

Our invoices will be issued as set out in the Engagement or Confirmation letter. All invoices will be due for payment as set out in the Engagement Letter, and title to work will remain with Commercial Associates until accounts are paid in full. Payment of invoices can be made by cheque, EFT, direct debit, or credit card. Payments by credit card will attract a service fee equivalent to the merchant fee levied by the card issuer and merchant provider. Where accounts are paid by cheque, and in the instance that such a cheque fails to clear, a service fee equivalent to the dishonour fee will also apply.

We may also on occasion suggest that our clients use the services of a fee funding business to pay our accounts. Any default on such an arrangement, once lawfully executed, is to be considered a default in payment of our account (being the account that was funded). The amount outstanding on your fee funding arrangement at the time of default including interest and charges, if applicable, is then lawfully payable to us, for which all our rights are reserved.

Any payments made after the due date as stipulated in the Engagement or Confirmation Letter will, at our discretion attract 18% per annum interest calculated daily from the due date. In addition you will also be liable for our cost of collection.

### **5. TERMS AND TERMINATION**

#### **Duration of Contract**

This Contract will apply from the commencement date stated in the Engagement or Confirmation Letter, if any, or where no commencement date is specified, from the date of acceptance of the Contract as specified in the Engagement or Confirmation Letter.

#### **Termination**

The Contract may be terminated by either party at any time.

## **6. CONFIDENTIALITY**

To afford the maximum protection to your confidential interests, all employees of Commercial Associates are employed under a service contract which contains a clause strictly forbidding the unauthorised disclosure of information.

## **7. LIABILITY**

Commercial Associates will use reasonable skill and care in the provision of the Services to the client as set out in the Engagement or Confirmation Letter.

Under the Professional Standards Act 1994 (NSW) and the Scheme approved under that Act, the liability of Commercial Associates, its directors, employees, associates and contractors, is limited to a maximum of \$500,000 where the fee for the Engagement is up to \$50,000, or ten times the fee (subject to a \$50 million ceiling) for fees in excess of \$50,000.

## **8. INDEMNITY AGAINST THIRD PARTY LIABILITY**

The client shall indemnify and hold harmless Commercial Associates, its directors, employees, associates and contractors from and against any loss, expense, damage or liabilities (or actions that may be asserted by any third party) that may result from any third party claims arising out of, or in relation to, the provision of the services or any use by you of any deliverable item under this engagement. The client shall also reimburse Commercial Associates for all costs and expenses (including legal fees on a solicitor client basis) incurred by Commercial Associates in connection with any such action or claim.

## **9. DOCUMENTS**

It is our practice to destroy documents belonging to us after they are more than ten years old (or less at our discretion). Your acceptance of these terms includes your consent for us to destroy any documents that strictly belong to you which have been filed amongst our own papers. A request for such documents to not be destroyed and to be returned to you must be in writing.

Some offices of Commercial Associates use an electronic document management system. In those offices, all documents received from clients are scanned and stored electronically. Your acceptance of these terms includes your consent for Commercial Associates to destroy any hard copy documents received from you unless you have specifically requested in writing that we do not do so.

## **10. RECORD KEEPING**

All records relevant to the preparation of any income tax return must be retained by a taxpayer for a period of ten years from the relevant date and these must be available for examination by the Commissioner of Taxation upon request.

Taxpayers must satisfy minimum standards of reasonable care and demonstrate "reasonably arguable positions" in relation to contentious issues in order to minimise penalty exposure. The Australian Taxation Office does not require documents to be lodged with an income tax return, any work papers and research papers prepared to support amounts documented in the return must be sufficiently documented.

## **11. COMMUNICATIONS**

**11.1** During our performance of the Services we may wish to send messages and/or documents to each other by e-mail. As e-mail carries with it the possibility of inadvertent misdirection, or non-delivery of confidential material, unless you notify us otherwise you consent to the use of e-mail in accordance with clause 11.2.

**11.2** Where messages are sent by e-mail, we will adopt the following procedures and require you to do likewise:

(1) If sending a confidential e-mail message, the sender will indicate if a response is not wanted in an electronic form. If so, the sender, will be responsible for advising, in writing, how email exchanges are to be conducted. Failing that, the sender will hold the other party indemnified for any loss or damage caused by a misdirected email.

(2) Both parties will carry out procedures to protect integrity of data, in particular, it is the recipient's responsibility to carry out a virus check on any attachments before launching any documents, whether received on disk or otherwise.

## **12. EXCLUSIVITY**

Commercial Associates will not be prevented or restricted by anything in this Contract from providing services for other clients

## **13. PRIVACY OF PERSONAL INFORMATION**

Disclosure by you of personal information to us in the course of our engagement is subject to the Privacy Act 1998 [“The Privacy Act”]. Accordingly the Services are provided on the basis that you will only disclose personal information about an individual to us:

- (a) for a purpose related to the performance of the Services;
- (b) provided you have made all disclosures required under the Privacy Act;
- (c) provided you have obtained any consents required under the Privacy Act; and
- (d) provided to do so would not otherwise breach the Privacy Act.

As we rely on you to fulfil these obligations you will indemnify Commercial Associates, its partners and staff, against any claim, loss or expense resulting from your failure to make any disclosure or obtain any consent required under the Privacy Act or otherwise to comply with the Privacy Act.

If the performance of the Services requires a third party to supply personal information to us on your request, it is your obligation to ensure that the third party complies with clauses (a) to (d) above and you will indemnify us against any claim, loss or expense resulting from that party’s failure to do so, or to otherwise comply with the Privacy Act.

## **14. GENERAL**

### **Entire Agreement**

This Contract comprising the Engagement or Confirmation Letter and Terms of Business forms the entire agreement between us relating to the services. It replaces and supersedes any previous proposals, correspondence, understandings or other communications whether written or oral.

### **Engagement Letter to take Precedence**

In the event of any conflict between these Terms of Business and the Engagement or Confirmation Letter, The Engagement or Confirmation Letter will take precedence.

### **Assignment**

Neither party may, nor have the power to, assign or otherwise deal with its rights or obligations under this Contract without the prior written consent of the other party, except that Commercial Associates may without consent assign or novate this Contract to a successor of the business of Commercial Associates to which this Contract relates.

### **Auditor Independence**

Should circumstances change and we are no longer permitted to provide a service to you because of auditor independence rules or legislation, we reserve the right to vary our engagement letter with your agreement so that we and you would not be in breach of such rules or legislation or to terminate the relevant services. Where an engagement is terminated for these reasons, you will pay for all services provided up to the date of termination.

### **Notice to produce documents**

If we receive any legally enforceable notice or demand issued by a third party, including the Australian Securities & Investment Commission, Australian Taxation Office, Australian Stock Exchange, any government statutory body or instrumentality, or any court or tribunal in relation to or in connection with the services you agree to pay our reasonable professional costs and expenses (including solicitor client expenses) in complying with or challenging any such notice or demand to the extent that our costs and expenses are not recovered or recoverable from the party issuing the notice of demand.

## **15. FORCE MAJEURE**

Neither of us will be liable to the other for any delay or failure to fulfil their obligations under this Contract 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 of regulations of any governmental or supranational authority, war, riot, terrorist activities, strikes, lockouts and industrial disputes.