



Appendix “A”: Term of Engagement

1. Terms of Engagement

These terms of engagement set out our understanding of your requirements and contain the terms of conditions of our appointment to provide taxation services.

We may change these terms from time to time and will either publish the latest version on our website or email to you upon request. If you continue to engage us, then you will be taken to have accepted the latest terms.

2. Conflict of Interest

We are not presently aware of any conflict of interest which would affect our ability to provide our services to you.

3. Reliance on Client Information

You agree to provide to us on a timely basis the information we reasonably require to provide our services.

You warrant that this information will be accurate and complete and acknowledge we will rely on it without further verification.

4. Professional Fees

We usually charge for our services based on time spent at our current hourly rates for the relevant staff, although we may agree, or set our fees on a different basis by agreement with you. Our fees may take into account factors such as complexity, specialised knowledge, value of the transaction involved, urgency and the outcome we achieve.

We may charge additional professional fees if events beyond our control (including your acts or omissions) affect our ability to perform the services as originally planned or if you ask us to perform additional tasks.

You agree to pay to us our professional fees and service charge for providing our services. For new clients, we reserve the right to charge a retainer upfront before providing our services. For overseas clients, we reserve the right to receive full payment before delivering the work. Unless otherwise agreed in writing, we will invoice you during work in progress or at the end of each month and our invoices will be payable within 7 days of billing.

If the account is not paid within 7 days after the due date, our debt recovery agency will charge you a fee equal to 25% of the unpaid portion of the invoice amount and all other legal and collections costs not covered by the fee. Also, we may

- elect not to do any further work and retain custody of your file until we are paid in full; and
- charge interest at the rate of 5% per annum above our banker's usual commercial overdraft rate from the due date of the invoice.

If for any reason you decide not to further proceed with work or cease engagement before work is completed, you agree to pay for all for time and costs incurred to date.

Every year, we will review inflation and rate of increase of operation costs and determine whether an increase is warranted for our estimated fees and charge out rates so please note our charges may change over time.

5. Fee Estimates

We can provide estimates on request. If we provide you with an estimate of fees this will be a guide only and not a fixed quote. The estimate is only given on the basis that (in addition to any further assumptions that may be set out in our engagement letter):

- c) Your instructions are complete;
- d) No unforeseen circumstances arise which require additional work;
- e) You respond to our requests for information or instructions in a timely manner;

- a) Third parties and other lawyers, accountants, business advisers (and the like) involved in the matter are co-operative and reasonable;
- b) Consents and approvals from third parties are given promptly and do not involve protracted negotiations; and
- f) No proceedings, objections or applications are brought that have not already been anticipated by you or us on your behalf.

6. Disbursements

We will also charge you for other reasonable external disbursements incurred in performing the services, including filing fees, registration fees, travel and accommodation costs, fees for experts and other persons we engage on your behalf and external charges such as the fees charged by government or other agencies for the work carried out for you by us. We will endeavour to discuss these costs with you before incurring them on your behalf, unless doing so would prevent us from complying with your instructions.

7. Overseas Withholding Tax

If you are required by law to make a deduction for any tax, levy, duty or other similar charges outside New Zealand from any amount payable to us, the amount payable to us shall be increased such that the amount received by us is the same as would have been received if no such deduction had been made, and you will indemnify us against all and any loss, cost or expense which we incur or suffer in relation to such deduction. You must also provide us (on our request) reasonable documentation to verify the amount of any tax, levy, duty or other similar charges withheld and paid to a tax authority.

8. Invoices and payments

If you direct us to issue an invoice to another party, you remain responsible for payment until our invoice is paid in full.

You must pay us when our invoice is due, whether or not you expect a third party to reimburse you for our fees (and whether or not you receive that reimbursement).

Account may be paid by electronic funds transfers, internet banking or credit card payment via our website (note there is a fee charged by external provider).

9. Allocation of Staff

We will allocate staff with the appropriate level of skills, experience and responsibility to provide the taxation services.

10. Confidentiality

We will not disclose to third party confidential information relating to you unless compelled to do so by law.

11. E-files, retention of files and electronic communications

Either of us may use electronic media to correspond or transmit information and such use will not in itself constitute a breach of any confidentiality obligations under these terms. Electronic communications may be intercepted or corrupted. We do not accept responsibility for the interception or corruption of an electronic communication and will not be liable for any connected damage or loss.

