

# Rucker Financial Terms of Engagement

Our work will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB), including the Code of Ethics for Professional Accountants (the Code). 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 may, as part of our responsibilities as a Member in Public Practice, take steps and actions as set out in Section 225 of the Code, "Responding to Non-Compliance with Laws and Regulations". These include but are not limited to the following.

During the course of our engagement, if we identify or suspect that non-compliance with laws or regulations has occurred or may occur, which may have a direct effect on material amounts or disclosures in the financial statements or compliance with which may be fundamental to the operating aspects of your business, to the ability to continue its business or to avoid material penalty, we will discuss the matter with the appropriate level of management, those charged with governance or the internal auditor, as appropriate, to enable you to rectify, remediate or mitigate the consequences of the identified or suspected non-compliance or deter the commission of the non-compliance where it has not yet occurred.

We will consider whether to communicate the non-compliance or suspected non-compliance with the businesses external auditor, unless prohibited by law or regulation. We will also consider, based on materiality and/or significance of the matter, whether further action is needed in the public interest. Further action may include disclosing the matter to an appropriate authority even when there is no legal or regulatory requirement to do so or withdrawing from the engagement and the professional relationship where permitted by law or regulation. Where appropriate we will inform you of our intention to disclose the matter to an appropriate authority before disclosing the matter. However, if we have reason to believe that the actual or intended conduct would constitute an imminent breach of a law or regulation that would cause substantial harm to investors, creditors, employees or the general public, we may immediately disclose the matter to an appropriate authority in order to prevent or mitigate the consequences of such imminent breach of law or regulation.

We understand that an audit of the Financial Accounts is not required, and therefore we will not be expressing an opinion as to the truth and fairness of those statements. However, we will inform you of any such matters that come to our attention.

## Responsibilities

You or your staff will be responsible for maintaining and regularly balancing all books of accounts, and the maintenance of an adequate accounting and internal control system. You also acknowledge that the reliability, accuracy and completeness of the accounting records are your responsibility and that you have disclosed to us all material and relevant information.

Our involvement in this type of engagement will

not disclose fraud, defalcations or other irregularities which may occur. However, any material weaknesses in the accounting or internal control systems which come to our notice will be drawn to your attention.

Please be aware that:

- (a) you are responsible for the accuracy and completeness of the particulars and information provided in relation to taxation services and this responsibility rests with you;
- (b) any advice given to you is only an opinion based on our knowledge of your particular circumstances; and
- (c) a taxpayer has obligations under self assessment to keep full and proper records in order to facilitate the preparation of accurate returns. It is the taxpayer's responsibility to keep those records for five (5) years.

Any information acquired by us in the course of our engagement, including any information relating to your affairs whether or not it belongs to you or not or is provided by you or not, is subject to strict confidentiality requirements. Information will not be disclosed by us to other parties except as required or allowed for by law or regulations, or with your express consent unless, we determine that disclosure of the non-compliance or suspected non-compliance to an appropriate authority is an appropriate course of action in the circumstances. Our files may, however, be subject to review as part of the quality control review program of CPA Australia (CPA) or the institute of Chartered Accountants Australia and New Zealand (ICCANZ) which monitors compliance with professional standards by its members. We advise you that by signing this proposal you acknowledge that, if requested, our files relating to this engagement will be made available under this program. The same strict confidentiality requirements apply under this program as apply to us.

We may collect Personal Information about you, your representatives, your clients and others when we provide services to you. If we do, you agree to work with us to ensure that we both meet the obligations that we each may have under the Privacy Act 1988 (Cth) (as amended) (Privacy Act). The obligations may include notifying the relevant person to whom the personal information relates who we are and how we propose to use their personal information. Where you have collected personal information, you confirm that you have collected the personal information in accordance with the Privacy Act, that you are entitled to provide this personal information to us and that we may use and disclose the personal information for the purpose/s we provide our services to you. We will handle personal information in accordance with the Privacy Act.

