

BENNETT CURRIE LIMITED TERMS OF ENGAGEMENT



ASSOCIATED ENTITIES

These Terms of Engagement shall apply to all assignments for you personally, and for any company, trust, partnership, child, spouse or other legal entity in which you have any interest, involvement or association.

ACTING AS YOUR INLAND REVENUE TAX AGENT

We will be linked as your Tax Agent for all tax types as required by us to perform professional services for you and your associated entities. We will view and monitor Inland Revenue information and transfer payments between entities as applicable. We will also receive and apply any refunds against outstanding fees or other tax types, and will liaise with Inland Revenue in all regards.

PROFESSIONAL SERVICES

We will perform professional services on behalf of you and your associated entities where applicable.

You will promptly supply us with all necessary information to carry out assignments on behalf of you and your associated entities, and you will personally acknowledge responsibility for the accuracy and completeness of all information supplied to us.

We will assume that a proper Tax Invoice is held by you for all business payments, unless otherwise advised to the contrary, and we will rely on your coding or classification of transactions without question.

You will advise us of all income received and the private content of any business transactions so that appropriate apportionment can be made.

We will endeavour to prepare and file tax returns accurately and on time based on information supplied to us by you before the due date, and we will check assessments and statements issued by Inland Revenue.

You are responsible for paying the correct tax and paying on time. Any penalties arising from lateness, errors, wrong estimates or for any other reason are payable by you as the taxpayer.

We will give you assistance in meeting your tax obligations, including advice on payments and/or reminder letters prior to payments being due.

You will review and check that the payment proposed in our advice appears to be reasonable and that the date of payment is correct.

We will prepare unaudited annual financial statements from information provided by you in accordance with the Statement of Compilation Engagement Standards (CS-1) issued by the New Zealand Institute of Chartered Accountants (NZICA). The following Disclaimer of Liability will be attached to all financial statements prepared by us:

"We have compiled the financial statements of [Client Name] for the year ended [dd/mm/yy]. A compilation is limited primarily to the collection, classification and summarisation of financial information supplied by the client. A compilation does not involve the verification of that information. As our instructions did not include an audit, we have not audited or reviewed the financial statements and therefore neither we nor any of our employees accept any responsibility for the accuracy of the material from which the financial statements have been prepared. Further the financial statements have been prepared at the request of and for the purpose of our client only and neither we nor any of our employees accept any responsibility or liability on any ground whatever, including liability in negligence, to any other person, and any reliance on these financial statements by such a person is entirely the decision, responsibility and at the risk of that person."

You will provide us with accurate and complete information necessary to complete such statements and take responsibility for all records and information supplied to us, and for any failure to supply us with all relevant records and information. The responsibility for the accuracy and completeness of the assertions in the financial statements remains with you.

We will classify and summarise financial information supplied by you. We will not complete an audit, and we will not undertake a detailed review of your affairs in order to substantiate the accuracy of your information, and therefore we are unable to provide any assurance on your financial statements. Our work will not be relied upon to detect error or fraud, such prevention and detection must remain with your management.

You will attach our disclaimer when distributing the financial statements to third parties. If you distribute the financial statements to any person without attaching to it our statement disclaiming liability, then you will indemnify us against all claims, actions, damages, liabilities, costs and expenses (including but not limited to reasonable legal costs and expenses) incurred by us and arising out of or in connection with any action, claim or proceeding brought by any third party in connection with the services provided by us to you.

We shall prepare annual company minutes as required on completion of annual financial statements, maintain statutory records, and be responsible for the preparation and lodgement of all returns with Companies Office.

PRACTICE REVIEW

The NZICA requires practitioners to be subject to review from time to time in order to ensure that professional standards are being maintained. Reviews are based on a sample of files and your file may be selected by the reviewer for examination. The reviewer is officially appointed by NZICA, and is bound by declarations of secrecy, meaning utmost confidentiality is maintained. The reviewer is the only person from the Institute who has access to your records, no copies are made, but the review could include anonymous reference to information provided by you.

OWNERSHIP OF BOOKS, RECORDS AND OTHER DOCUMENTS

You have a legal obligation to maintain accounting records for a period of seven years and Bennett Currie also requires you to do so in order for us to properly perform professional services for you. It is agreed that ownership of all documents supplied by you to assist in the performance of professional services on your behalf shall remain your property. It is also agreed that we shall retain ownership of all workpapers and documents created and used by Bennett Currie in the course of performing professional services for you.

