

Standard Terms and Conditions

These Terms and Conditions apply to any current engagement and also to any future engagements, whether or not we send you a copy of them. We are entitled to change these Terms and Conditions from time to time.

As professionals, we act in your interests within the Code of Ethics and professional guidelines established by the Chartered Accountants Australia and New Zealand. In particular this involves adherence to standards of:

- Confidentiality
- Avoiding any conflict of interest which could prevent us from acting other than in your best interests. Should a conflict arise during an assignment, we will discuss this with you and ask for your guidance on what action you would like us to take.
- Providing competent professional staff and advice to assist you.

Our role is to provide high quality financial and business information and advice appropriate to your needs and objectives.

Confidentiality: We will maintain utmost confidentiality about your business and personal affairs. In the absence of specific instructions from you (verbal or written), copies of your financial statements will be provided only to you and the Inland Revenue Department and to such other persons, as we are required by law to disclose to. Confidentiality continues to apply even after the assignment is completed.

Conflict of Interest: Polson Higgs is not presently aware of any conflict of interest which would affect our ability to provide services to you. We will advise you if we become aware of any potential conflict of interest during the course of our engagement, and we will work with you to find a suitable solution.

Quality of Service: We wish to provide you with a high quality service that meets your needs at all times. If, at any time, you believe that our service to you could be improved, or if you are dissatisfied with any aspect of our service, please raise the matter immediately with us.

Tax Opinion (where applicable): Our advice will be based on the background information provided, some stated assumptions, and the law as it currently stands.

Once issued, we do not take responsibility for updating our opinion should there be a change in legislation or developments in the area. If you wish us to update our opinion, this would represent a separate assignment and you would need to engage us for that.

Our opinion will be based on what we regard as the better view of the law.

Where there is significant uncertainty or risk we will highlight that to you.

Our opinion is not binding on the IRD and the IRD may not necessarily agree with our opinion.

If the IRD form an alternative view there might be additional tax, interest and penalties due. We do not accept liability for any of these costs unless we have been negligent in the work performed.

Our opinion is provided only to the party named in the engagement terms and cannot be provided to any other party without our written consent. We do not accept liability to any third party, and you agree to indemnify us against any third party claims.

Oral Opinion

From time to time we will give oral advice in meetings and over the telephone. While we always strive to provide accurate advice, it must be recognised that oral advice is not our considered view on the matter. Accordingly, if you wish to rely on our oral advice, you should seek written confirmation of the same.

Inland Revenue Penalties Regime: The tax legislation places the onus on taxpayers to comply with current tax legislation in determining their taxation commitments. Where the level of care taken in establishing their tax liability has been deficient, penalties will be imposed. Penalties can range from 20% to 150% on the shortfalls of tax, plus an interest charge. In the light of this legislation, we have introduced a series of measures to limit any potential exposure to the Penalties Regime. As you will ultimately bear the cost of any penalties which may be imposed, we strongly suggest you review your own systems so that penalties are not incurred as a result of your own practices.

Your Responsibilities and Obligations: You will provide us with the information we require to carry out the work requested within a reasonable time. You will provide us with any other information we require within the time frame we agree for specific assignments. As taxpayers, you have the primary responsibility for meeting your tax obligations. These obligations include keeping the required records, ensuring tax returns are true and correct, filing tax returns on time, and meeting tax payment obligations. Even though you have asked us to assist, the primary responsibility for meeting your tax obligations rests with you. As our advice is based on the information you provide, we cannot accept responsibility for any inaccuracies or omissions in that information, any delays, or other problems beyond our control.

As considerable uncertainty can arise when applying case law and tax legislation to specific situations, we cannot guarantee that Inland Revenue will accept our interpretation.

Complaints: We maintain a procedure for handling any complaints by clients, designed to ensure that a complaint is dealt with promptly and fairly. If you have a complaint about our services or charges you may refer your complaint to the person in our company who has overall responsibility for your work. If you do not wish to refer your complaint to that person, or you are not satisfied with that person's response to your complaint, you may refer your complaint to Steve Dunbar, CFO. Steve can be contacted by phone, 03 477 9923, or email steve.dunbar@ph.co.nz.

The NZ Institute of Chartered Accountants operates a Complaints Service. They require complaints be made in writing and addressed to The Secretary, Professional Conduct Committee, NZ Institute of Chartered Accountants, PO Box 11342, Wellington 6142. Visit the NZ Institute of Chartered Accountants website, www.nzica.com, which fully explains the complaints process.

No Audit or Review Engagement Undertaken: Our procedures do not include verification or validation of the financial statements or any other information provided. No audit or review engagement has been performed and accordingly no assurance is expressed

Limited Audience: Unless Polson Higgs has agreed in writing, no advice or other information provided to you is to be passed on or made available to be used or relied upon by any third party. Polson Higgs will have no liability to any such third party and by accepting our terms of engagement you are agreeing to indemnify us against any such third party claim.

