



STANDARD TERMS AND CONDITIONS OF BUSINESS

1. APPLICABLE LAW

1.1. Our engagement letter, the schedule of services and our standard terms and conditions of business are governed by, and should be construed in accordance with New Zealand law (“the law”). Each party agrees that the courts of New Zealand (“the courts”) will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right to object to any action being brought in the courts, to claim that the action has been brought in an inappropriate forum, or to claim that the courts do not have jurisdiction.

2. CLIENT MONEY

2.1. We may from time to time hold money on your behalf. Such money will be held in trust in a client bank account, which is segregated from the firm’s funds.

3. CONFIDENTIALITY

3.1. Communication between us is confidential and we shall take all reasonable steps to keep confidential your information except where we are required to disclose it by law, by regulatory bodies, by our insurers or as part of an external peer review. Unless we are authorised by you to disclose information on your behalf this undertaking will apply during and after this engagement.

3.2. We may, on occasions, subcontract work on your affairs to other tax or accounting professionals. The subcontractors will be bound by our client confidentiality terms.

3.3. We reserve the right, for the purpose of promotional activity, training or for similar business purpose, to mention that you are a client. As stated above we will not disclose any confidential information.

4. CONFLICTS OF INTEREST

4.1. We will inform you if we become aware of any conflict of interest in our relationship with you or in our relationship with you and another client. We have safeguards that can be implemented to protect the interests of different clients if a conflict arises. Where conflicts are identified which cannot be managed in a way that protects your interests then we regret that we will be unable to provide further services. If this arises, we will inform you promptly.

4.2. If there is a conflict of interest that is capable of being addressed successfully by the adoption of suitable safeguards to protect your interests then we will adopt those safeguards. Where possible this will be done on the basis of your informed consent. We reserve the right to act for other clients whose interests are not the same as or are adverse to yours subject of course to the obligations of confidentiality referred to above.

5. DISENGAGEMENT

5.1. Should we resign or be requested to resign we will normally issue a disengagement letter to ensure that our respective responsibilities are clear.

5.2. Should we have no contact with you for a period of 12 months or more we may issue to your last known address a disengagement letter and thereafter cease to act.

6. ELECTRONIC AND OTHER COMMUNICATION

6.1. 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.

6.2. With electronic communication there is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties. We use virus-scanning software to reduce the risk of viruses and similar

damaging items being transmitted through emails or electronic storage devices. However electronic communication is not totally secure and we cannot be held responsible for damage or loss caused by viruses nor for communications which are corrupted or altered after despatch. Nor can we accept any liability for problems or accidental errors relating to this means of communication especially in relation to commercially sensitive material. These are risks you must agree to bear in return for greater efficiency and lower costs. If you do not wish to accept these risks please let us know and we will communicate by paper mail, other than where electronic submission is mandatory.

- 6.3. Any communication by us with you sent through the post system is deemed to arrive at your postal address three working days after the day that the document was sent.

7. FEES AND PAYMENT TERMS

- 7.1. All fees, whether fixed or charged on time spent on your affairs, will be agreed prior to actual provision of services.
- 7.2. For clients who subscribe a service plan with us, we will review our service plan fee annually upon factors such as the time spent on your affairs, the level of skill and responsibility required, the importance and value of the advice that we provide, the level of risk, and the change of CPI. If, based on our review, we have to change the fee, we will provide you a written notice (by post or email) of the revised fee figure and range and to seek your agreement thereto.
- 7.3. For any services not included in the service plan subscribed, we may change our fees at any time and the changed fee structure and rates will apply immediately from the date the new fee schedule becomes effective.
- 7.4. If requested, for works that are charged on hourly basis, we will provide you with an estimate of hours and fees. However the estimate will not be contractually binding unless we explicitly state that that will be the case.
- 7.5. Our fees are exclusive of GST which will be added where it is chargeable. Any disbursements we incur on your behalf and expenses incurred in the course of carrying out our work for you will be added to our invoices where appropriate.
- 7.6. Unless otherwise agreed to the contrary our fees do not include the costs of any third party, counsel or other professional fees.
- 7.7. The standard fee payment term is 10 days from the invoice date. We reserve the right to apply a shorter payment term and charge interest on late paid invoices at the rate of 10% above the current official cash rate issued by the Reserve Bank of New Zealand. Any debt in arrears of 60 days or more may be forwarded to an external collection agency for recovery. If we engage an external debt collector a debt recovery fee will be charged to you on the overdue account balance. We also reserve the right to 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.
- 7.8. If you do not accept that an invoiced fee is fair and reasonable you must notify us within 7 days of receipt, failing which you will be deemed to have accepted that payment is due.

8. INTELLECTUAL PROPERTY RIGHTS

- 8.1. We will retain all copyright in any document prepared by us during the course of carrying out the engagement save where the law specifically provides otherwise.

9. INTERPRETATION

- 9.1. If any provision of this engagement letter or enclosed schedule(s) is held to be void, then that provision will be deemed not to form part of this contract and the remainder of this agreement shall be interpreted as if such provision had never been inserted.
- 9.2. In the event of any conflict between these terms of business and the engagement letter or schedule(s), the relevant provision in the engagement letter or schedules will take precedence.

10. INTERNAL DISPUTES WITHIN A CLIENT

10.1. If we become aware of a dispute between the parties who own or are in some way involved in the ownership and management of the business, it should be noted that our client is the business and we would not provide information or services to one party without the express knowledge and permission of all parties. Unless otherwise agreed by all parties we will continue to supply information to the normal place of business for the attention of the directors/proprietors/trustees. If conflicting advice, information or instructions are received from different directors/principals/trustees in the business we will refer the matter back to the board of directors/board of trustees/partnership/LLP and take no further action until the board/partnership/LLP has agreed the action to be taken.

