

MA :jd

20 June 2019

Australian Bowhunters Association - Branch B North QLD  
PO Box 717  
CHARTERS TOWERS QLD 4820

Dear Sir/Madam

## **ENGAGEMENT AS AUDITOR**

The purpose of this letter is to confirm our engagement as auditors of Australian Bowhunters Association - Branch B North QLD under the *Associations Incorporation Act (Queensland) 1981*. Please arrange for the return of the attached copy signed to indicate that it is in accordance with the committee's understanding

## **EXECUTIVE SUMMARY**

This letter addresses the terms and conditions of our engagement as follow:

- Section 1 sets out our responsibilities for auditing the annual Association/club financial report;
- Section 2 sets out Members of Committee responsibilities accordance with the applicable financial reporting framework including preparing financial reports and records, establishing and maintaining internal controls, particularly those preventing and detecting fraud and error and providing us with any information, explanations and assistance we require for our audits;
- Sections 3, 4 and 5 set out the scope of our audits and reporting considerations including distributing financial reports electronically or otherwise;
- Section 6 sets out details of the fee arrangements;
- Section 7 explain the billing process and direct deposit arrangements;
- Section 8 sets out some necessary amendments to Crowe Horwath's terms and conditions which are set out in Annexure I. These amendments relate to limiting liability, indemnities and terminating the engagement and
- Sections 9 and 10 set out general matters and other services that Crowe Horwath may provide.

This letter is effective for services performed for the annual financial reporting period ending 30/06/2019 and each subsequent reporting period unless otherwise agreed in writing.

## **1. OUR RESPONSIBILITIES AS AUDITOR**

### **1.1 Annual financial reports**

We report Association's members whether in our opinion the annual financial report complies with the applicable financial reporting framework, including giving a true and fair view of the Association's financial position as at 30/06/2019 and of its performance for the year ended 30/06/2019.

No opinion will be expressed as to whether the accounting policies used are appropriate to meet the needs of the members.

We cannot provide assurance that an unqualified opinion will be issued.

### **1.2 Lead auditor's independence declaration**

We have established policies and procedures designed to ensure our independence, including policies business relationships, employment relationships, and the provision of non-audit services. These policies comply with relevant professional body requirements.

We confirm that, to the best of our knowledge and belief, we currently meet the independence requirements of the "Code of Ethics for Professional Accountants" (the Code) in relation to the audit of the financial report. The Code includes specific circumstances and relationships that may create threats to independence between the audited entity and its auditors. To assist us in meeting the independence requirements of the Code, we will be required to discuss these circumstances with you.

Circumstances or relationships that will require discussion include but are not limited to:

- the provision of non-audit services;
- close or immediate family relationships;
- financial interests;
- self interest; and
- loans & gifts.

It is important to note that the Code not only requires actual independence but also perceived independence between you and our firm. To that end, the provision of non-audit services such as accounting and bookkeeping services must be delivered by our firm within the safeguards as set out in the Code.

These safeguards include our firm:

- **not** authorising, executing or consummating a transaction, on your behalf;
- **not** determining which recommendation (of ours) should be implemented; and
- **not** reporting, in a management role, to those charged with governance.

We will discuss any actual or perceived threats to our independence with you throughout the engagement on a timely basis.

### **1.3 Other financial information in reports**

We read the financial information contained in the documents or statements that are issued with any of the financial reports, to identify material inconsistencies with the financial reports. However, we will not verify such other information.

### **1.4 Quality control**

The conduct of our audit in accordance with Australian Auditing Standards means that information acquired by us in the course of our audit is subject to strict confidentiality requirements. All personal information will be dealt with as prescribed by our Privacy Policy, which is compliant with the Privacy Amendment (Private Sector) Act 2000. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your express consent.

Our workpaper files may, however, be subject to review as part of the quality control review programme of The Institute of Chartered Accountants in Australia, which monitors compliance with professional standards by its members. We advise you that by signing the letter you acknowledge that, if requested, our workpaper files relating to our audit will be made available under this programme. Should this occur, we will advise you. The same strict confidentiality requirements apply under this programme as apply to us as your auditor.

## **2. MANAGEMENT & MEMBERS OF THE FINANCE COMMITTEE RESPONSIBILITIES**

Management and the Finance Committee of the Association must maintain written financial records that correctly record and explain the Association's transactions, financial position and performance, and that enable true and fair financial reports to be prepared and audited.

Management and the Finance Committee of the Association must establish and maintain internal controls relevant to the preparation and fair presentation of the financial report that is free of material misstatement, including those for selecting and applying appropriate accounting policies at the entity level, making accounting estimates that are reasonable in the circumstances and preventing and detecting fraud and error. Such internal controls reduce but do not eliminate the risk of misstatements in the financial report from fraud or error. Officers assume responsibility for such risk. Whilst the conduct of an audit may act as a deterrent against fraud or error we cannot be held responsible for preventing fraud and error.

Management and the Finance Committee of the Association are responsible for disclosing their knowledge of:

- known actual or possible non-compliance with laws or regulations, that could have a material effect on the financial report in the event of non-compliance;
- allegations of fraud, or suspected fraud, affecting the Association's financial report communicated by employees, former employees, analysts, regulators or others.

