

2026 Shepard Webster & O'Neill General Terms of Engagement

Welcome to Shepard Webster & O'Neill (SWON). This brochure sets out our General Terms of Engagement for all clients and the nature and limitations of the services we will provide.

We realise how important it is to understand your needs and we have prepared the Terms of Engagement (**TE**) to clarify the scope of work and other important terms. It is important that you read the TE before you indicate that you agree, which you can do by letting us know that you are happy to proceed.

The scope of work may fall within the CPA Australia Ltd Professional Standards (Accountants) Scheme (**Scheme**), which facilitates improvements to industry professional standards and protects consumers. Accordingly, we need to notify you of the following:

"Liability limited by a scheme approved under Professional Standards Legislation".

If you want more information on the Scheme you can go to [CPA Australia's Professional Standards Scheme](#) or visit [Professional Standards Councils' website](#) for additional consumer information.

Alternatively, if you wish to clarify anything in the TE, please call us on 03 9781 2633.

Purpose, Scope and Output of the Engagement

This TE confirms our understanding of the engagement and the nature and limitations of services provided. We will provide you with professional accounting services in compliance with APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code).

Depending on the scope of the specific services agreed with you, we may be responsible for providing the following services to you, your related entities, and any future entities:

- Prepare and lodge annual income tax returns
- Prepare the annual financial statements
- Prepare and lodge your Instalment Activity Statements (IAS)
- Prepare and lodge your Business Activity Statements (BAS)
- Prepare and lodge annual FBT returns
- Process & reconcile transactions on a monthly basis
- Process payroll (but not providing advice relating to Human Resources or Wage Requirements as stipulated by the Fair Work Commission)
- Lodge Single Touch Payroll as required
- Process superannuation reporting obligations on a quarterly basis
- Produce monthly Management Reports
- Prepare solvency minute and annual ASIC company statement
- Any other items as confirmed in writing by you

We will provide the scope of work output within the specified timeframe or within a reasonable period considering the context of the services. Unless otherwise specified in this TE or letter of engagement, audit and assurance or review are not included in this engagement.

Our Promise and obligations

We will perform procedures (guided by the APES suite of standards) required that are directly related to the engagement consistent with our fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, professional behaviour, and identifying, avoiding and dealing with conflicts of interests (Fundamental Principles).

We will seek to understand your requirements and provide you services confidentially and professionally. Any information pertaining to your affairs, will be utilised and stored in an appropriate manner to maintain our professional standards and obligations. We will document sufficient and appropriate records of the procedures performed for the TE, which may be subject to the CPA Australia Best Practice Program assessment under APES 320 *Quality Control for Firms*.

We are obliged to consider whether our clients create any threats to compliance with our Fundamental Principles and where we cannot reduce the risk to an acceptable level, we are obliged to cease the TE under the Code (section 320). We have a duty to act in your best interests, unless this duty is inconsistent with our duty to act in the public interest. We are responsible for maintaining records for a period of 5 years unless otherwise required by legislation.

During the course of our engagement, if we identify or suspect that Non-Compliance with Laws and Regulations (NOCLAR) has occurred or may occur, which may have a direct effect on material amounts or disclosures in the financial statements or compliance and may be fundamental in affecting the ability for you to continue your business or to avoid material penalty, we may:

- Discuss the matter with the appropriate level of management, those charged with governance or the internal auditor, as appropriate;
- Communicate the non-compliance or suspected non-compliance with you, the external auditor, unless prohibited by law or regulation;
- Disclose the matter to an appropriate authority even when there is no legal or regulatory requirement to do so; and/or
- Withdraw 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 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.

Your obligations

You are responsible for full disclosure of all relevant information and for your own record keeping relating to your affairs. You are responsible for the reliability, accuracy, and completeness of the particulars and information provided to us. You provide us with records relating to your affairs and are responsible for retaining paperwork for as long as legally required.

Third Party Involvement

We may from time to time engage third party specialist professionals and other public practitioners, where warranted to obtain the advice you need or to assist us to provide our service to you. These may include cloud service providers and outsourced service providers. Acceptance of our services in conjunction with this engagement document indicates your acceptance of the use of outsourced services as described above.

Fees, Billing & Trust Monies

If the engagement involves the use of trust monies, we will manage those funds in accordance with APES 310 *Client Monies* and as authorised by you in the Trust Account Authority Letter (if applicable) or as otherwise instructed by you. The fee arrangement is based on the expected amount of time and the level of staff required to complete the accounting and taxation services as agreed. This fee arrangement will be subject to change if the scope of work changes. Our charge rates for time spent on clients' affairs are reviewed each year and range between \$88 per hour to \$550 per hour, including GST. We anticipate issuing a fee invoice upon completion of providing the agreed services. In protracted matters we will issue an invoice on a progressive basis.

