

1 July 2022

Dear Fay & Redman Client,

Re: Engagement of our financial planning services – Superannuation Advice

Further to our recent discussions, we are pleased to accept the appointment as your superannuation advisers and now set out our understanding of the scope and terms of this engagement.

SCOPE OF WORK:

We are licenced to provide advice and assistance on the following matters (where applicable):

- Establishment of an SMSF;
- Assistance with establishing an investment strategy for your fund;
- Commencement of a pension (Account based and Transition to Retirement);
- Contributions (Concessional, non-concessional and in-specie);
- Rollover of existing superannuation structures, whether partial or in full;
- Limited Recourse Borrowing Arrangements (LRBA); and
- Winding up an SMSF

PROCEDURES:

Our procedures are governed by law and by the requirements of our licensee's, SMSF Advisers Network Pty Ltd. ('SAN'), and include the following six (6) step process:

1. Introduce the advice process.
2. Identify your current situation and objectives.
3. Determine and document strategy.
4. Present advice (in the form of a Statement of Advice) and proceed with advice.
5. Manage the implementation process; and
6. Review ongoing recommendations.

Typical **OUTPUT** from our engagement may include:

1. Issuance of a Statement of Advice ('SOA').
2. Issuance of a Record of Advice ('ROA').

3. Establishment of an SMSF.
4. Assistance with documenting and structuring a Limited Recourse Borrowing Arrangement ('LRBA').
5. Winding up of a SMSF

For further information on our licensee, fees and remuneration, insurance and complaints procedures, please refer to our attached Financial Services Guide ('FSG').

LIMITATIONS ON OUR ADVICE:

Fay & Redman Financial Planning Pty Ltd, as authorised representatives of SAN, are not able to provide advice regarding investments (other than formulation of investment strategy), insurances or credit providers. We can refer you to specialists in these advice areas if requested.

This 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), with the requirements of the Corporations Act 2001 and with ASIC Regulatory Guide 175 Financial Product Advisers – Conduct and disclosure.

To assist us in providing the services you have requested, you will need to provide the following information to us:

1. Completed SAN Fact Find document.
2. Signed documents where required
3. Other items as requested from time to time.

Responsibilities

Please be aware that:

- (a) you are responsible for the accuracy and completeness of all information provided to us and this responsibility rests with you;
- (b) the reliability of any advice given to you is contingent on the accuracy of information you have provided to us.

Any information acquired by us in the course of our engagement, including any information relating to your affairs whether 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 which monitors compliance with professional standards by its members. We advise you that by signing this letter 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.

Involvement of Others

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

We do have Outsourcing arrangements with professional accounting firms in India and the Philippines whom we hire from time to time when busy.

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 Fay & Redman Financial Planning Pty Ltd 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

The Privacy Act 1988 requires that personal information be stored in Australia or in a country where the laws are substantially like Australia's privacy laws. We will always adhere to this legislation.

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 may result in the production of a Statement of Advice, Record of Advice, establishment of an SMSF, establishment of a bare trust and LRBA or winding up of your SMSF. 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.

Lien on Documents

In relation to any subsequent termination of our services, you are advised that we shall be entitled to retain all documents belonging to you and any related parties we act for until payment has been received in full for all outstanding fees.

Fees

Our fees, which will be billed as work progresses, are based on the time required by the individuals assigned to the engagement plus direct out-of-pocket expenses. Our charge out rates are as follows:

Principal Adviser (James Fay)	\$385.00 per hour including GST
Senior Accountants	\$247.50 per hour including GST
Intermediate Accountants	\$176.00 per hour including GST
Administration Staff	\$95.00 per hour including GST

Full details of applicable fees are detailed in our attached Financial Services Guide ('FSG')

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.

Accounts for services provided will be forwarded to you as work progresses. Payment of any account is required to be made within 21 days, unless special alternative arrangements are made with us prior to the due date. Payments received outside our stated trading terms may incur an interest charge at the rate of ten percent (10%) per annum.

In the course of providing our services to you, it may be necessary for us to undertake work with respect to companies of which you are a Director or Shareholder, and/or Trusts of which you are a Trustee, Beneficiary, or a Director/Shareholder of a Corporate Trustee ("your Associated Entities"). You will be ultimately responsible to us for payment of all fees for our services which are provided to those entities, notwithstanding that, at your direction, we may initially render our invoice to the relevant entity. If that invoice is not paid for any reason, you are obliged to attend to payment of that invoice upon demand. You accept that you are jointly liable with your Associated Entities for payment of our fees for any services that we may render to those Associated Entities".

Our charge out rates are subject to change and any changes to these rates will be posted on our website at www.fayandredman.com.au at least one (1) month prior to those changes taking effect.

Period of Engagement

This engagement will start on *[insert date]*. The first period for which we will be responsible is *<tax year ending/accounts period ending []>*. We will not deal with earlier periods unless you specifically ask us to do so and we agree.

The terms and conditions of this engagement agreement will continue to be effective in future years in the event that you instruct us to undertake work on your behalf within the scope of this agreement, unless we advise you of any change in the terms hereof.

Please sign and return this letter to indicate that it is in accordance with your understanding of the arrangements.

If you would like to discuss any matters in relation to the terms of our engagement or the contents of this letter, please do not hesitate to contact me on (07) 5561 7154.

Yours faithfully,

James Fay CPA
Director

This letter is an offer to you to engage our services upon terms and conditions set out herein. If you accept this offer, you will be regarded as having entered into an agreement with us for provision of our services on those terms and conditions. Your acceptance of the offer is constituted by any of the following: -

- (a) Signing and returning of the Letter of Engagement to us; or
- (b) Giving us instructions after receiving the letter; or
- (c) Contacting us and advising us of your acceptance.

We would ask that you sign this original letter and return it to us. Please retain a copy of this letter for your records.

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Acknowledged By Client

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Acknowledged By Client

Date

Date