Management and the Finance Committee of the Association must arrange for the preparation of annual financial reports complying with the applicable financial reporting framework, and must provide a declaration including giving a true and fair view of the financial position and performance.

We expect Management and the Finance Committee of the Association to advise us of any known material and/or contentious issues relating to preparation of the financial reports.

Management are responsible for adjusting the financial reports to correct identified material misstatements. At the conclusion of each financial reporting engagement we provide management with a summary of any uncorrected misstatements we identify and request management to confirm in writing that the effects of any uncorrected misstatements are immaterial both individually and in aggregate, to the financial reports taken as a whole.

Management and the Finance Committee of the Association must make available to us at all reasonable times all the books of the Association, including any registers and general documents and give us any information, explanations and assistance we require for the purposes of our audits. We are also entitled to records of annual general meetings and resolutions and communications relating to those meetings.

### **3. . SCOPE**

#### **3.1 Audit**

Our audits are conducted in accordance with Australian Auditing Standards, including complying with relevant ethical requirements relating to audit engagements and planning and performing the audits to obtain reasonable assurance whether the financial report is free from material misstatement. An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. An audit also includes evaluating the appropriateness of the financial reporting framework, accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the financial report.

Because of the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that some material misstatements may remain undiscovered.

In making our risk assessments, we consider internal controls relevant to the Association's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Association's internal controls.

Where Members of Committee rely upon any third party expert when preparing financial reports, we evaluate the expert's objectivity, scope of work performed and the adequacy of the expert's work for the purpose of our procedures. We consult with members first if we consider it necessary to retain our own independent expert to assist us in forming our opinion.

Where the work of another member in public practice is used for some aspects of the engagement, the details and extent of the involvement should be described.

We inform the Members of Committee and/or management, as appropriate, about any material errors, instances of fraud or illegal acts and material weaknesses relating to internal control and accounting procedures we identify. Unless otherwise agreed with management, our procedures are not designed to identify other matters that may be appropriate to report to management. However, we report other matters identified that we believe should be brought to the Members of Committee or management's attention, or that we identified no such matters. Our prior written consent is required before such reports are distributed outside of the Association.

Members of Committee and management should not assume that reports from us indicate that there are no additional matters they should be aware of in meeting their responsibilities.

#### **3.2 Management representations and assistance**

We are required by auditing standards to request management to make certain written representations and to provide written confirmation of significant oral representations concerning the financial reports.

It is an offence for an officer of the Association to knowingly provide false or misleading information to us or to provide information to us without having taken reasonable steps to ensure that the information was not false or misleading.

### **4. USE OF REPORTS**

Our prior written consent is required before our name is quoted in any material other than annual financial reports.

The definitive version of a financial report is one bearing our original manuscript signature and management are responsible for any errors or inaccuracies appearing in any reproduction in any form or medium.

### **5. OWNERSHIP OF DOCUMENTS**

All original documents obtained from the client arising from the engagement shall remain the property of the client. 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 financial report and management letter to the Committee. Ownership of these documents will rest in you. All other documents produced by us in respect of this engagement will remain the property of the firm.

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.

## 6. FEES

Our fees which will be billed as work progresses are based on the time spent and level of expertise of those Crowe Horwath NQ personnel assigned to the engagement plus direct out-of-pocket expenses. Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required.

Our estimated fee for the 2019 external audit of the Australian Bowhunters Association - Branch B North QLD will be **\$600.00 plus GST**, plus direct out-of-pocket expenses.

The following matters are relevant in arriving at our estimated fee:

- The fee is an estimate only and is based on the maintenance of good accounting records and a similar nature and volume of transactions to previous years.
- Additional fees may result if there is a significant change in the level of work required.

Of course, circumstances may arise that will require additional work. If it appears that the estimated fee will be exceeded we will bring this to your attention immediately. It is understood that our responsibility for the services we will provide, will encompass only periods covered by our audit and will not extend to any subsequent periods for which we are no longer engaged as auditors.

If we are required to respond to requests for information from regulators in relation to our engagement as auditor, the Agency will reimburse us at standard billing rates for our professional time and expenses, including reasonable legal fees, incurred in responding to such requests.

This engagement includes only those services specifically described in this letter. Costs and time spent in legal matters or proceeding arising from our engagement, such as subpoenas, testimony, or consultation involving private litigation, arbitration or government regulatory inquiries at your request or by subpoena, will be billed to you separately.

If our engagement is terminated, Members of Committee authorise us to discuss the Association's affairs with our successors, in accordance with professional standards and guidance.

### 6.1 Key Milestones

| Milestone   | Proposed/Agreed date           |
|---|--------------------------------|
| Receipt of data to conduct planning activities    | 22 <sup>nd</sup> July 2019     |
| Conduct audit procedures                          | 5 <sup>th</sup> August 2019    |
| Issue draft financial statements to the committee | 19 <sup>th</sup> August 2019   |
| Audit report issued                               | 2 <sup>nd</sup> September 2019 |
| AGM   | To be advised                  |

## 7. PROGRESS BILLING

Our standard billing arrangement is to bill progressively as we perform the work. We will render progressive fees for the work performed to date, in accordance with audit milestones, **prior** to the work being fully completed. A final bill is to be issued upon completion of the engagement. Our terms require payment of our invoices **within 14 days** of the date of the invoice regardless of completion of the work.

