

Dear Client

Taxation Services – Engagement Letter

Thank you for engaging **Lopez Partners** (Kaicka Pty Ltd) to provide taxation services.

This engagement letter applies to all entities for which we prepare taxation returns, financial statements and/or other advisory services. I enclose our standard terms and conditions which, together with this letter, set out the basis upon which we will act for you.

1 Scope

- 1.1 The scope of our engagement will include:
 - a) Preparation and lodgement of income tax return(s) for entities advised by you as needing lodgement;
 - b) Other general tax and accounting advice requested by you.
- 1.2 While our advice can cover all general areas of Income Tax, GST law and other taxes such as Duty, Land Tax or payroll tax. You must, however, request that you require specific advice. We are not in a position to research your specific circumstances from year-to-year in order to determine whether you need specific planning and related tax advice with respect to commercial transactions that you have undertaken, intend to undertake or should have undertaken. In addition to this we cannot be expected to know what new rules, be they tax or financial may impact you during the year. It is your responsibility to contact our office to seek advice if you feel there are matters arising that are important to your tax and/or financial affairs.
- 1.2A Corporate Secretarial – to the extent as we act as your ASIC agent, unless there is a specific agreement for additional secretarial services, we are merely a registered office for your company and a reference point for ASIC to forward correspondence. We will to the best of our endeavours forward any sent information to your email address. We cannot be held responsible for any breaches of Corporations Law or irregularities in documentation or late lodgement fees. Clients wanting a full corporate secretarial service must contact our office for a fee schedule and ongoing service arrangement.
- 1.2B Lopez Partners does not hold an Australian Financial Services Licence (AFSL) nor are we a licenced general insurance broker. We do not provided advice on financial products and/or insurance. It is hereby acknowledged by you that you will seek such advice from an AFSL holder if you require assistance on financial products. For a list of AFSL holders please visit the ASIC Connect website.
- 1.3 While we consider that we have the necessary expertise to perform the services covered by our engagement – changes in and the complexity of taxation and other regulations can change the scope of our engagement may require us to reconsider the terms of our engagement and/or make new arrangements with you.
- 1.4 If you wish to change the scope of our instructions, please contact our office.

2 Your disclosure and record keeping obligations

- 2.1 You are required by law to keep full and accurate records relating to your tax affairs.
- 2.2 It is your obligation to provide us with all information that you reasonably expect will be 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 of you by us within a reasonable timeframe. Inaccurate, incomplete or late information could have a material effect on our services and/or our conclusions and may result in additional fees. We will not verify the underlying accuracy or completeness of information you provide to us. Should you require an analysis for accuracy

and completeness please advise our office in writing and we will respond with the scope and cost of these services.

- 2.3 You are also required to advise us on a timely basis if there are any changes to your circumstances that may be relevant to the performance of our services. Specifically, if any subsequent event results in the information you provided to us being inaccurate, incomplete or misleading, then you are obliged to advise us as soon as possible. We take no responsibility to the extent that our advice is inaccurate, incomplete or misleading because it is based on inaccurate, incomplete or misleading information being provided to us.
- 2.4 By accepting the terms of this letter, you will be taken to have agreed that the performance of our services is dependent on the performance of your obligations relating to disclosure and record keeping.
- 2.5 The *Taxation Administration Act 1953* contains specific provisions that may provide you with "safe harbours" from administrative penalties for incorrect or late lodgement of returns if, amongst other things, you give us "all relevant taxation information" in a timely manner (the safe harbour provisions apply from 1 March 2010). 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 the extent to which we have discharged our obligations to you.
- 2.6 You are also required to advise us if you become aware of any conflict of interest or potential conflict of interest. Generally, a conflict of interest is any event which may result in us becoming unable to remain objective in the performance of our services to you. Some examples of events which could give rise to a conflict of interest or potential conflict of interest during this engagement are changes to your business circumstances, events affecting your family (e.g. death and/or marriage breakdown) or a legal action commencing against you.
- 2.7 You are required to advise us on matters financial that would likely impact your taxable income, particularly if the records governing that income or financial transaction is not something we can easily access. We are not obliged to investigate and/or conduct discovery interviews to assess possible sources of income not identified in the records you provide us. We do not accept liability for undisclosed income or under claimed deductions where you have not provided clear records to allow us to identify that income on the basis that we should have asked. Our obligation to you is to provide taxation advice on the tax status of your income; not to investigate whether possible sources of taxable income/allowable deductions may or may not exist, where records provided do not clearly identify such amounts and/or transactions.

