



Terms of Engagement

1. Who may instruct us

You confirm that you, and any other person you nominate in writing from time to time (provided we have acknowledged such nomination), are authorised to give us instructions and information on behalf of all persons we are acting for and to receive our advice and documents on their behalf. If we are acting for a business, and we receive conflicting advice, information or instructions from different persons, we may refer the matter to the board of directors, partners or proprietors (as applicable) and act only as requested by them.

2. You and your spouse/partner (where relevant)

We will advise you and your spouse/partner on the basis that you are a family unit with shared interests. We may deal with either of you and may discuss with either of you the affairs of the other. If you wish to change these arrangements, please let us know.

3. Know your customer

From 1 October 2018, all New Zealand accounting practices became subject to New Zealand's Anti-Money Laundering and Countering Financing of Terrorism Act 2009. Where we are required to conduct customer due diligence, this Act does not allow us to act, or continue to act, for our clients unless we have conducted that due diligence.

Accordingly, we may be required to verify your identity for the purposes of the anti-money laundering laws. We may request from you such information as we require for these purposes and make searches of appropriate databases

4. Your responsibilities

You must provide us with all information necessary for dealing with your affairs including information which we reasonably request, in sufficient time to enable our services to be completed before any applicable deadline. We will rely on such information being true, correct and complete and will not audit the information.

You authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs.

You must keep us informed on a timely basis of changes in your circumstances that may affect our services.

5. Qualifications on our services

To the extent our services involve the performance of services established by law, nothing in the engagement letter or these terms reduce our obligations under such law.

You must not act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid.

Our services are limited exclusively to those you have engaged us to perform. Unless otherwise specified in the engagement letter, our services cannot be relied upon to disclose irregularities and errors, including fraud and other illegal acts, in your affairs. Neither an audit nor a review will be conducted and accordingly, no assurance will be expressed.

Where our engagement is recurring, we may amend our engagement letter and these terms where we consider it is necessary or appropriate to do so. If you do not accept such amendments, you must notify us promptly in which case you may terminate our engagement in accordance with section 18 below and those amendments will not apply prior to such termination.



6. Reliance on our advice

We will endeavour to record all advice on important matters in writing. Advice given verbally is not intended to be relied upon unless confirmed in writing. If we provide verbal advice (for example during a meeting or telephone conversation) that you wish to rely on, you must ask us to confirm the advice in writing.

7. Investment and financial advisory advice

We are prohibited from providing you with investment or financial advice regulated under the Financial Markets Conduct Act 2013, as amended by the Financial Services Legislation Amendment Act 2019.

8. Professional obligations and confidentiality

We are required to comply with all applicable by-laws, rules, regulations, professional and ethical standards and guidelines of Chartered Accountants Australia and New Zealand and the New Zealand Institute of Chartered Accountants (NZICA).

These requirements include the NZICA Code of Ethics, which among other things contains confidentiality requirements. In accordance with these requirements, we will not disclose information we obtain in the course of this engagement to other parties, without your express consent, except as required by:

- laws and regulations (for example, disclosures required under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (including to a third-party auditor) and as required by the Common Reporting Standard)
- professional obligations including:
 - ♦ the provisions of the NZICA Code of Ethics that apply if we become aware of actual or potential 'non-compliance with laws and regulations' (NOCLAR). Where any such non-compliance poses substantial harm (such as adverse consequences to investors, creditors, employees or the public), we may be required to disclose the matter to an appropriate level of management or those charged with governance and/or an appropriate authority.
 - ♦ the provisions of the NZICA Rules and Professional Standards that subject us to practice review, trust account audits, investigations and disciplinary procedures. These rules require us to disclose to NZICA, its practice reviewers and/or its disciplinary bodies our files and workpapers including client information. In accepting this engagement you acknowledge that, if requested, our files related to this engagement, may be made available to NZICA, its practice reviewers and/or its disciplinary bodies. Employees and contractors of NZICA are also bound by confidentiality under contract and by the NZICA Code of Ethics.

9. Conflicts of interest

We will inform you if we become aware of any conflict of interest in our relationship with you (including between the various persons this engagement letter covers) or in our relationship with you and another client. Where conflicts are identified which cannot be managed in a way that protects your interests or you do not consent to the way in which we propose to manage the conflict then we will be unable to provide further services to some or all of the persons to whom this engagement applies. If this arises, we will inform you promptly.

We may act for other clients whose interests are not the same as or are adverse to yours, subject to the obligations of conflicts of interest and confidentiality referred to above.

10. Fees and payment

Our fees will be charged on the basis set out in the engagement letter and have been set based on the level of skill, responsibility, importance and value of the advice, as well as the level of risk.