## 8. TERMS OF BUSINESS

The terms and conditions in relation to our engagement are attached in Annexure I. These terms and conditions form part of and should be read in conjunction with this Engagement Letter, except as specifically provided in this letter.

## 9. OTHER SERVICES

We will be pleased to provide any additional services that may be required from time to time, provided such services do not impair our independence. However, this Engagement Letter and Annexure I apply only to the work described in this letter. Should further work be required over and above such work, separate terms of engagement will need to be agreed. In particular this letter does not deal with letters of accounting advice or other reports required by legislation or regulation.

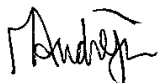
## 10. GENERAL MATTERS

The terms of this letter apply to all work carried out by us in connection with this engagement prior to the date of the Members of Committee signing this letter. Should you not return the copy of this letter, but instruct us to provide you with services, or allow us to continue to provide services, we will proceed on the basis that you have accepted the terms set out in this document.

We look forward to the continuation of our relationship with the Association.

We would like to take this opportunity to express our appreciation for the opportunity to service your needs. If you have any queries concerning the above, or the attached, or require clarification of the above matters, please contact me on 07 4722 9566,.

Yours faithfully,  
**Crowe Horwath NQ**



Mark Andrejic  
Partner

### *Enclosures:*

- Acknowledgement Copy
- Crowe Horwath Terms of Business

## ACKNOWLEDGMENT

The terms and conditions of the above engagement letter and Annexure I have been read and understood by the Members of Committee and I am authorised on behalf of the Members of Committee to accept them for and on behalf of Australian Bowhunters Association - Branch B North QLD

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

# Terms of Business

These Terms of Business apply in respect of the services you have engaged Crowe Horwath to provide under the attached Engagement Letter (or Proposal) ("**Services**"). These Terms of Business and the Engagement Letter (or Proposal) form the basis of the contract between you and Crowe Horwath ("**Contract**"). This Contract forms the entire agreement between you and Crowe Horwath relating to the Services. It replaces and supersedes any previous proposals, correspondence, understandings or other communications (written or oral).

## 1. PERFORMANCE OF THE SERVICES

- 1.1 The scope of the Services is limited to the work specified in the Engagement Letter (or Proposal). Either you or Crowe Horwath may request changes to the Services.
- 1.2 We will use reasonable commercial efforts to provide the Services in an efficient and timely manner using all reasonable skill and expertise.
- 1.3 The Services are not legal Services and do not constitute legal advice.
- 1.4 Dates in any timetable set out in the Engagement Letter (or Proposal) or otherwise advised are intended for planning and estimating purposes only and are not contractually binding.
- 1.5 The Services will be provided solely for your benefit and use. We accept no liability or responsibility to any third party in respect of the Services, except for any external audit engagement.
- 1.6 In the course of providing the Services, we may provide oral comments or draft reports, presentations, letters, schedules and other documents. You may not rely on such oral comments or draft documents, conclusions or advice as they may be subject to further work, revision and other factors. The final results of our work will be set out in its final report or advice.
- 1.7 We will not audit or independently verify the accounting records or information that you have provided in connection with the Services unless specifically engaged to do so.
- 1.8 Our work will be based on documents and information provided to us, or obtained by us in connection with the Services. We will not verify the accuracy and completeness of such documentation or information unless specifically engaged to do so, or to the extent necessary to perform an assurance engagement.
- 1.9 Changes in the law may take place before our advice is acted upon or may be retrospective in effect. We accept no responsibility to inform you of changes in the law or interpretations affecting advice previously given by us.
- 1.10 We often have to rely on external information or public records to carry out your instructions. We do not verify the information or public records for accuracy or completeness. We do not accept responsibility and will not be liable for any direct or indirect damage or loss caused by errors or omissions in external information.
- 1.11 Some of the matters on which we may be asked to advise you may have tax implications for other entities, directors, employees or any other parties. We will not bear any liability to you or any other relevant entities, directors, employees or any other parties in respect of those tax implications, and you indemnify us from and against any loss or damage suffered or incurred by us arising out of or in connection with any action or claim by any such entities, directors, employees or other parties in this respect.
- 1.12 In the context of Taxation Services requested:
  - (a) we will advise you of your rights, obligations and options available under the Taxation Law. We also advise you of your rights or options available under Taxation Law with respect to the seeking of a private ruling and the lodging of objections and appeals against adverse positions adopted by the Revenue Authorities; and
  - (b) we will advise you on the application of the Taxation Law, including any possible penalties and other legal tax consequence, so as to allow you to make an informed decision of the course of action to be taken.

## 2. YOUR OBLIGATIONS

- 2.1 The timely completion of the Services requires your cooperation in the provision of information, documents and resources relevant to the Services. Estimates of time for completion of the Services are

given on the assumption that we receive this cooperation. We may charge additional fees and expenses which result from delays in providing this cooperation.

