



IVY ADVISORY LIMITED

STANDARD TERMS OF ENGAGEMENT

This document sets out the terms of our engagement and the nature and limitations of the services we will provide.

1. Scope and Output of the Engagement

As a CPA Australia practice, the services we provide will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited ("APESB"). The extent of our procedures and services will be limited exclusively for this purpose. As a result, no audit or review will be performed and, accordingly, no assurance will be expressed. Our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may exist. However, we will inform you of any such matters that come to our attention.

Our professional services are conducted and any output documents will be prepared for distribution to you or a specific party for the purpose specified in the documents or as agreed. We disclaim any assumption of responsibility for any reliance on our professional services to any party other than as specified or agreed, and for the purpose which it was prepared.

We may use or develop software (including spreadsheets) to assist us in providing you with our services. You acknowledge that any software we make available to you is made available on an "as is" basis for your use only and it must not be distributed to any third party. We make no representations or warranties as to the sufficiency or appropriateness of our software for any purpose for which you or a third party may use it.

2. Your Responsibilities

You are responsible for the reliability, accuracy and completeness of the accounting records, particulars and information provided and disclosure of all material and relevant information. You are required to arrange for reasonable access by us to relevant individuals and documents, and shall be responsible for both the completeness and accuracy of the information supplied to us. You or your staff are responsible for maintaining and regularly balancing all books or accounts, and the maintenance of an adequate accounting and internal control system.

As a taxpayer, you have the primary responsibility for meeting your New Zealand tax obligations. These obligations include keeping the required records, ensuring your tax returns are true and correct, filing your tax returns on time and paying your taxes on time. You are responsible to keep your records for seven years.

Whilst the Commissioner of Inland Revenue ("Commissioner") may accept claims made by a taxpayer in an income tax return and issue a notice of assessment, usually without adjustment, the return may be subject to later review. The Commissioner may challenge the position taken in a tax return unless the return has been previously assessed and four years have passed from the end of the year in which the notice of original assessment was issued. Where the returns are fraudulent or wilfully misleading or

omit income of a particular nature or from a particular source, there is no time limit on amending the assessment. Accordingly, you should check the return before it is signed to ensure that the information in the return is accurate.

As any advice we give you will be based on the information you provide, we cannot accept any responsibility for any inaccuracies or omissions in that information or for any delays or other problems beyond our control.

Considerable uncertainty can arise when applying tax law to specific situations. Therefore, it is not possible for us to guarantee the Commissioner will accept our advice.

3. Quality and timeliness of information provided

We will request from you information required to perform our services from time to time. You will ensure that any information we need is provided to us on a timely basis and the people we need to liaise with will be available during the course of the assignment. You warrant that all information you provide to us will be accurate and complete and acknowledge that we will rely on it without further verification.

Unless otherwise agreed in advance, we will assume that any assignment we undertake for an agreed fixed fee will be completed within six months of the date we agree to undertake that assignment.

We may need to charge additional fees if you change the scope of an assignment or there are delays or other problems beyond our control.

4. Invoice and Payment Terms

We may invoice you prior to the completion of an assignment. In any situation where we agree to complete an assignment for a fixed fee, any invoices we issue prior to completion will be for amounts that we consider fairly reflect the extent to which we have completed the assignment.

Unless otherwise agreed in writing in advance, you must pay for the services you purchase from us no later than the 20th of the month following the date of our invoice.

If you believe we have made a mistake on our invoice, you must notify us before the due date. We will try to resolve any dispute that arises as quickly as possible.

We may require you to pay interest at the rate of 2.0% per month, calculated on a daily basis, on any overdue amounts. We will require you to pay any fees or expenses we reasonably incur in collecting overdue amounts from you.

5. 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.



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6. Ownership of Documents

All original documents obtained from you arising from the engagement shall remain the property of you. However, we reserve the right to make a reasonable number of copies of the original documents for our records.

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

7. Our requirements as to the limitation of our liability

The aggregate liability (including interest and costs) of Ivy Advisory Limited and any director, employee, contractor or agent of Ivy Advisory Limited to you and your associates, whether in contract or tort, including negligence, for losses or damages (including indirect, special or consequential losses or damages and loss of profits) resulting from any breach of our obligations, whether or not such defaults or breaches entitle you to terminate our engagement, shall be limited to NZ\$50,000.

8. Provision of Services to Associated Persons

Unless covered by separate engagement terms, these terms of engagement will also apply to any services we provide to any person or persons who are associated with you. For this purpose, the term "person" is as defined in section 29 of the Interpretation Act 1999 and the term "associated" is to be determined in accordance with subpart YB of the Income Tax Act 2007.

9. Confidentiality

In conducting this engagement, information acquired by us in the course of the engagement is subject to strict confidentiality requirements. That information will not be disclosed by us to other parties except as required or allowed for by law, or with your express consent.

Our firm's system of quality control has been established and maintained in accordance with the relevant APESB standard. As a result, our files may be subject to review as part of the quality control review program of CPA Australia which monitors compliance with professional standards by its members. You acknowledge that, if requested, our files relating to this engagement will be made available under this program. Should this occur, we will advise you.

We may collect personal information about 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 1993 ("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 information for the purposes of providing our services to you. We will handle personal information in accordance with the Privacy Act.

10. Internet Communications

You acknowledge that we may communicate with you electronically. We will take all reasonable steps to ensure that no error, omission or loss of confidentiality arises from or in connection with the electronic communication of information to you. However, we cannot guarantee that any such error, omission or loss of confidentiality won't arise.

11. 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.

12. Governing Law

Our engagement is subject to the laws of New Zealand which shall govern the effect and construction of these engagement terms and over which the courts of New Zealand shall have exclusive jurisdiction.

13. 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 with in these terms of engagement; and
- (c) May be varied at any time by mutual agreement in writing.

14. Period of Engagement and Termination

This engagement will start upon your acceptance of our terms of engagement. This document will be effective for future years unless we issue an amended one to you.

Either party may terminate this engagement by giving written notice to the other. You will remain obligated to pay our agreed fees for all services performed prior to the date of termination. Any of the terms and conditions of this agreement that are intended to apply after termination will continue to apply.

15. Interpretation

In these engagement terms, "we", "us" and "our" refer to Ivy Advisory Limited.

16. Confirmation of Terms

Acceptance of our services in conjunction with this document indicates that you understand and accept the arrangements. This document will be effective for future engagements unless we advise you in writing of any changes.