If we have provided you with an estimate of our fees for any specific work, this is an estimate only and our actual fees may vary.



We may provide a fixed fee for the provision of specific services. If it becomes apparent to us, due to unforeseen circumstances, that a fixed fee is inadequate, we may notify you of a revised figure and seek your agreement to it.

We will bill monthly or on completion of a specific task and our invoices are due for payment 14 days of issue. Our fees set out in our engagement letter are exclusive of GST which will be added to our invoice. Any disbursements and expenses we incur in the course of performing our services will be added to our invoices where appropriate.

Unless otherwise agreed to the contrary, our fees do not include the costs of any counsel, or other professionals or third parties engaged with your approval.

We may charge interest on late paid invoices at the rate of the Reserve Bank of New Zealand cash rate.

We may also suspend our services or to cease to act for you on giving written notice if payment of any fees is unduly delayed. We intend to exercise these rights only where it is fair and reasonable to do so.

11. Lien

If permitted by law and not prohibited by professional standards or guidelines, we may exercise a lien over all materials or records in our possession relating to all engagements for you until all outstanding fees and disbursements are paid in full.

12. Client Monies

We maintain a trust account for dealing with client monies on their behalf. We can only accept money into our trust account on your behalf if you have provided us with a written trust account authority letter which details the authority given to us in relation to that trust money.

We may need to undertake further client due diligence to comply with our obligations under the AML Act. We may not be able to process a transaction if the required information is not provided.

13. Disclosure permissions

In accepting this engagement, you provide us with your express consent to disclose your information to:

- our service providers or regulatory bodies to the extent required to perform our services in respect to this engagement;
- our professional advisors or insurers to the extent required to protect our interests in respect to this engagement;
- our external peer reviewer to the extent required to review this engagement;
- providing financial information as is seen fit that is requested in furtherance of business activities. We may utilise the services of third parties, including tax pooling intermediaries, from time to time and as separately notified to you to manage your tax affairs. To perform the services, we provide these third parties with access to your data to the extent that this is required to perform the services. This requires information being sent to these services providers in accordance with our privacy policy

We will take reasonable steps to ensure any such recipient (other than a regulatory body) keeps such information confidential on the same basis we maintain in respect to your information (see clause 8).

We may retain your information during and after our engagement to comply with our legal requirements or as part of our regular IT back-up and archiving practices and also for professional reasons (e.g. to perform the work under this engagement or to comply with our professional and ethical obligations). We will continue to hold such information confidentially.

We may mention that you are a client for promotional purposes. We may also provide your information to a third party for them to use for marketing purposes. The information provided will only be to the extent that is



required to undertake the marketing and will be in accordance with our privacy policy. You may ask us in writing not to provide your information for these purposes.

14. Privacy

We may collect, store, use and disclose your personal information for the purposes of providing the services described in the engagement letter to you and to comply with our obligations in section 9 above and in accordance with the disclosure exceptions outlined in section 8 above. We will comply with the Privacy Act 2020 when collecting, storing, using and sharing your personal information.

You give us full authority to contact any organisation, through all channels, including electronic ones. This includes banks, solicitors, Inland Revenue, Accident Compensation Corporation and all other government agencies for the purposes of obtaining information necessary to complete the Financial Statements and Tax Returns. The client acknowledges that this information would not otherwise be available due to the Privacy Act restrictions, but this statement may be used as written confirmation of agreement to us obtaining this information for the above-mentioned purposes.

15. Financial Statements (Compilation)

Financial statements will be prepared in accordance with the Service Engagement Standard No 2 (SES-2) as issued by the New Zealand Institute of Chartered Accountants.

Financial statements (unless otherwise disclosed in the statements) will be prepared on a Special Purpose reporting basis, according to the requirements of the Income Tax Act, and may not be appropriate for other purposes.

You accept responsibility for the accuracy and completeness of the assertions in the financial statements.

As required by the Engagement Standards, we will include a compilation report with the Financial Statements. Included in this report will be a Disclaimer of Liability, similar to the following:

As mentioned earlier in our report, we have compiled the financial information based on information provided to us, which has not been subject to an audit or review engagement. Accordingly, neither we, nor any of our employees accept any responsibility for the reliability, accuracy or completeness of the compiled financial information nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled information.

You accept that, where included, a Compilation Report including the Disclaimer of Liability forms part of the financial statements and is to remain attached to all copies of the financial statements distributed to third parties.

16. Tax compliance

By signing this letter you authorise us to act as your tax agent with Inland Revenue. You accept that this agreement gives us authority to act on your behalf for all tax types unless specifically excluded. (In the case of individuals, this authority does not include Child Support).