## 2.2 You agree to:

- (a) provide all information, documents and resources ("**Materials**") that we reasonably require to enable us to provide the Services including arranging access to third parties, your premises and systems, and providing reasonable working facilities for us (where applicable);
- (b) ensure that appropriate back up, security and virus checking procedures are in place for any computer facilities you provide;
- (c) make senior staff available for consultation on request;
- (d) make decisions promptly to facilitate the performance of the Services;
- (e) bring to our attention any changes in the Materials provided to it as originally presented, and ensure that Materials supplied by you or on your behalf, to the best of your knowledge and belief, is not false or misleading and does not omit material particulars.

- 2.3 You acknowledge that information relating to you, or that you make available and known by our Principals/Partners or staff who are not engaged in performing the Services, shall not be deemed to have been made available to the individuals within Crowe Horwath who are engaged in the provision of the Services.

- 2.4 Except as required by law, you must not provide any documentation or deliverables in respect of the Services to any third party (including without limitation, the filing of information containing or referring to any of our reports with regulators or the inclusion of our reports in any public document) without our written consent. For any external audit engagement, our audit report, and where applicable, independence declaration may be included within the financial statements to which they apply, but any other documentation or deliverables are included within this clause.

## 2.5 We advise and you acknowledge that:

- (a) you are responsible for the accuracy and completeness of the particulars and information (including the Materials) provided by you;
- (b) any advice given to you is only an opinion based on the actual knowledge of your particular circumstances of individuals within Crowe Horwath who are engaged in the provision of the Services; and
- (c) a taxpayer (you) has obligations under self-assessment to keep full and proper records in order to facilitate the preparation of accurate returns

## 3. INCOME TAX RETURNS

- 3.1 All income tax returns are subject to examination by the Australian Taxation Office ("**ATO**"). You may be requested to produce documents, records or other evidence to substantiate items shown on the income tax return.
- 3.2 The preparation of your income tax return does not constitute a prudential tax audit and cannot be relied upon as such. The onus is on you, the taxpayer, to self-assess and there are substantial penalties for incorrect returns. You should carefully review the income tax return to ensure that items shown are accurately stated so that amendments can be made for any incorrect matters.

## 4. CONFIDENTIALITY

- 4.1 In this Contract, "**Confidential Information**" means all non-public information or documents which either party receives or produces in connection with the Services (including our working papers, the Engagement Letter (or Proposal) and our business processes and methodologies) but does not include any information which is:
  - (a) or becomes generally available to the public other than as a result of a breach of this clause;
  - (b) known to the other party prior to us commencing the Services;
  - (c) received from a third party who owes no obligation of confidence in respect of the information; or

- (d) developed by either party independently of the Services to which this Contract relates.
- 4.2 Subject to clause 4.4, neither you nor Crowe Horwath may disclose Confidential Information about or belonging to the other without the other's consent.
- 4.3 Notwithstanding the above, we may disclose Confidential Information to other Findex entities or Crowe Horwath Firms or contractors in relation to the provision of the Services, to assist in quality assurance reviews or for any other purpose in our Privacy Policy. If you object to being included in any of these reviews, you must advise us in writing at the commencement of the Contract and we will use our best endeavours to exclude this Contract and the Services from such reviews.
- 4.4 Either party may disclose Confidential Information:
- (a) to its insurers or legal advisors, provided that such persons agree or are otherwise required to ensure that the Confidential Information remains confidential;
- (b) to the extent required to do so by law; or
- (c) to the extent required for the proper performance of the Services.
- 4.5 Provided we do not disclose any Confidential Information, we may cite the performance of the Services to clients as an indication of our experience.
- 4.6 You must not use our name or logo on any websites or in any public statement, (including filing all or part of a report with a regulator or including all or part of a report in any public document) without obtaining our prior written consent. You must not make any public statement about us or the Services without our prior consent.
5. **PRIVACY OF PERSONAL INFORMATION**
- 5.1 You acknowledge and agree that we may collect, hold, use and disclose personal information (as defined in the *Privacy Act 1998* (Cth) ("**Privacy Act**")) for the purposes outlined in our Privacy Policy (available on request or on our website), and only if such disclosure will not infringe protections afforded by the Privacy Act. If personal information is disclosed to us in connection with us providing the Services, it will be treated in accordance with the Privacy Act and the terms of our privacy policy.
- 5.2 If the performance of the Services requires a third party to this Contract to supply personal information to us on your request, you must ensure that the third party has satisfied the requirements of the Privacy Act and is permitted by the Privacy Act to disclose such personal information to us.
- 5.3 If the Services require us to collect personal information from a third party, you must do and be responsible for all things necessary (including obtaining appropriate consents from, and providing privacy notices to, any third parties) for us to collect such personal information.
- 5.4 You agree to comply with the Privacy Act when providing us with information.
6. **INTELLECTUAL PROPERTY**
- 6.1 Intellectual property rights in all documentation, systems, materials, methodologies and processes owned by us or created in the course of us performing the Services shall remain and be vested with us. We may, in future engagements with other clients, use techniques, methodologies, ideas, concepts, information and general knowhow gained in the course of performing the Services provided such use does not involve the unauthorised disclosure of your Confidential Information.
- 6.2 We may use or develop software, including spreadsheets, databases and other electronic tools ("**Tools**") in providing the Services. If we provide these Tools to you, you acknowledge that they are not your property, were developed for our purposes and without consideration of any purposes for which you might use them, are made available on an "as is" basis for your use only and must not be distributed to or shared with any third party. To the full extent permitted by law, we make no representations or warranties as to the sufficiency or appropriateness of the Tools for any purpose for which you or a third party may use them.
- 6.3 You grant us a non-exclusive, royalty free, worldwide licence (including a right to sublicense) to use, copy, distribute, make derivative works and communicate the Materials to the extent

