

Terms of Engagement

This agreement sets out standard terms of our engagement and the nature of, and limitations to the services that Owens Tax Advisors Limited will provide to clients.

If you have any questions about this document please contact us.

Contents

- 1 Advisory and Advocacy Services
- 2 Other services
- 3 Disclaimers
- 4 Retention of Information
- 5 Our Service Team
- 6 Fees
- 7 Refunds and disputes
- 8 Relationships with accountants, lawyers and other professionals
- 9 Limitation of liability
- 10 Tax Publications
- 11 Professional Indemnity cover
- 12 Complaints process
- 13 Termination on notice

1. Advisory and Advocacy Services

We are happy to provide you with written advice and/or advocate on your behalf in relation to any tax matter that may arise during the year. Any advice or advocacy provided will be subject to the terms set out in this document, and the scope of this work will be agreed in writing or set out in the advice letter.

We are qualified to provide advice in respect of New Zealand tax legislation and applicable double tax treaties. We may be able to provide some guidance in respect of foreign tax jurisdictions but this must be checked by an expert in the relevant country.

You should be aware that most non routine transactions will have some tax implications, for example, sale or purchase of significant assets, particularly land, non-arm's length transactions with related parties, the acquisition or divestment of a business, change in tax residence and investment overseas.

So that the implications of these transactions can be properly assessed, please advise us of your intentions before taking any action. We may be able to assist you to complete the transaction in a more tax efficient manner or ensure that your proposed course of action does not give rise to adverse tax consequences.

2. Other services

If you require services that are outside our core business we would be pleased to recommend another firm which could provide those services.

3. Disclaimers

Advice will be prepared on the basis of information provided by you or your client and our own research. We rely on the information and documents being true, correct and complete and in general will not audit, test or check them. Therefore, you will appreciate that we can accept no responsibility for any liability arising due to inaccuracies or omissions in the information as set out in our advice.

Any advice provided will be based on the law, regulations, cases, rulings and other tax authorities in effect as of the date of our report. Our advice or opinion will represent our considered judgment as to the proper tax treatment of the proposed or existing transaction at the date of our report. Subsequent changes in these tax authorities may render our opinion inapplicable. We take no responsibility for updating your report to reflect changes in the law etc unless there is a specific assignment to do so. Please note that our advice or opinion is not binding on other parties including the Inland Revenue Department (IRD) or the courts and we cannot guarantee that it will not be successfully challenged by the IRD.

Any advice or opinion provided to you will be specific to your current circumstances and intentions and therefore will not be suitable for use at a different time, in different circumstances or to achieve other aims or for the use of others. Accordingly, you should only use the advice for the intended purpose and no other person is entitled to rely on this advice for any other purpose. We will have no responsibility or liability towards any person other than the addressee.

We will maintain full confidentiality in relation to all matters referred to us except as may be necessary to carry out the work required by you, or may be required by law.

The advice (excluding facts) is normally protected from disclosure to IRD under the rules set out in sections 20B to 20G of the Tax Administration Act 1994 – refer www.legislation.govt.nz

4. Retention of Information

Any work papers that we prepare remain our property to be dealt with as we decide. Normally we will only retain these in electronic rather than paper form.

In the absence of any other instructions from our clients, it is our normal practice to destroy correspondence and other papers which are more than seven years old, other than documents which may be of continuing significance.

5. Our Service Team

Jeff Owens will be in charge of the tax work which we will do for you, but we reserve the right to involve other personnel if necessary.

We will endeavour to ensure that you receive quality service from us and will always be pleased to hear any suggestion as to how our service can be improved.

6. Fees

It is our practice to render fees based on the degree of responsibility and skill involved, the importance of the matter to you, the urgency of the work, the value of the services rendered and the time spent on the work.

With the exception of some travel (as agreed in advance), most disbursements - calls, postage, travel etc) are absorbed within our fees and are not on-charged to you.

If requested, we will be pleased to provide a fee estimate for any work undertaken. Please note however that an estimate is not a quote. Where the costs are likely to significantly vary from the estimate we will try to provide you with an update and seek confirmation that additional work should be done.

Time and cost relating to IRD investigations are difficult to estimate as the work is significantly affected by IRD attitude and expansion to scope of information issues.

Our estimate of fees takes into consideration prompt responses to requests for information from you and or your other advisors. Any delay in delivering the required information may extend the assignment which may have an impact on fees.

We will normally charge for time and cost in preliminary research, whether or not you decide to proceed with the assignment.

In relation to certain services we provide, we may charge fees on a basis other than that set out above. In all such cases, we will agree these arrangements with you prior to providing these services.

In general we will invoice and require payment of 50% of an estimated fee in advance, and the balance on completion of the assignment. Fees for overseas clients and managing IRD audit and debt situations will generally be payable progressively in advance. Other invoices are payable within ten days of the invoice. These arrangements may be varied by agreement.

Given the alternative payment options, any late payments are subject to a finance and administration charge of 1.5% per month commencing from the date of invoice, plus any collection fees (which may be a significant portion of the original debt). These charges will form part of the principal debt.

Where more than one client is a party to these terms of engagement, our invoices are payable jointly and severally by all the clients.

7. Refunds and disputes

We pride ourselves on providing excellent service and having satisfied clients. Our bank requires us to document a refund policy. We expect that in the remote chance that a client requested a refund we would settle the issue by discussion. In the event of any dispute over fees which is not settled between the parties within three months the matter can be referred to an appropriate independent organisation for arbitration.

8. Relationships with accountants, lawyers and other professionals

Accountants, lawyers and other professionals frequently engage us to provide advice to or for their own clients.

In those circumstances (where professionals are the engaging party and unless otherwise agreed in advance) we will invoice the professional and it is up to the professional to on-charge and recover from their client. In the event of late or non-payment, responsibility for payment and additional administration and collection charges remains with the engaging party.

We will not compete with such professionals in relation to any client referrals.

9. Limitation of liability

We shall use reasonable skill and care in the provision of our services to you. Our duty to do so is owed to you only and not to any other person.

Any liability of ours for costs, damages or other legally payable amounts whether for losses arising from the services provided by us (whether in contract, negligence or otherwise) or otherwise arising at law shall be limited to and not exceed five times the fees paid in aggregate in respect of the services provided under this agreement.

In the case of continuous services reference to "the fee" shall mean our fee charged in the twelve months preceding the occurrence of the event(s) giving rise to the claim insofar as they relate to the services relevant to any alleged losses.

10. Tax Publications

Unless specifically notified to the contrary we may place you on a mailing list to receive our occasional tax newsletter, and invitations to any tax seminars we may present from time to time.

11. Professional Indemnity cover

We maintain appropriate professional indemnity insurance as recommended and required by our professional governing bodies.

12. Complaints process

If you have any concerns, please contact the Principal Jeff Owens in the first instance. Jeff is a member of both CPA Australia and the Accountants and Tax Agents Institute of New Zealand (ATAINZ), each of which have documented complaints procedures.

13. Termination on notice

We reserve the right to terminate an assignment. This would be under rare circumstances such as a client who does not provide information required for an assignment, fails to pay fees etc.