LIMITATION OF LIABILITY

Our liability for loss or damage that you suffer caused by our breach of contract, tort (including negligence), breach of fiduciary duty or other actionable wrong of any kind shall be limited as follows; we shall have no liability for any consequential or indirect loss of profit; our liability will be reduced to take into account any contributory negligence on your part pursuant to the Contributory Negligence Act 1947; in the event that more than one person caused or contributed towards your loss, our liability to you will be limited to the proportion of the loss that the Court would apportion to us under section 17 of the Law Reform Act 1936, based on an assessment of our degree of responsibility and the responsibility of others who contributed to the loss (whether or not those other persons are able to meet any liability they may have). Notwithstanding the foregoing, our liability for loss shall in no circumstances exceed the amount of three times the fees paid for the specific assignment(s) that resulted in the loss or damage.

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FEES

All fees are determined either by negotiated quote or by the amount of time spent on performing professional services for you, taking into account; the skill, specialised knowledge and responsibility required; the importance of the matter to you and result achieved; the urgency and complexity of the matters involved; the circumstances in which the business is transacted. Fees are rendered progressively over the term of our work, and in certain circumstances we may request advance payment to cover anticipated disbursements and fees.

Where you have engaged us to provide professional services to another party or an associated entity, we will invoice that entity directly, if you wish. However, in the event of late-payment or non-payment, responsibility remains with you.

If we are required to incur costs on your behalf (e.g. valuation fees, expert advice, postage, tolls, stationery) these will be included as a disbursement charge on our tax invoice.

Payment is due on 20th of the month following the date of invoice and may be made by cash, cheque or direct credit to our bank account. For cash or cheque payments please detach the remittance advice from the base of the invoice or statement and return with your payment. For direct credits to our bank account please use the Client ID as a reference. If there are issues arising concerning the amount of our fee, they must be communicated to us in writing within 30 days of the date of the invoice; otherwise it is agreed that the amount is due and payable.

CREDIT TERMS

These terms of credit apply broadly to all transactions between us.

Personal Guarantee

If the work is carried out for a limited liability company or other incorporated body, it is acknowledged that the work is being carried out at the request of those persons who sign below, and such persons accept responsibility in their personal capacity and jointly and severally with the client and each other for the payment of the account. Any personal guarantee made by any party shall not exclude the client in any way whatsoever from the liabilities and obligations contained in this contract. If the account is not paid by the due date Bennett Currie shall be entitled to look at any or all of the undersigned for payment without being obliged first to seek or enforce payment from the client itself.

If payment of any fee is not received by the due date:

We may charge a late payment penalty, on the balance outstanding after the due date, at a rate of 2% per calendar month or part thereof compounded from due date to date of actual payment.

We may withdraw our services and decline to continue further work until the fee is paid in full or until you have agreed an acceptable repayment arrangement with us. Should services be withdrawn we will not be held liable for any penalties or interest charged or accrued as a result of late filing of tax returns or other documents during the period that services are withdrawn.

We reserve the right to place any outstanding fees in the hands of our solicitors or a debt collection agency for collection. In those circumstances, the client and the undersigned consent to Bennett Currie providing its solicitors or debt collection agency with such details relating to the client, its associated entities and the undersigned as may be necessary to collect such outstanding fees. In the event that an outstanding fee or fees are placed with out solicitor or debt collection agency all fees and/or Court costs incurred in the recovery action will be added to the amount owing and will be recoverable from the client and/or the undersigned.

Right to Claim a General Lien over Books and Records

Bennett Currie Limited shall be entitled to exercise a general lien (a right to hold until debt is paid) over all the books, records, related documents and other such chattels that may come into our possession for the purpose of performing professional services for you until all our costs and charges whatsoever for professional services of any nature to you have been fully paid.

The terms of engagement outlined above will continue in effect from year to year unless we agree to change them. In addition you will be asked to complete a Balance Date Questionnaire for each financial year, which serves to further acknowledge your agreement with the terms of engagement annually. If the professional services outlined are in accordance with your requirements and if the above terms are acceptable to you, please sign both copies, return one copy to us as soon as possible and retain the other for your records.

ACKNOWLEDGEMENT

I, the undersigned, confirm the professional services outlined in the above letter are acceptable to my/our requirements, and hereby accept the terms of Bennett Currie Limited's engagement.

Print Full Name

Signature

Date

Title (at least one Director must sign on behalf of a company)

Name of Company / Trust / Partnership / Other Entity

I, the undersigned, confirm the professional services outlined in the above letter are acceptable to my/our requirements, and hereby accept the terms of Bennett Currie Limited's engagement.

Print Full Name

Signature

Date

Title (at least one Director must sign on behalf of a company)

Name of Company / Trust / Partnership / Other Entity