necessary to enable us to provide the Services to you and for the purpose of performing our obligations under this Contract.

- 6.4 You warrant that any use of the Materials by us will not infringe the intellectual property rights of any third party and you shall indemnify us from and against any loss or damage suffered or incurred by us arising out of or in connection with any actions or claims alleging that our use of the Materials infringes the intellectual property rights of a third party.

## 7. **DOCUMENTS**

- 7.1 We will keep your file and documents (which may contain personal information about you) for the minimum period stipulated by any relevant legislation, after which we may destroy your file and documents in a confidential manner, provided the information contained within them is no longer relevant to the purposes for which it was collected. You may instruct us in writing at any time to deliver to you (or to a nominee) the original or electronic copy of any documents (as the case may be). We will deal with any such request in accordance with our Privacy Policy.
- 7.2 You must immediately advise us if you become aware that any document is, or is reasonably likely to be, required as evidence in a legal proceeding, so that the document can be delivered to you for safe keeping.
- 7.3 If we are provided with custody of any documents by you or on your behalf, including share registers or constitution documents, those documents will be retained during the course of the Contract (unless their earlier return is requested), at the end of which the file and documents will be returned to you unless separate arrangements have been made.
- 7.4 We, in our absolute discretion, may retain copies of any documents we have prepared or received in relation to providing the Services, in accordance with our Privacy Policy.
- 7.5 We reserve the right to exercise a lien over any documents and files belonging to you which may be in our possession.

## 8. **ELECTRONIC COMMUNICATIONS**

- 8.1 We may communicate with you electronically from time to time, including sending you Commercial Electronic Messages (as defined in the *SPAM Act 2003* (Cth)) and by agreeing to this Contract you consent to such communications.
- 8.2 Electronically transmitted information cannot be guaranteed to be secure or virus or error free and consequently such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. We will not be liable to you in respect of any error, omission or loss of confidentiality arising from or in connection with the electronic communication of information to you. If you do not accept these risks, you should notify us in writing that you do not want us to communicate electronically with you.

## 9. **LIMITATION OF LIABILITY**

- 9.1 Subject to clauses 9.2 and 9.4, our liability for loss or damage arising out of or in connection with the Services, whether arising from breach of contract, tort (including, without limitation, negligence), breach of statutory duty or otherwise, is limited to an amount equal to ten times the fees payable by you for the Services ("**Liability Cap**").
- 9.2 However, the Liability Cap does not apply to the extent prohibited by the *Corporations Act 2001* (Cth) ("**Corporations Act**") or any other law.
- 9.3 The parties acknowledge that the Australian professional standards legislation, including the *Treasury Legislation Amendment (Professional Standards) Act 2004* (Cth), ("**The Australian Professional Standards Legislation**") may apply in accordance with its terms in relation to our liability for loss or damage arising out of or in connection with the Services.
- 9.4 To the extent permitted by law, if, under any applicable Australian Professional Standards Legislation, our maximum liability for loss or damage arising out of or in connection with the Services would be:
- (a) a higher amount than the Liability Cap, then the Liability Cap will not apply and our maximum liability will be calculated in accordance with the Australian Professional Standards Legislation; or