Ownership of Books, Records and Other Documents: It is agreed that the ownership of all documents supplied by you to assist in the performance of professional services shall remain your property. It is also agreed that all documents produced by Polson Higgs in the performance of these professional services shall remain the property of Polson Higgs. For the avoidance of doubt it is agreed that Polson Higgs shall retain ownership of all workpapers and drafts created in the course of performing professional services for you, which are not or do not form an integral part of the end product of that work.

Where reasonably possible Polson Higgs will:

- a) Inform you if any other person seeks access to our workpapers; and
- b) Seek your comment before granting access to any person unless we are compelled to do otherwise by law.

Right to Claim a General Lien over Books and Records: It is agreed that Polson Higgs shall be entitled to exercise a general lien over all the books, records, related documents and other such chattels that may come into the possession of Polson Higgs for the purpose of performing professional services for you, until all costs and charges whatsoever of Polson Higgs for professional services of any nature to you have been fully paid.

Storage of Records: You agree for Polson Higgs to destroy all files and documents relating to a job, seven years after that job has been completed. We may destroy paper files or documents earlier if we have an electronic copy of them. We will not destroy any documents we have agreed to hold in safe custody for you.

Fees and Payment

- **Fees:** A fee estimate, or fixed price can be provided prior to undertaking this assignment if requested. Otherwise we base our fees upon the degree of responsibility, experience, the skill involved, and the time necessarily occupied on the work. GST will be added to fees and disbursements. Our practice is to render interim accounts during the course of an engagement on a monthly basis. This enables you to monitor the progress of the work and measure it against your expectations. It also enables us to advise you if any estimate or expectation is likely to be exceeded and the reasons for this. We will discuss any changes in fee estimate as needed.
- **Payment:** Unless otherwise agreed, payment of fees rendered shall be paid to Polson Higgs on 20th of the month following the date an invoice is issued. Payment for software or software subscription will be at the terms of the software provider. Should you have any difficulties paying your account, please contact us immediately so we can discuss possible payment arrangements. Interest may be charged on overdue accounts. Any expenses, costs and disbursements incurred by Polson Higgs in recovering any outstanding monies, including debt collection agency fees or solicitor costs shall be paid by you.
- **Third Parties':** Although you may expect to be reimbursed by a third party for our fees and expenses, and although our invoices may at your request or with your approval be directed to a third party, you remain responsible for payment to us if the third party fails to pay us.

Credit Checks: It is agreed we may carry out reasonable credit checks and you authorise anyone contacted to provide us with information we request as part of our credit enquiries.

Viruses on Client Disks and E-mail Attachments: If you provide us with a disk or email attachments for use on our system and it contains a virus, you will be contacted and advised to remove the virus from your computer. We strongly recommend that all clients use an up to date virus checker on their computers to avoid the transfer of viruses to other systems.

Third Party Software and Hardware: Prices quoted for hardware and software sourced from third parties are subject to confirmation at the time of order. Polson Higgs is not responsible for changes in pricing, errors or omissions made by third parties. Where Polson Higgs supplies third party software, the client agrees to abide by all software license agreements enforced by the software copyright owner. Where required by the software developer, the client agrees to pay all annual maintenance charges in full and on time. While Polson Higgs takes every effort to supply fault-free software and hardware, they cannot be held responsible for any flaws or bugs in the design of third party software, faults in any hardware supplied, nor any costs or loss of income arising from such flaws. Where hardware supplied develops a fault that is covered by the manufacturer's warranty, our responsibility is limited to arranging for service by the manufacturer's authorised service technician.

Termination of Agreements and Refunds Policy: It is agreed both parties have the right to terminate any engagement for any reason, including the ending of an engagement already underway. No refunds shall be given where an engagement is deemed to have begun and is, for all intents and purposes, underway. All monies that have been paid to Polson Higgs which constitute payment in respect of the provision of unused services shall be refunded. Where the engagement is terminated by either party for any reason, you must pay us all fees due and expenses incurred up to the date of termination.

Applicable Law and Governing Jurisdiction: The contract formed, by your acceptance of our Terms and conditions, will be governed by, and construed in accordance with the laws of New Zealand. It is irrevocably agreed and accepted that the Courts of New Zealand will have exclusive jurisdiction to settle any claim, difference or dispute, including, without limitation, claims for set-off or claims that may arise out of, or in connection with, this contract. Each party irrevocably waives any claim that the action has been brought in an inconvenient forum or that such courts do not have jurisdiction.

Polson Higgs Ltd: Any use or reference to Polson Higgs, we, us, our or firm within these terms and conditions will mean Polson Higgs Ltd.

Partner: The title 'Partner' conveys that the person is a senior employee of Polson Higgs Ltd and holds an equity interest in the company.

By requesting Polson Higgs to complete assignments for you, you acknowledge and agree to the above terms and conditions.