11. REFERRAL OF OTHER SPECIALIST

11.1. Our business scope will be limited to accounting and taxation services specified in the engagement letter and the attached schedule(s). You may need to engage other professionals for advice on affairs such as investment, borrowing, insurance, legal, human resources, immigration, etc. If, in any case, you need advice on any of these matters, we may refer you to someone we know who is authorised/specialised to provide you such advice. However, you should use your own discretion on whether or how to engage such specialist. We accept no responsibility of the advice/service provided to you by the specialist referred by us and are not liable for any loss or damage that may be caused.

12. LIEN

12.1. Insofar as we are permitted to do so by law or professional guidelines, we reserve the right to exercise a lien over all funds, documents and records in our possession relating to all engagements for you until all outstanding fees and disbursements are paid in full.

13. LIMITATION OF LIABILITY

13.1. We will provide our services with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses directly caused by our negligence or wilful default.

13.2. We will not be liable if such losses, penalties, surcharges, interest or additional tax liabilities are caused by the acts or omissions of any other person or due to the provision to us of incomplete, misleading or false information or if they are caused by a failure to act on our advice or a failure to provide us with relevant information.

13.3. We will not be liable to you for any delay or failure to perform our obligations under the engagement letter if the delay or failure is caused by circumstances outside our reasonable control.

13.4. We will not be responsible or liable for any loss, damage or expense incurred or sustained if information material to the service we are providing is withheld or concealed from us or misrepresented to us. This applies equally to fraudulent acts, misrepresentation or wilful default on the part of any party to the transaction and their directors, trustees, officers, employees, agents or advisers.

13.5. This exclusion shall not apply where such misrepresentation, withholding or concealment is or should (in carrying out the procedures which we have agreed to perform with reasonable care and skill) have been evident to us without further enquiry beyond that which it would have been reasonable for us to have carried out in the circumstances.

13.6. You agree to indemnify us and our agents in respect of any claim (including any claim for negligence) arising out of any unauthorised disclosure by you or by any person for whom you are responsible of our advice and opinions, whether in writing or otherwise. This indemnity will extend to the cost of defending any such claim, including payment at our usual rates for the time that we spend in defending it.

13.7. Where the engagement letter specifies an aggregate limit of liability, then that sum shall be the maximum aggregate liability of the firm/company/LLP/trust, its principals, partners, directors, or members, agents, employees, all persons to whom the engagement letter is addressed, and also any other person that we have agreed with you may rely on our work. If no amount is specified in the engagement letter, the aggregate liability shall not exceed three (3) times of our fees charged in respect of the services provided (or where a service plan is subscribed, three (3) times of the service plan fees charged for the year concerned). By accepting the engagement letter you agree that you have given proper consideration to this limit and accept that it is reasonable in all the circumstances. If you do not wish to accept it you should contact us to discuss it before accepting the engagement letter.

13.8. You have agreed that you will not bring any claim of a kind that is included within the subject of the limit against any of our principals, partners, directors, members or employees on a personal basis.

14. LIMITATION OF THIRD PARTY RIGHTS

14.1. The advice and information we provide to you as part of our service is for your sole use and not for any third party to whom you may communicate it unless we have expressly agreed in writing that a specified third party may rely on our work. We accept no responsibility to third parties, including any group company to whom the engagement letter is not addressed, for any advice, information or material produced as part of our work for you which you make available to them. A party to this agreement is the only person who has the right to enforce any of its terms and no rights or benefits are conferred on any third party under the law.

15. PERIOD OF ENGAGEMENT AND TERMINATION

15.1. Unless otherwise agreed in the engagement letter our work will begin when we receive your implicit or explicit acceptance of that letter. Except as stated in that letter we will not be responsible for periods before that date.

15.2. Each of us may terminate this agreement by giving not less than 30 days notice in writing to the other party except where you fail to cooperate with us or we have reason to believe that you have provided us or IRD with misleading information, in which case we may terminate this agreement immediately. Termination will be without prejudice to any rights that may have accrued to either of us prior to termination.

15.3. In the event of termination of this contract, we will endeavour to agree with you the arrangements for the completion of work in progress at that time, unless we are required for legal or regulatory reasons to cease work immediately. In that event, we shall not be required to carry out further work and shall not be responsible or liable for any consequences arising from the termination.

16. RELIANCE ON ADVICE

16.1. We will endeavour to record all advice on important matters in writing. Advice given orally is not intended to be relied upon unless confirmed in writing. Therefore, if we provide oral advice (for example during the course of a meeting or a telephone conversation) and you wish to be able to rely on that advice, you must ask for the advice to be confirmed by us in writing.

17. RETENTION OF PAPERS

17.1. You have a legal responsibility to retain documents and records relevant to your tax affairs. During the course of our work we may collect information from you and others relevant to your tax affairs. We will return any original documents to you if requested. Documents and records relevant to your tax affairs are required by Tax Administration Act 1994 to be retained for at least seven years after the end of the income year to which they relate.

17.2. Whilst certain documents may legally belong to you we may destroy correspondence and other papers that we store, electronically or otherwise, which are more than seven years old. You must tell us if you require the return or retention of any specific documents for a longer period.

Blessed Abacus Limited
Chartered Accountants
Hamilton

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