- (b) a lower amount than the Liability Cap, then the Liability Cap will not apply and our maximum liability will be calculated in accordance with Australian Professional Standards Legislation.
- 9.5 To the extent permitted by law, we exclude all liability to you for loss of profits, loss of revenue, loss of opportunity, business interruption, loss of data, failure to realise anticipated savings or benefits, and for any other indirect or consequential loss or damage (whether or not we knew or had been advised of the possibility of such loss or damage) including, without limitation, costs and expenses, arising in any way out of or in connection with the Services. This clause does not apply to any audit engagement undertaken in accordance with the Corporations Act.
- 9.6 If you make any claim against us for loss arising out of or in connection with the Services or this Contract, liability for your loss and any amount you may recover will be apportioned having regard to the respective responsibility for the loss.
- 9.7 Except for any external audit engagement, to the extent permitted by the Corporations Act, you will indemnify and hold harmless Crowe Horwath, other Findex entities and Crowe Horwath Firms and our respective Principals/Partners, directors and employees from and against all liabilities, losses, claims, costs, damages or expenses that may result from any actions, claims or asserted rights of action by third parties (including, without limitation, those based on negligence) arising out of or in connection with the Services or any use by you of any deliverable under this Contract, and you will indemnify or reimburse us (at our election) for all costs and expenses (including legal fees on a solicitor/client basis) incurred by us in connection with any such action, claim or asserted right of action. To the extent that this indemnity is for their benefit, we hold the benefit of the indemnity on trust for other Findex entities or Crowe Horwath firms and for their Principals/Partners, directors and employees.
- 9.8 Subject to clause 9.9, we have not made any, and to the extent permitted by law we exclude, all warranties, conditions or guarantees of any nature in respect of the Services or the satisfactory conclusion of the Services or with respect to the economic, financial or other results which you may experience as a result of the Services.
- 9.9 Where warranties, conditions or guarantees or any other rights are implied into this Contract, or otherwise conferred by the *Competition and Consumer Act 2010* (Cth) or other laws, and it is not lawful or possible to exclude them, then those warranties, conditions or guarantees or other rights will (but only to the extent required by law) apply to this Contract. To the extent permitted by law, we limit our liability in respect of such warranties, conditions or guarantees to, at your option, the supply of the Services again or the payment of the cost of having the Services supplied again.
- 9.10 To the extent permitted by law (including the Corporations Act), our Principals/Partners, directors and employees shall have no liability to you, whether for breach of contract, tort (including, without limitation, negligence), breach of statutory duty or otherwise, arising in any way out of or in connection with the Services. You agree not to bring any claim (whether in contract, tort (including, without limitation, negligence), breach of statutory duty or otherwise) arising in any way out of or in connection with the Services against any of our Principals/Partners, directors or employees personally. This will not limit or exclude any liability we may have for their acts or omissions. This clause is expressly for the benefit of our Principals/Partners, directors and employees, and you agree that each such person is entitled to rely on this clause as if they were parties to this Contract. We are also entitled to bring proceedings to enforce this clause on behalf of our Principals/Partners, directors and employees.
10. **FEES AND EXPENSES**
- 10.1 You agree to pay fees for the Services, which may be charged on an hourly basis. Goods and Services Tax ("GST") at the prevailing rate will be added to and forms part of our fees (where applicable). It is a fundamental term of this Contract that we look to you as the responsible party for the payment of our fees and expenses. This is despite the fact that part of our fees and expenses may relate to Services provided to other entities and/or individuals.
- 10.2 You agree to pay our reasonable out of pocket expenses incurred in connection with the Services. The charge will be calculated as the amounts we incur (net of any GST input tax credit to which we are entitled) plus GST as applicable. If out of pocket expenses exceed \$200, we reserve the right to forward details to you for payment direct to the supplier of the expense.
- 10.3 Where possible, we will give you an estimate of our fees in the Engagement Letter (or Proposal). Any fee estimate is based on our current understanding of the circumstances and scope of work required, and therefore is not binding on us.
- 10.4 We may revise our fee scale from time to time. Rates quoted to you remain in force until the next 31 December or 30 June (whichever is sooner). We may increase our fees for any work performed after these dates. We reserve the right to change our rates outside these dates and will communicate any such change directly to you. Your obligation to pay us the fees and expenses arises at the commencement of the Contract after which you will be issued an invoice(s). Fees and expenses will be invoiced monthly and are payable within 14 days of the invoice date. Where an amount for GST is stated to be a component of the fees and expenses, our invoice will be a compliant "tax invoice" for GST purposes.
- 10.5 We may charge interest on amounts which are overdue by more than a month at a rate capped at 10%, except for any Audit, Review or Other Assurance engagement. If your account remains unpaid and there is no satisfactory explanation for non-payment we may:
- (a) start proceedings to recover the amount owed, plus default interest (if applicable) and any collection costs incurred; and/or
  - (b) do no further work for you, and will not release your papers and files until all overdue amounts and any interest are paid (if applicable).
- 10.6 If we have assessed that no GST should be payable in respect of the Services, and for whatever reason, we change its assessment, or if the ATO assesses that GST is payable, then it will be added to and form part of our fees and expenses at the prevailing GST rate. We reserve the right to recover from you at any time, any GST payable by us on the provision of the Services, goods or any other items supplied to you under this Contract. Where the Contract relates to the conduct of a statutory audit or review, we will be entitled to extra fees for any time it spends investigating circumstances that may fall within section 311, 601HG(4) or 990K of the Corporations Act, including reporting to the Australian Securities and Investments Commission ("ASIC") in accordance with any of those sections.
- 10.7 If you dispute all or part of an invoice, you (and Crowe Horwath) agree to seek to resolve the dispute under clause 14.10. If you dispute part of an invoice, you agree to pay the undisputed part of the invoice as and when it is or becomes due and payable.
- 10.8 If we receive any legally enforceable notice or demand issued by any third party (including but not limited to ASIC, the ATO, the Australian Securities Exchange, 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. We will notify you as soon as practicable (unless restricted by law) where we receive any such legally enforceable notice or demand.
11. **OTHER CROWE HORWATH FIRMS & CONTROLLED ENTITIES OF FINDEX GROUP LIMITED**
- 11.1 In the course of providing the Services we may, at our discretion, draw on the resources of other Crowe Horwath firms or Findex entities, but provision of the Services will remain our responsibility alone. Where part of the Services is performed by a Crowe Horwath firm or Findex entity, information (which may include personal information) may be required to be transferred out of Australia. You consent to this transfer.
- 11.2 You will not bring any claim (whether in contract, tort (including, without limitation, negligence) or otherwise) against any other Crowe Horwath firms or Findex entities or its personnel in respect of the Services. Any Principal/Partner, director or employee of



another Crowe Horwath firms or Findex entities who deals with you in connection with the Services does so solely on Crowe Horwath's behalf.

