

## Terms of Engagement

### 1. Introduction

- 1.1 The following pages confirm our understanding of the terms of our engagement and the nature and extent of the services we will provide.
- 1.2 Unless otherwise agreed between us in writing, this document records the entire agreement between us in relation to our engagement.
- 1.3 The terms recorded in this letter will remain in force until varied by us in writing to you, or until cancelled by either of us by notice in writing to the other.
- 1.4 This engagement will cover all services that Singleton Mercer Limited provides to you. This includes any related entity, any other persons in connection with, or arising out of, your engagement of us on any matter.

### 2. The Assignment(s)

- 2.1 The assignment(s) are on the basis of information you provide. It is your responsibility to ensure the accuracy of that information.
- 2.2 We can provide tax structuring advice and tax compliance services (e.g. preparation and filing in income tax returns and preparation of formal financial statements and regulatory filings).

### 3. Extent of Services

- 3.1 You are solely responsible to users of the financial information and/or advice we compile. You will keep us informed of those users.
- 3.2 The information you are to supply and any other information that we consider necessary to complete the assignment must be provided on a timely basis in order that the assignment can be completed on a timely basis.
- 3.3 If you request us to undertake any compliance services, you will be required to review and approve the Financial Statements, Returns of Income and/or regulatory filing information for reasonableness and correctness, and you will need to understand the importance and risks of signing documents as being true and correct statutory records.
- 3.4 If, for any reason, we are unable to complete the assignment, or we consider the information to be misleading, we may refer to such matters within our opinion/report or we may determine, at our sole discretion, not to issue an opinion/report.
- 3.5 Our procedures will not include verification or validation procedures. No audit or review engagement will be performed and accordingly no assurance will be expressed.
- 3.6 We do not accept any responsibility for the accuracy and completeness of the accounting records and other information you supply to us or for the reliability, accuracy and completeness of the financial information compiled on the basis of those records and information. We also do not accept any responsibility for the maintenance of adequate accounting records, an adequate internal control structure and the selection and application of appropriate accounting policies within your organisation. In addition you are solely responsible to users of the financial information we compile.
- 3.7 Our engagement does not include the investigation or discovery of internal control weaknesses, errors, illegal acts or other irregularities, including without limitation, fraud, or non-compliance with laws and regulations. However, we will inform you of any such matters which come to our attention during the course of our engagement. If, for any reason, we are unable to complete the compilation of your financial information, or we consider the information to be misleading, we may refer to such matters within our compilation report or we may determine, at our sole discretion, not to issue a report.

### 4. Independence

- 4.1 Independence is not a requirement for the anticipated assignments but we will endeavour to remain independent of you and your related entities.
- 4.2 If we are aware that we are not independent of you or your related entities, this fact will be stated in our report.
- 4.3 We will not conduct a comprehensive review to determine whether we are, or are not, independent of your entities.

**5. Use and Distribution of Financial Information/Reports/Opinions**

- 5.1 We understand that the intended use and distribution of the financial information/reports/opinions we will compile is for you, your related entities and, if applicable statutory bodies (e.g. Inland Revenue Department, New Zealand Companies Office).
- 5.2 If this should change in any material respect, you will inform us immediately.
- 5.3 We will not accept any responsibility to any person, other than you, for the contents of the financial information/reports/opinions.

**6. Information and Disclosure**

- 6.1 The conduct of the assignments is in accordance with the professional standards, rules and ethical requirements of Chartered Accountants Australia and New Zealand (CAANZ).
- 6.2 Information we obtain in the course of the assignments is subject to confidentiality requirements, in addition to our obligations under the Privacy Act 1993.
- 6.3 We will not disclose that information to other parties, without your express consent, except as required by law or professional obligations.
- 6.4 However, as members of the CAANZ, we are subject to and bound by the disciplinary procedures and rules of the CAANZ, and our work and files are subject to the practice review rules of the CAANZ under which compliance with professional standards by members is monitored. These procedures and rules require us to disclose to the CAANZ, its reviewers and/or its disciplinary bodies our files and work papers including client information.
- 6.5 By allowing us to undertake these assignments, you acknowledge that, if requested, our files relating to this engagement will be made available to the CAANZ, its reviewers and/or its disciplinary bodies. We assure you that the same ethical standards regarding confidentiality that we adhere to apply equally to the CAANZ's reviewers.