Our invoices may also include disbursements paid by us. These may include photocopying charges, telephone and facsimile transmission charges, travel fares and expenses, stamp duty and fees paid to third parties such as couriers, registration fees or fees for other professionals. Unless other payment terms are agreed, each invoice is payable within 7 days of receipt.

Ownership of materials

You own all original materials given to us. We own all materials produced by us that resulted from our skill and attention to the extent that the materials produced by us incorporate any original materials you give to us. We may exercise a lien of your documents in our possession in the event of a dispute, which will be handled in accordance with our firm's dispute resolution process.

Subject to the payment of all outstanding professional fees and disbursements owing to us, we will provide you with materials produced by us for you in the event you engage the services of another practitioner and the materials are required by your new practitioner.

Privacy

Our collection use and disclosure of your personal information (**PI**) may be subject to the *Privacy Act 1988* (Cth) and accordingly we will only collect PI about you that relates to the TE. We may disclose PI about you for the primary purpose of this TE or to third parties by express consent or as required by law. If you would like to access any PI we might hold about you, contact us by emailing accountant@shepard.com.au. A small administrative fee may be payable for the provision of information. A full copy of our Privacy Policy can be found on our website: www.shepard.com.au.

Termination for Convenience

Either party may terminate this engagement for convenience at any time by providing 7 days' written notice of termination to the other party. Any such notice is not required to contain any reason for termination.

We may terminate this Agreement with immediate effect, without providing any notice or explanation to you, if required by law, regulation, or any applicable professional, ethical, or regulatory obligation.

Obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and/or the Tax Agent Services Act 2009 (Cth)

We are a reporting entity within the meaning of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Act) and a registered tax agent under the Tax Agent Services Act 2009 (Cth) (TASA) and are subject to the Code of Professional Conduct established under section 30-10 of TASA (as updated by the Tax Agent Services Regulations 2022 and the Tax Agent Services (Code of Professional Conduct) Determination 2024 and we are subject to special obligations under that Act or Acts (as applicable) as amended from time to time.

In accordance with those obligations, we may disclose to the relevant authority any matter we are required or permitted to disclose, withdraw from the engagement and the professional relationship, and/or act otherwise in accordance with the law and our ethical obligations.

This clause survives termination of this engagement.

Anti-Money Laundering (AML)/Counter-Terrorism Financing (CTF) Due Diligence

We have a duty to comply with our obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and associated rules, before providing designated services. This duty continues while we provide you with those designated services. We may be required to obtain information and documentation reasonably necessary to verify your identity, including any person acting on your behalf and, where applicable, your beneficial owners. This may also include determining whether you or any associated parties are politically exposed persons or subject to targeted financial sanctions, identifying the source of funds, and understanding the nature and purpose of the business relationship or transaction.

We will retain all records as required by law, including under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), and will handle all information collected in accordance with the Privacy Act 1988 (Cth).

Confidentiality

We have an ethical duty of confidentiality, which means we must not share or disclose your details of this TE to anyone, except as otherwise specified in this clause, without your consent unless required to by law.

We may disclose your personal and confidential information details, as part of our working papers of the services provided to you to CPA Australia Ltd, (if requested) for the purposes of conducting a CPA Australia Best Practice Program assessment aimed at maintaining high industry professional standards. Any such disclosure of confidential information does not change any of our commitments to safeguard your information, and the information remains subject to any existing confidentiality obligations.

Professional Indemnity Insurance (PII)

We hold professional indemnity insurance of at least the minimum amount prescribed in the CPA Australia Ltd By-Laws or as required by law. Our PII cover at the time of this TE is \$5,000,000.

Professional Standards Scheme & Limitation of Liability

We participate in the CPA Australia Ltd Professional Standards Scheme (**Scheme**), which facilitates the improvement of professional standards to protect consumers and may limit our liability to you in a cause of action. The Scheme applies to professional accounting services including accounting, bookkeeping, taxation, auditing and assurance, insolvency and corporate reconstruction, management accounting, management consulting, forensic accounting and valuation services.

Disclosures

In relation to the taxation services we will provide, we advise that the Tax Practitioners Board (TPB) maintains a register of tax agents and BAS agents which contains details of registered, suspended, and deregistered tax and BAS agents.

If you have a complaint about a tax agent service that we provide, we encourage you to seek to resolve it with us by **[insert internal procedure]**. You can also make a complaint to the TPB in accordance with their complaints process.

Our registration as a Tax Agent is not subject to any conditions and in the last 5 years we have not been subject to any of the events described in subsection 45(1)(d) of the *Tax Agent Services (Code of Professional Conduct) Determination 2024* (the Determination).

Other

These Terms of Engagement will be effective for future years unless we advise you of its amendment or replacement, or the engagement is terminated.