- 11.3 Clause 11.2 is expressly for the benefit of other Crowe Horwath firms and Findex entities (together "**the beneficiaries**"). You agree that each of the beneficiaries has the right to rely on this clause as if they were parties to this Contract. Each Crowe Horwath firm or Findex entity which agrees to assist in the provision of the Services does so in reliance on the protections afforded to it by this clause 11.

## 12. CONTRACTORS AND THIRD PARTIES

- 12.1 We reserve the right to employ contractors to provide some or all of the Services, and any reference to our staff includes such contractors. We will remain liable to you for any of the Services that are provided by our contractors.
- 12.2 From time to time we, and our third party contractors may engage external IT service providers (including in relation to 'cloud computing' services) in the performance of services under this engagement. You hereby authorise us and our third party contractors to disclose information relating to your affairs to all such external IT service providers as we or our third party contractors may choose to engage.

## 13. GENERAL

### 13.1 Engagement team

- (a) We will use reasonable efforts to ensure that individuals named in the Engagement Letter (or Proposal) are available to perform the Services.
- (b) For the duration of the Contract, and for a period of 12 months after its termination or completion of the Services, you must not employ or procure a third party to employ any of our employees who has taken part in the performance of the Services without our prior consent. If you offer employment to such an employee, and the employee accepts the offer (whether or not we have given our prior consent), then you must pay a fee to us, calculated at 30% of the relevant employee's gross annual salary package. You acknowledge and agree that this fee represents a genuine pre-estimate of the loss Crowe Horwath will incur in the event the employee terminates its employment with us due to your offer of employment in the circumstances described in this clause.
- (c) However, nothing contained in this clause shall be deemed to prohibit you and any of your affiliates from soliciting for employment or hiring any employee of Crowe Horwath or any of its affiliates who have already had their employment terminated by Crowe Horwath or any of its affiliates. For the avoidance of doubt, this does not include the circumstances where an employee resigns in the circumstances contemplated in clause 13.1(b).

### 13.2 Relationship with other clients

We provide services to other clients, some of whom may be in competition with you or have interests which conflict with your own. We are not prevented or restricted by virtue of our relationship with you under this Contract from providing services to other clients.

### 13.3 Our relationship with you

You acknowledge and agree that our relationship with you is that of an independent contractor. Neither party may claim or make any representation whatsoever to any third party that it is an agent of, or in partnership with, the other party and each party acknowledges that it has no power or authority to bind the other in respect of any matter whatsoever and it will not represent to any person that it has such power or authority.

### 13.4 Consortia (This clause only applies to engagements undertaken by Crowe Horwath Corporate Finance (Aust) Ltd)

Where you, the Client are a consortium, you agree that, unless specified in the Engagement Letter:

- (a) while we may communicate with one or more members of the consortium, it is the responsibility of each member of the consortium to communicate such information between themselves, and we will have no responsibility or liability for any communication to any member of the consortium that is not

communicated to the other members;

- (b) instructions received from one member of the consortium will bind each other member; and
- (c) where a member terminates its participation in the consortium:
- i such terminating member will not receive access to any deliverables prepared by us as part of the Services under the Contract;
  - ii such terminating member will have no obligation to pay our fees or reimburse our expenses for any Services performed by us after the date such member notifies us that it is no longer participating in the consortium. However, nothing in the foregoing shall affect such terminating member's other rights and obligations under this Contract;
  - iii we may continue to provide Services under this Contract to each continuing consortium member; and
  - iv we may provide Services in connection with the transaction to which the Services relate to the terminating member of the consortium under a separate Engagement Letter, and may use any knowledge obtained or deliverable generated by us during the performance of the Services under this Contract up to the date the terminating member notified us it is no longer participating in the consortium in providing such Services to the terminating member. We will keep any information of continuing consortium members generated following this date confidential from the terminating member and vice versa.

### 13.5 Waiver

A failure or delay by a party in exercising a power or right given to it under this Contract does not operate as waiver of that power or right, nor does a single or partial exercise of a power or right prevent any other or further exercise of it. A waiver by a party of a power or right given to it under this Contract does not affect any other provision of this Contract.

### 13.6 Conflict of Interest

Except as disclosed in the Engagement Letter (or Proposal), we are not aware of any conflict of interest which would affect our ability to provide the Services to you. We will advise you if we become aware of any actual or potential conflicts of interest, and we will work with you to find a suitable solution.