**7. Financial Advisers Act**

- 7.1 Singleton Mercer Limited is not an Authorised Financial Adviser as defined in section 51 of the Financial Advisers Act 2008.
- 7.2 Any advice provided is merely a service provided as an incidental part of a non-financial service.
- 7.3 We recommend that any investment decisions are referred to an Authorised Financial Adviser.

**8. Fees**

- 8.1 Work is generally charged on the basis of the time spent on the assignment by our team and on the level of skills, specialised knowledge and responsibility involved.
- 8.2 Invoices are usually issued on a monthly basis, billing the work or hours for that month. If the assignment(s) has not been completed during the month we reserve the right to interim bill the time spent during the month.
- 8.3 All invoices will be due for payment no later than the 20th day following the date of invoice.
- 8.4 Payment is expected by direct credit to our bank account disclosed on the invoices/statements rendered.
- 8.5 In some cases we may require a retainer in advance which we will pay our fees and costs following rendering of the invoice(s) to you. This is usually the case when we are incurring material out-sourced services.

**9. Limitation of Liability**

- 9.1 To the extent permitted by law, our aggregate liability to you (or any other persons) in connection with, or arising out of, your engagement of us on any matter (or series of related matters) is limited to the lesser of:
- The amount available to be paid out for that liability under any relevant insurance held by us, up to a maximum of NZ\$500,000 (including interest or costs); or
- Three times the total fees we have charged you (excluding GST and disbursements) in connection with the matter at issue.
- 9.2 This limitation applies to liability of all kinds, whether in contract, tort (including negligence), equity, statute, or otherwise for all loss, damage, liability, costs and expense you may incur either directly or indirectly.

9.3 You agree this limitation contracts out of sections 9, 12A, 13, and 14(1) of the Fair Trading Act; that you have not relied on any representations made by us in entering into this agreement; that this clause is fair and reasonable; and you acknowledge we have advised you to take independent legal advice before entering into these terms of engagement.

**10. Time Limit for Claims**

10.1 Any claim you have against us must be filed within two years after the date of the act or omission on which the claim is based. Otherwise, we will have no liability for that act or omission or for its consequences (to the extent permitted by law). In these terms of engagement, "claim" and "date of the act or omission on which the claim is based" have the same meanings as in the Limitation Act 2010.

10.2 This time limit overrides the time periods under that Act, and applies regardless of when any fact relevant to the claim was first discovered.

**11. Ownership of Work Papers**

11.1 Material that you provide to us remains your property and will be returned to you when the assignment(s) is completed.

11.2 Work papers that we create remain our property.

11.3 However, if your affairs at some time in the future are handled by another Chartered Accountant, we will make available, as required by the Code of Ethics, such information regarding your affairs that is essential to enable your new Chartered Accountant to perform the services we previously provided.

11.4 Our work may involve the collection of personal information relevant or incidental to the assignment(s). Any such information will be held at our offices and will be retained for as long as may be relevant to the assignment(s), and, except where otherwise noted in this letter, will only be used or disclosed for purposes related to the assignment(s).

11.5 Individuals concerned will be able to contact us to access information held concerning them and, if necessary, seek correction to that information.

11.6 By signing this engagement letter, you confirm we have authority to communicate with and obtain information from any third party (including Government Departments if required) if the information sought is relevant to our assignment(s).

11.7 We will store tax records that we hold on your behalf for the applicable statutory period after the applicable balance date or we will return the records to you for your safe keeping. At the end of the applicable statutory period, unless you ask us to send that information to you, the records will be destroyed using a secure document destruction service.

**12. Signoff**

12.1 To confirm that you agree with the above terms, please sign below, initial each page of the terms of engagement, and return to us.

12.2 The terms recorded in this letter will be effective for this and all future engagements that are similar in nature unless we advise you, and you agree, to any change in our terms.

12.3 If you have any queries regarding the above please call or email our office.

I, \_\_\_\_\_, am an authorised signatory and acknowledge and confirm acceptance of the terms and conditions contained in this letter.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Authorised Signatory