You are responsible for what appears in your tax returns. This means that you must ensure that the information you give us is accurate and complete and meets all your obligations set out in the tax laws.

You must confirm that you have told us about all sources of income, that all your expense claims were incurred to earn income, and that you have all the supporting documents required by Inland Revenue.

Our address may be used by Inland Revenue for service of tax assessments and notices, and in this instance we will check the assessments and advise you of amounts and due dates of tax instalments and other amount due. You are then responsible for paying the correct tax on time.



If however your business is on the GST Ratio method, we will not advise you of the provisional tax due dates unless we prepare GST returns for your business.

You are responsible for paying any penalties and/or interest arising from late payments, errors and incorrect estimates or from any other cause.

It is essential that you inform us immediately if any of the following events take place:

- a. Your business becomes GST registered
- b. Your business ceases to be GST registered
- c. Your business uses the GST Ratio method
- d. Your business ceases to be on the GST Ratio method
- e. Your GST filing cycle changes
- f. Your income tax balance date changes

You are responsible for the preparation and filing of GST returns by due dates unless you have specifically requested WAL to complete GST returns on your behalf. If we are requested to complete GST returns, we will complete the returns in accordance with legislation applicable at the time based on the information provided by you.

You are responsible for the preparation and filing of Fringe Benefit Tax Returns unless you have specifically requested us to complete FBT returns on your behalf. If we are requested to complete FBT returns, we will complete the returns in accordance with legislation applicable at the time based on information provided by you.

17. Statutory records (Companies only)

You are responsible for the preparation and retention of statutory records unless you have specifically requested us do this on your behalf. We will prepare Minutes and Directors Reports in respect of the Financial Statements annually.

We will prepare and file the annual return of the company with the Registrar of Companies when requested to by you. You agree that you will reimburse us for the filing fees incurred.

Proposed changes of shareholding should be discussed with us prior to these taking place, as these may have income tax implications.

18. Ownership of materials

We own the copyright and all other intellectual property rights in everything we create in connection with this engagement. Unless we agree otherwise, anything we create in connection with this agreement may be used by you only for the purpose for which you have engaged us.

All working papers prepared by us (in any form whatsoever, including physical and electronic) remain our property. We will retain these papers in accordance with our normal record keeping practices in accordance with our professional and legal obligations.

You agree we can use your logos and trade marks for the sole purpose of providing advice to you in connection with the engagement, unless you tell us otherwise.

19. Limitation of liability

To the maximum extent permitted by law, our maximum aggregate liability (including of all our partners, directors and members) under or in connection with this engagement letter or its subject matter is limited to \$500,000. You agree not to bring any claim against any of our partners or employees in their personal capacity.

To the maximum extent permitted by law, we are not liable to you for:

- indirect, special or consequential losses or damages of any kind; or



- liability arising due to the acts or omissions of any other person or circumstances outside our reasonable control, or your breach of these terms.

20. Limitation of third party rights

Our advice and information is for your sole use, and we accept no responsibility to any third party, unless we have expressly agreed in the engagement letter that a specified third party may rely on our work.

21. Termination

Each of us may terminate this agreement by giving not less than 30 days' notice in writing to the other party except where a conflict of interest has arisen, you fail to cooperate with us or we have reason to believe that you have provided us or any other person with misleading or factually inaccurate information, in which case we may terminate this agreement immediately. Termination will not affect any accrued rights.

22. Communication

You must advise of any changes to your contact details. We may send any communications to the last contact details you have provided. Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means. The recipient is responsible for virus checking emails and any attachments. There is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties in any form of communication, whether electronic, postal or otherwise. We are not responsible for any such matters beyond our control.

23. Applicable law

Our engagement is governed by New Zealand law. The New Zealand courts have non-exclusive jurisdiction in relation to any dispute between us.

24. Interpretation

If any provision of the engagement letter or these terms is void, that provision will be severed and the remainder will continue to apply. If there is any conflict between the engagement letter and these terms, these terms prevail.

25. Disputes and complaints

If you have any concerns about our costs or services, please speak to the person responsible for this engagement, who is identified in our engagement letter. To resolve your concerns we have policies and procedures in place to deal appropriately with complaints and will use best endeavours to resolve a complaint or dispute to the mutual satisfaction of the parties involved. We may require you to detail your complaint in writing to allow us to fully investigate any concerns that you raise.

26. Outsourcing

We may utilise the services third parties from time to time and as separately notified to you to provide specialist tax advice or to perform compilation services. To perform the services, we provide these third parties with access to your data to the extent this is required to perform the services.