## 14. GENERAL

### 14.1 Term and Termination

- (a) This Contract commences on the commencement date stated in the Engagement Letter (or Proposal). If no commencement date is specified, the Contract commences on the date of acceptance (as specified in the Engagement Letter (or Proposal)), or the date on which the Services commenced, whichever is earlier.
- (b) Subject to any statutory provisions that apply to the Services, either party may terminate this Contract at any time by giving at least 14 days written notice. On termination, you shall immediately pay on request all fees and expenses due in respect of the Services provided up to the date of termination and, unless the Contract is terminated for cause, you will pay our reasonable costs and expenses incurred in connection with the termination of the Contract. For the avoidance of doubt, the date of termination is the date on which any period of notice expires.
- (c) If our engagement relates to an external audit engagement and is terminated:
- (i) the statutory provisions of Section 329 of the Corporations Act apply; and
  - (ii) the Directors authorise us to discuss your affairs with our successors, in accordance with professional standards and guidance.
- (d) If our engagement relates to work undertaken by Crowe Horwath Corporate Finance (Aust) Ltd, where either you or Crowe Horwath Corporate Finance terminates the Engagement, our right to fees pursuant to the Engagement Letter will survive, including the Completion Fee where a sale

of business assets or equity is completed within 12 months from termination of the Contract.

- (e) We may immediately terminate the Contract, by providing notice in writing, if our provision of Services to you will result or has resulted in us ceasing to be independent in relation to an audit client. You will immediately pay on request the fees due for all of the Services provided up to the date of termination.
- (f) Termination of the Contract shall be without prejudice to any of the parties' accrued rights. The following clauses continue to apply after termination of the Contract: 4, 5, 6, 7 and 9. The terms of the Contract which expressly or by implication are intended to survive its termination or expiry will survive and continue to bind the parties.

#### 14.2 Auditor independence

If we act as your auditor, you:

- (a) agree to inform all officers and audit critical employees (as those terms are defined in the Corporations Act), and those of your associated entities, that they may not be employed by or provide Services to us while we act as your auditor; and
- (b) agree that you will seek our consent before appointing a former Principal or former professional employee of ours as an officer or audit-critical employee, or an associated entity makes such an appointment. You acknowledge that we will not consent to such appointment where the appointment would cause us to be in breach of applicable independence restrictions; and confirm that any requirement for audit committee preapproval of the Services has been obtained.

#### 14.3 Address for Services

Any written notice to be given to a party must be delivered in person, by letter or by facsimile transmission, to:

- (a) in the case of notices to us, to our address, clearly marked for the attention of the person appearing in the Engagement Letter (or Proposal); and
- (b) in the case of notices to you, to the address last notified by you.

#### 14.4 Governing Law

This Contract shall be governed by and interpreted in accordance with the laws of Australia and the State referred to in the Engagement Letter or Proposal and the Courts of Australia or that State shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the Contract and any matter arising from it. The parties irrevocably waive any right they may have to object to any action being brought in an inconvenient forum or to claim that those courts do not have jurisdiction. If no State is specified in the Engagement Letter or Proposal, the laws of the State in which the Engagement Letter or Proposal is issued by us shall apply.

#### 14.5 Disputes

If any dispute arises, prior to commencing legal proceedings, the parties must attempt to resolve the dispute in good faith through Crowe Horwath's internal dispute resolution process.

#### 14.6 Force majeure

Neither party will be liable to the other for any delay or failure to fulfil their obligations (excluding payment 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, flood, acts of God, acts or regulations of any governmental authority, war, riot, terrorist activities, strikes, lockouts and industrial disputes.

#### 14.7 No assignment

Unless otherwise permitted under this Contract, neither party may transfer, charge or otherwise seek to deal with its rights or obligations under this Contract without prior written consent of the other party.

#### 14.8 Validity of Contract terms and severance

If any provision of this Contract is held to be invalid, in whole or in part, such provision shall be deemed not to form part of and will be severed from, the Contract. The enforceability of the remainder of the Contract will not be affected.

#### 14.9 Conflicting terms

- (a) In the event of any conflict between the Engagement Letter and these Terms of Business, or the Proposal, the Engagement Letter will take precedence.
- (b) Nothing in this Contract applies to the extent that it is invalid or prohibited by the operation of the Corporations Act or any other law.

#### 15. DEFINITIONS

For the purpose of this Contract:

**Contract** means the agreement between you and Crowe Horwath as set out in these Terms of Business and the Engagement Letter (or Proposal) together with any changes to the Contract that are agreed in writing between you and Crowe Horwath.

**Engagement Letter** means the Engagement Letter or confirmation letter to which these Terms of Business are referred.

**Proposal** means any written or verbal proposal for the provision of the Services, other than the Engagement Letter.

**Findex** means Findex Group Limited and its affiliated entities, including its related bodies corporate, which includes Crowe Horwath Australasia Pty Ltd and its subsidiaries.

**Crowe Horwath Firms** means any entity (whether or not incorporated) which carries on business under a name which includes all or part of the Crowe Horwath name or is otherwise within (or associated or connected with an entity within) or is a correspondent firm of the worldwide network of Crowe Horwath firms.

The title "Partner" conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Horwath external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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