You are responsible for ensuring that business activities are conducted in accordance with laws and regulations. You are also responsible for identifying and addressing any non-compliance by the business, by an individual charged with governance of the entity, by a member of management, or by other individuals working for or under the direction of yourself.

## Individual Tax Returns

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 will accept claims made by a taxpayer in an income tax return and issue a notice of assessment, usually 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 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 circumstances. You must provide a description 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 must 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.

Failure to keep appropriate records on tax claims may involve imposition of penalties and interest, including not maintaining the appropriate records and documents for up to five years. Where those assessments submitted later found to be incorrect, the Commissioner may amend your income tax assessments. In addition to any tax assessed, you may be liable for penalties and interest charges.

## Involvement of Others

Rucker Financial use the services of Jet Convert Pty Ltd for the purposes of third-party data conversions to Xero accounting software and/or csv file format. Jet Convert Pty Ltd is located within Australia.

Where, as part of our engagement, the services of an external consultant or expert are required, an estimated cost and timeframe and involvement will be provided to you for your approval.

## Outsourced Services

Acceptance of our services in conjunction with this engagement document indicates your acceptance of the use of outsourced services as described. Where the outsourced service requires the disclosure of personal information to an overseas recipient a consequence of your consent is that Rucker Financial will be required to take reasonable steps to ensure that the Australian Privacy Principles are complied with by the overseas recipients of the Personal Information.

## Storage of Personal Information

Rucker Financial uses a managed service via hardware and software known as "Software as a Service" (SaaS) accounting model, a Client Management Software, therefore, the Client's data and person information is stored on servers domiciled in Australia. Rucker Financial software provider's servers, including data protection and back-up servers, are hosted by a

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specialist hosting service provider, Macquarie Telecom located in Sydney.

Data is replicated to Rucker Financial's service provider's two (2) separate data centres (Rackspace and Amazon (AWS)) a cloud infrastructure domiciled in Australia, DR site with backups of 10 minute intervals with Rucker Financial's database undergoing a full back-up daily.

Rucker Financial's servers and firewalls are monitored 24/7 365 days of the year in a guarded location, and provide multiple power and internet redundancies.

Passwords are encrypted and all inbound and outbound communications through Rucker Financial's service providers are encrypted through 256 bit TLS and the https certificate between Client and Server prevents anyone from hacking the Client's connection. No one can access the Client's data unless Rucker Financial provides access to them via the software system. With regards to security, files can only be uploaded and deleted via the software Interface and all access to the Client's files is over HTTPS.

Any further information in respect of the Client's storage of personal information through Rucker Financial's external managed services is available at any time upon request.

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

## Ownership of Documents

All original documents obtained from you arising from the engagement shall 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 documents which will be supplied to the client, such as and not limited to, 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 the property of the firm, subject to any statutory obligations.

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. The firm has also established dispute resolution processes.

## Fees

Rucker Financial fees, which will be billed as work progresses plus direct out-of-pocket expenses.

Any additional fee for an additional service not covered in the scope of this engagement will be the subject of a separate engagement letter under separate fee arrangements or charged on a time basis.

Rucker Financial Fees as indicated on Rucker Financial's Proposal/Quote and are based on the information available to Rucker Financial at that date.

The Fees are an estimate only, and not a quotation, and are subject to change

Rucker Financial's proposed price which will be valid for the period stated in the proposal or otherwise for a period of twenty-eight (28) days.

Where it is not possible to provide an accurate estimate of the total price, the proposal will be based on the information available to Rucker Financial at this time. It may, and probably will, change when more information is available to Rucker Financial. The major factors which will affect the estimate are:  
Accuracy of MYOB, Xero or other files and documentation provided; and  
Complexity of the inter-relations, transactions and corporate structure between the parties, etc.

Rucker Financial reserves the right to change the Fees in the event of a variation to Rucker Financial's Proposal.