3 Your rights and obligations under the taxation laws

- 3.1 You have certain rights under the taxation laws, including the right to seek a private ruling from the Australian Taxation Office (ATO) or to appeal or object against a decision made by the Commissioner. As relevant, we will provide further information to you concerning your rights under the Australian taxation laws during the conduct of the engagement contemplated by this letter.
- 3.2 You also have certain obligations under the Australian taxation laws, such as the obligation to keep proper records and the obligation to lodge returns by the due date.

4 Trust account

- 4.1 If we maintain a separate trust account for dealing with all money and property received from you or on your behalf, except for amounts received from you in payment of our fees. We may apply these funds in payment of our bill with your written authorisation.

5 Our obligation to comply with the law

- 5.1 We have a duty to act in your best interests. However, the 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 interests. For example, we could not lodge an income tax return for you that we knew to be false in a material respect.

We also have an obligation to ensure that we manage conflicts of interest as they arise. In this regard, we have arrangements in place to ensure that we manage potential or actual conflicts of interest. The effective operation of these arrangements depends, in part, on you complying with your obligation to disclose any potential conflicts of interest to us.

Unless otherwise stated, this opinion is based on the Australian tax law in force and the practice of the Australian Taxation Office (the ATO) applicable as at the date of this letter.

Our advice and/or services will be based on Australian taxation law in force at the date of the provision of the advice and/or services. It is your responsibility to seek updated advice if you intend to rely on our advice at a later stage. We note that Australian taxation laws are often subject to frequent change and

our advice will not be updated unless specifically requested by you at the time of the change in law or announced change in law.

6 Confidentiality

- 6.1 We will not disclose any information relating to your affairs to any third party without your consent, unless required by law. You may provide us with permission to disclose your confidential information in certain circumstances, or place conditions on the disclosure of certain confidential information. If you do so, we will have permission to disclose the relevant information accordingly, in the performance of our services, unless you instruct us otherwise in writing.

7 Fees

- 7.1 The actual fees and rates charged by us reflect the seniority, expertise and experience of the persons involved, as well as factors such as the time frame in which this work is to be carried out, the particular nature of the retainer and the complexity and risks of the matter.
- 7.2 As you may appreciate, it is difficult to predict our costs for this matter given that our estimates depend on the nature and complexity of the matter and any taxation issues that arise.
- 7.3 We note that these estimates are based on our current instructions. If we become aware that the above estimates will change, or your instructions or other circumstances change, we will contact you as soon as practicable to discuss a new quote.
- 7.4 We will/may charge you for any additional costs or disbursements we incur in relation to your matter, including the following:
- (a) Travel costs
 - (b) Stationery costs, and
 - (c) Couriers.
- 7.5 Fees are based on the amount of time and the level of staff required to complete the services identified above and miscellaneous expenses incurred to complete the engagement. This fee arrangement will be subject to change if your instructions change or other circumstances come to our attention which necessitate us contacting you to discuss a revision of these fees.
- 7.6 Once an invoice is issued our payment terms are 30 days from date of invoice. It is agreed that you personally, as well as any trust or Pty Ltd or other entity we prepare accounts, tax or advise on are responsible and liable for the payment of our accounts.

8 Limitation of Liability

- 8.1 Our liability is limited by a scheme approved under Professional Standards Legislation. Further information on the scheme is available from the Professional Standards Council – www.psc.gov.au.