You agree that we may maintain your file, including bills, in electronic form, rather than maintaining a hard copy file. You acknowledge therefore that original documents held by us may not be available as hard copies. We may also provide some services to you via online methods such as via websites and shared access sites. We are dependent upon third parties such as telecommunications carriers to provide these services.



Whilst generally secure and reliable we cannot ensure the security or reliability of communications with you via the internet and you agree that we are not required to do so. You further acknowledge that part or all of the electronic file may be stored on servers maintained by third parties.

If you require a copy of your file or seek that the file be provided to you upon conclusion of the matter or termination of this Agreement, we will provide you with any hard copy documents which are your property, and will provide you with electronic copies of any of your documents which are held in electronic form. We will not be required to provide you with hard copies of your documents which are held electronically.

12. Client Documents

If we are provided with custody of any documents belonging to you, including share registers or constitution documents, those documents will be retained during the course of our appointment (unless their earlier return is requested). At the end of our appointment they will be returned to you unless separate arrangements have been made. We shall be entitled to retain copies. We reserve the right, in appropriate circumstances, to exercise a lien over any documents and files belonging to you which may be in our possession.

13. Use of external records

In providing our services to you, we may rely on information provided to us by third parties (for example, government agencies, public registries or experts). If the information provided by such sources is inaccurate or incomplete, we accept no responsibility for any such errors or omissions and will not be liable for any connected damage or loss.

14. Consumer Guarantees Act

If you acquire services from us for personal use, nothing in these terms excludes or limits any rights you have under the Consumer Guarantees Act 1993.

15. Our Workpapers

You acknowledge the workpapers we produce when providing our services belong to us.

We will:

- a) Inform you if the Inland Revenue Department or any other person seeks access to the workpapers; and
- b) Seek your consent before granting access to any such person unless we are prevented from doing so by law. In particular, in certain circumstances the Inland Revenue may request access to information and workpapers and we may not be legally able to stop this process.

16. Intellectual Property Rights

We may use data, software, designs, utilities, tools, models, systems and other methodologies and know-how ("Materials") that we own in performing the services. Notwithstanding the delivery of any reports, we retain all intellectual property rights in the materials (including any improvements or knowledge developed while performing the services), and ownership of our working papers prepared in connection with the services.

Our materials must not be reproduced or provided to a third party without our express consent. We have no liability to any such third party and you will indemnify us against any such external party claim.

17. Our Reports

From time to time we may issue you draft reports for discussion.

You may not rely on any draft report. We shall not be required to update any final report for circumstances of which we become aware or events occurring after its delivery.

If we give you our work in draft form or orally, we do so only on the basis that you may not rely on it in that form. Accordingly, we will not be responsible if you or anyone else relies on our draft work or oral comments or advice.

18. Blog subscription

You agree to subscribe and receive our blog posts. If you do not wish to receive these, please advise us.

19. Privacy

We use external party software for our business operations. You agree for us to store your information on local or overseas based software.

20. Anti-money laundering

For Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML) purposes, we will request for verified copy of IDs, proof of residential address and any other documents required under the AML Act and you agree to provide these information upon request.

If the provided documentations do not meet the requirements of the AML Act, we reserve the right to terminate the engagement.

21. Terms and Termination of Agreement

These terms apply to the services whenever performed (including before the date of this Agreement). These terms apply to any current engagement for services and also to any future engagement, whether or not we send you another copy.

Where you give us any instruction and we rely on that instruction (for example, by giving an undertaking to a third party), you may not revoke that instruction. Otherwise, you may terminate our engagement at any time.

This agreement may be terminated by either party giving written notice to the other. Termination will not affect your obligation to pay our fees for all taxation services performed prior to the date we receive your notice of termination.

Any of the terms and conditions of this agreement which are intended to apply after termination will continue to apply.

We may also terminate our engagement in any of the circumstances set out in the Chartered Accountant Australia and New Zealand or as required by law.

22. Entirety of Terms of Engagement

Subject to any qualifications, conditions, assumptions and reservations set out in any report or opinion furnished to you, these terms of engagement:

- a) Constitute the entire understanding and agreement between us relating to the matters dealt within it;
- b) Supersede and extinguish all prior negotiations, understandings and agreements whether oral or written between us relating to the matters dealt within these terms of engagement; and
- c) May be carried at any time by mutual agreement in writing.

23. Interpretation

In this engagement letter, "we", "our" and "us" refer to NZ International Tax & Property Advisors Ltd.