Time for payment for the Services being of the essence, the Fees will be payable by the Client on the date/s determined by Rucker Financial, which may be:  
on completion of the Services; or  
by way of instalments/progress payments in accordance with Rucker Financial's payment schedule;  
the date specified on any invoice or other form as being the date for payment; or  
failing any notice to the contrary, the date which is fourteen (14) days following the date of any invoice given to the Client by Rucker Financial.

Payment may be made by cash, cheque, bank cheque, ezidebit, electronic/on-line banking, credit card (plus a surcharge may apply per transaction), or by any other method as agreed to between the Client and Rucker Financial.

The Client shall not be entitled to set off against, or deduct from the Fees, any sums owed or claimed to be owed to the Client by Rucker Financial nor to withhold payment of any invoice because part of that invoice is in dispute.

Unless otherwise stated the Fees do not include GST. In addition to the Fees the Client must pay to Rucker Financial an amount equal to any GST Rucker Financial must pay for any provision of Services by Rucker Financial under this contract or any other agreement. The Client must pay GST, without deduction or set off of any other amounts, at the same time and on the same basis as the Client pays the Fees. In addition, the Client must pay any other taxes and duties that may be applicable in addition to the Fees, except where they are expressly included in the Fees.

It is our requirement that the owners/directors of the business personally guarantee the payment of all accounts for professional fees, including out-of-pocket expenses rendered by us from time to time.

## Fixed Price Agreement

Where the Client is on a "Fixed Price Agreement", the Client is required to pay monthly Fees in advance for the on-going provision of the Services to Rucker Financial by Client as stipulated in this agreement; or

The Fixed Price Agreement shall continue for an annual term and, upon expiration of this term, will continue on an annual basis thereafter, unless cancelled by way of the Client providing Rucker Financial with fourteen (14) days' written notification of its intention to do so. Following receipt of notice from the Client, the provision of the Services to the Client by Rucker Financial shall cease at the end of the notification period and the Client must reimburse Rucker Financial (on a pro rata calculation basis) for any use of

the Services above its Fixed Price Agreement allowance.

## Default and Consequences Of Default

Interest on overdue invoices shall accrue daily from the date when payment becomes due, until the date of payment, at a rate of two and a half percent (2.5%) per calendar month (and at Rucker Financial's sole discretion such interest shall compound monthly at such a rate) after as well as before any judgment.

If the Client owes Rucker Financial any money the Client shall indemnify Rucker Financial from and against all costs and disbursements incurred by Rucker Financial in recovering the debt (including but not limited to internal administration fees, legal costs on a solicitor and own client basis, Rucker Financial's contract default fee, and bank dishonour fees).

Further to any other rights or remedies Rucker Financial may have under this contract, if the Client has made payment to Rucker Financial is subsequently reversed, the Client shall be liable for the amount of the reversed transaction, in addition to any further costs incurred by Rucker Financial under this clause where it can be proven that such reversal is found to be illegal, fraudulent or in contravention to the Client's obligations under this contract.

Without prejudice to Rucker Financial's other remedies at law Rucker Financial shall be entitled to cancel all or any part of any order of the Client which remains unfulfilled and all amounts owing to Rucker Financial shall, whether or not due for payment, become immediately payable if:

- any money payable to Rucker Financial becomes overdue, or in Rucker Financial's opinion the Client will be unable to make a payment when it falls due;
- the Client has exceeded any applicable credit limit provided by Rucker Financial;
- the Client becomes insolvent, convenes a meeting with its creditors or proposes or enters into an arrangement with creditors, or makes an assignment for the benefit of its creditors; or
- a receiver, manager, liquidator (provisional or otherwise) or similar person is appointed in respect of the Client or any asset of the Client.

## Period of Engagement

The first period for which we will be responsible and this engagement will start on the date provided on the Proposal. We will not deal with earlier periods unless you specifically ask us to do so and we agree.

This engagement document will be effective for future years unless the scope of the engagement has changed or we issue an amended one to you.

## Limitation of Liability

Our liability is limited by a scheme approved under Professional Standards Legislation. Further information on the scheme is available from the Professional Standards Councils' website: [psc.gov.au](http://psc.gov.au).