9 Ownership of documents

- 9.1 All original documents obtained from you arising from this engagement will remain your property. However, we reserve the right to make a reasonable number of copies of the original documents for our records. Our engagement will result in the production of some documents *or files, which will be supplied to the client, such as income tax returns or financial statements*. Ownership of these documents will vest in you. All other documents produced by us in respect of this engagement will remain our property. We have a policy of exercising a legal right of lien over any of your documents in our possession in the event of a dispute between us.

10 Timetable

- 10.1 Tax returns are required to be lodged by due dates gazetted by the ATO. A penalty may be payable if the return/returns is/are late for lodgement. A general interest charge may also apply where payment is late. We do not accept responsibility for penalties and/or fines and interest for the late lodgement taxation returns. The only exception to this is where, despite you having provided us with all the relevant information we need to prepare your returns, we failed to complete them with a reasonable time. We are not required to remind you when your taxation or other returns are due. The only exception to this is where you have never lodged such documents before and could not have reasonably known when they were due.
- 10.2 ASIC and Corporate Secretarial Services. If our engagement involves having our office act as the **Registered Office** of any Pty Ltd's Company you control or are a director of we will become the Registered ASIC agent for your Company(s). Lopez Partners becomes the ASIC agent and holds the corporate register whilst acting as ASIC agent, the register and file, however, remains the property of the company. Refer to 1.2A for notes on our Corporate Secretarial Services and your responsibilities.

10.3 All companies, regardless of their trading activity or purpose are subject to an annual ASIC agent package fee. These are issued on the Company's **Annual Review Date** which will be notified to us by ASIC. It is your responsibility to note your annual review date and make sure all ASIC fees are paid each year.

11 Paperless Office and Email Policies

11.1 Lopez Partners operates a paperless office for all client records and working papers, including some signed documents. Accordingly, original documents are scanned in an OCR image format. Electronic documents are stored and regularly backed up with appropriate security.

11.2 Our office operates a firewall to protect our systems from possible external attacks. We also operate and run endpoint protection and email security applications. These commercial protection services can interfere with legitimate client emails, so it is important you contact our office if an important email is sent. The security systems we operate are not and can never be failsafe.

11.3 Email is the preferred method of communication due to its convenience, speed, written format, ease of response, paperless integration, ability for attachments, and lower reliance on paper and postage under our environment contribution policy.

11.4 You hereby expressly agree that in accordance with the relevant **Electronic Transactions Acts** you have consented to the use of electronic and/or digital signatures between us. This includes the application of signatures to multiple documents. When applying signatures to documents sent to you from our office, if those documents contain separate agreements, returns, forms, schedules, minutes, etc. it is agreed that the application of your electronic signature is your confirmation of all those documents.

11.5 Cloud computing – Lopez Partners accesses shared documents sites such as Adobe Cloud, Dropbox, Google Docs when dealing with clients. No disclosure of client documents will be made by Lopez Partners to third parties, without your permission but it is agreed that merely placing documents on such sites is not a disclosure to a third party. It is agreed that Lopez Partners is not responsible if the security of documents, stored in the cloud, is compromised.

11.6 In providing our SMSF services to you, we utilise Simple Fund 360 using Cloud Computing provided by BGL Corporate Solutions Pty Ltd (BGL). All of BGL's data is hosted in Australia only by Amazon Web Services (AWS). Both BGL and AWS have ISO 27001 Certification, an internationally recognised information security management standard that specifies leading practices and comprehensive security controls. BGL and AWS are subject to Australian privacy law.

12 Your acceptance of these terms

12.1 This letter sets out the basis on which we will act for you. Please sign the letter where indicated and return a copy of the signed letter to us to indicate your acceptance of its terms. Your signature of this document is acknowledgement that its terms also apply to all entities you are associated with and/or control where we are providing, or you have instructed us to provide, any professional taxation, accounting and related work.

If you wish to discuss any of the terms of this letter, please contact our office. We look forward to working with you.

Yours sincerely

EXECUTED by

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Signature

Signature

Name (print)

Name (print)

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Lopez Partners

Certified Practising Accountants