Webb Financial
FAMILY AND BUSINESS
ACCOUNTING / FINANCIAL ADVICE

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# Terms of Business – Accounting Clients

For engagements where the fee value is $1,000 (GST exclusive) or greater, we will ordinarily issue an Engagement Letter. These Terms of Business together with our Engagement Letter and, where applicable, any subsequent updated schedules to our engagement letter, form the Contract between Webb Financial (referred to in this document as 'We', 'Us' and 'Our') and our client. The terms defined in the Engagement Letter have the same meaning in these Terms of Business.

For engagements where the fee value is $1,000 (GST exclusive) or less, and where an engagement letter hasn't been issued, this document alone forms the contract between Webb Financial and our client.

## 1. SERVICES

We will provide the services either described in the Engagement Letter or as requested by you.

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.

### Time Scale

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

### Changes to Services

Either of us may request changes to the services to be provided or changes to any other aspect of the Terms of Business 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.

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Webb Financial Engagement Team

Where specific Webb Financial directors and staff are named in the Engagement Letter, we will use reasonable efforts to ensure that these people are available to provide the services for you. Where any changes are necessary, we will give you reasonable notice of the changes. Where no specific team members have been named, we will endeavour to allocate an appropriately qualified staff member, under appropriate supervision, to complete your work.

## 2. REPORTING

We will report to you in accordance with the terms set out in the Engagement Letter, these Terms of Business or as otherwise agreed. 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. In some cases, appropriate releases from third parties may be required.

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 Webb Financial.

## 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 Letter or as otherwise agreed, 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 Letter or as otherwise agreed. Where this communication does 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 GST free). If this GST rate changes, our Billings will be adjusted to reflect the change. The Engagement

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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 WEBB FINANCIAL to provide advice or services.

Expenses

All charges are exclusive of expenses unless the Engagement Letter states otherwise, or we otherwise agree. We reserve the right to charge you out of pocket expenses such as reasonable travel, subsistence and direct costs (search fees, couriers etc.) 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 Letter or otherwise agreed.

Hourly rates

Principal - $420 per hour; Senior Accountants $270 per hour, Junior Accountants $180 per hour, Administration $120 per hour.

Payment of Invoices

Unless specifically agreed otherwise, your obligation to pay us fees and expenses to which we are entitled, will not arise until we have issued an Engagement Letter to you and/or when a fee account is issued to you. 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 in accordance with the Engagement letter, or these Terms of Business. These invoices are payable within 14 days. We reserve the right to suspend work where these invoices remain unpaid.

In the event that invoices remain unpaid past the due date of 14 days, we reserve the right to charge interest on the overdue balance at the rate of 10% p.a., calculated for the period the account is due until the date it is paid.

In the event where your overdue account is referred to a collection agency and/or law firm, you will be liable for all costs which would be incurred as if the debt is collected in full, including legal demand and court costs.

In the event that invoices remain unpaid past the due date of 14 days, we reserve the right to sell your debt (plus any applicable fees) to a third party. We also reserve the right to take further legal action against you, and to list a default with a public credit registry. This listing may negatively impact your credit rating and your ability to obtain finance from lending institutions.

## 5. TERM AND TERMINATION

Duration of Contract

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

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 Webb Financial are employed under a service contract which contains a clause strictly forbidding the unauthorised disclosure of information.

## 7. LIABILITY

Webb Financial will use reasonable skill and care in the provision of the Services to the client as set out in the Engagement or these Terms of Business.

Under the Professional Standards Act 1994 (NSW) and the Scheme approved under that Act, the liability of Webb Financial, 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 Webb Financial, its Principal, 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 and will reimburse Webb Financial for all costs and expenses (including legal fees on a solicitor client basis) incurred by Webb Financial 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 seven years old. 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.

We use an electronic document management system. Many documents received from clients are scanned and stored electronically. Your acceptance of these terms includes your consent for Webb Financial to destroy any hard copy documents received from you.

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## 10. RECORD KEEPING

All records relevant to the preparation of an income tax return must be retained by a taxpayer for a period of five 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 exposures. 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. All risks connected with sending by e-mail commercially sensitive information relating to your business are borne by you and are not our responsibility. If you do not accept this risk, you should notify us in writing that e-mail is not an acceptable means of communication;

(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

Webb Financial 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:

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(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 WEBB FINANCIAL, its principal 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.

We utilise third party software systems as part of our service delivery to you. Some of these systems store data on servers domiciled elsewhere. At all times, your data is under our control and we have taken all reasonable measures to protect your privacy.

## 14. TAX REFUNDS & TRUST ACCOUNT

Any tax refunds owing to you or your associated entities will be directed to the bank account nominated by you. The ATO will be advised of your nominated account for the payment of refunds.

If directed by you, we will organise for tax refunds to be deposited into our trust account, and dispersed in accordance with your instructions. These instructions may include payment of our fees from refunded monies. If so, we will seek your authorisation prior to fee payment.

Should there be any variation between our estimate of your refund, and the refund paid by the Australian Taxation Office, resulting in the inability of Webb Financial to recover the agreed fees owed, you will arrange payment the balance due in accordance with our invoice issued.

Where, due to any error on the part of Webb Financial, the ATO, or yourself, payment is made to you in excess of the correct amount due, you will repay the difference within 7 days of the initial transfer of funds.

Where you fail to refund the difference within the agreed timeframe set out above, you will be liable for any collection and recovery costs/charges.

Our trust account is reviewed each business day, and transfers of client money are paid electronically at the earliest available opportunity. It is your responsibility to provide accurate transfer details, and we take no responsibility if funds are transferred to an incorrect account provided by you.

Our trust account is audited in accordance with provisions set out by Chartered Accountants Australia and New Zealand.

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## 15. GENERAL

Entire Agreement

This Contract comprising the Engagement 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 Letter, The Engagement 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 WEBB FINANCIAL may without consent assign or novate this Contract to a successor of the business of WEBB FINANCIAL to which this Contract relates.

Notices 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 or demand.

## 16. FORCES BEYOND OUR CONTROL

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 regulations of any governmental or supranational authority, war, riot, terrorist activities, strikes, lockouts and industrial disputes.

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