Russell Turner
Chartered Accountants

TERMS OF ENGAGEMENT

1. Introduction

These Terms of Engagement apply to all services provided by Russell Turner Chartered Accountants Limited ("RTCA", "we", "us", "our") and should be read together with our Privacy Statement and Authority to Act & Scope of Services.

These Terms of Engagement apply to all current and future services provided by us unless superseded by a subsequent engagement agreement.

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2. Our Responsibilities

As your adviser and/or tax agent, we will:

- perform our work with reasonable care and skill;
- comply with applicable professional and ethical standards;
- prepare agreed financial statements, taxation returns and advisory work using information supplied by you;
- advise you of significant matters that come to our attention during our work; and
- maintain confidentiality except where disclosure is authorised, reasonably required, or required by law.

Unless expressly agreed in writing, our work does not constitute an audit, review engagement, assurance engagement or fraud investigation.

We do not independently verify the accuracy, completeness or reliability of information supplied to us.

You should not rely upon our services to detect fraud, theft, illegal acts, deficiencies in internal controls or other irregularities. If any matter comes to our attention that appears unusual or concerning, we will bring it to your attention.

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3. Your Responsibilities

You are responsible for:

- maintaining adequate accounting and business records;
- retaining supporting documentation required by law;
- providing complete, accurate and timely information;
- reviewing all financial statements, returns and documents before submission;
- paying taxes and other statutory obligations by the relevant due dates; and
- ensuring compliance with all legal obligations relating to your affairs.

Responsibility for the accuracy and completeness of information submitted to Inland Revenue or any other authority remains with you.

You must disclose all sources of income and ensure all claims, deductions and positions taken are supported by appropriate records.

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4. Reliance on Information and Instructions

We are entitled to rely on information, records, explanations and instructions provided by any person whom we reasonably believe is authorised by you or associated with your affairs, including directors, shareholders, trustees, partners, employees, managers, bookkeepers and professional advisers.

We are not required to independently verify the authority of a person providing instructions unless circumstances reasonably indicate further verification should be obtained.

You acknowledge that we may rely upon information supplied to us as being complete, accurate and authorised unless we have reason to believe otherwise.

Where there is more than one director, trustee, partner, shareholder or authorised representative, we may communicate with and accept instructions from any one of those persons unless you notify us in writing that joint instructions are required.

We are not responsible for losses, liabilities, penalties, interest or other consequences arising from inaccurate, incomplete, misleading or unauthorised information or instructions provided to us.

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5. Additional Responsibilities

Companies

You must notify us before any change in ownership, shareholding or control occurs.

We are not responsible for losses arising from ownership changes where we are not informed before the change takes place.

Where financial reporting decisions, audit exemption decisions or statutory resolutions are required, you must provide sufficient notice to enable compliance within applicable statutory timeframes.

Trusts

Where we provide services to a trust, our engagement is limited to the services expressly agreed with you.

Unless otherwise agreed in writing, we do not:

- monitor compliance with the Trusts Act 2019;
- review trustee conduct or fiduciary duties;
- monitor beneficiary disclosure obligations;
- review trust governance arrangements;
- review trust deeds;
- advise whether transactions, resolutions or distributions are authorised under a trust deed;
- assess the validity of trustee decisions;
- advise beneficiaries regarding their rights; or
- provide legal advice.

Trustees remain solely responsible for:

- administration of the trust;
- compliance with the trust deed;
- compliance with the Trusts Act 2019;
- trustee decision-making;
- beneficiary communications;
- maintenance of trust records;

- management of trust assets; and
- ensuring distributions are lawful and properly authorised.

Where we prepare trustee resolutions, minutes or related documents, we do so based on instructions provided by the trustees. Responsibility for the decisions recorded remains with the trustees.

We may rely on instructions received from any trustee whom we reasonably believe is authorised to act on behalf of the trust unless advised otherwise in writing.

Trustees must promptly notify us of any appointment, retirement, removal or death of a trustee, appointor, protector, settlor or other person holding powers under the trust deed.

Unless expressly agreed otherwise, we act solely for the trustees in their capacity as trustees. We do not act for beneficiaries individually and owe no duty of care to beneficiaries or potential beneficiaries.

Trustees should obtain independent legal advice regarding trust law matters where appropriate.

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6. Scope of Services

Our services are limited to the services selected in the Authority to Act & Scope of Services document or otherwise agreed in writing.

Any service not expressly included within the agreed scope is excluded from this engagement unless separately agreed in writing.

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7. Fees and Payment

Our fees are determined having regard to:

- time spent;
- complexity of the work;
- experience and expertise required;
- responsibility assumed; and
- the value of services provided.

In addition to professional fees, we may charge:

- Companies Office fees;

- identity verification costs;
- software and subscription costs;
- government filing fees;
- courier charges;
- specialist adviser costs; and
- other approved disbursements and expenses.

Invoices are payable by the 20th day of the month following invoice date unless otherwise agreed in writing.

If an invoice remains unpaid, we may:

- suspend work;
- decline future work;
- charge interest on overdue balances;
- recover collection and legal costs;
- exercise any lien available at law; and
- terminate the engagement.

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8. Personal Liability of Signatories

Where services are provided to a company, trust, partnership or other entity, each person signing the engagement enters into this agreement both on behalf of that entity and in their personal capacity.

Each signatory is jointly and severally liable with the entity and any other signatory for payment of all fees, disbursements, interest and other amounts payable under this engagement.

We may recover amounts owing from the entity, any signatory or both without first taking action against any other person.

Each signatory warrants that they have authority to bind the entity and acknowledges that liability under this clause is personal and continuing.

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9. Electronic Communications

We routinely communicate by:

- email;
- secure client portals;
- cloud-based systems; and
- electronic document signing platforms.

Electronic communications carry inherent risks, including:

- unauthorised access;
- interception;
- corruption;
- system failure;
- malware;
- loss of data; and
- transmission delays.

While we take reasonable security precautions, we cannot guarantee the security or integrity of electronic communications.

Unless advised otherwise, you consent to communication by electronic means.

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10. Electronic Instructions and Signatures

Electronic signatures, digital approvals and electronic acknowledgements will have the same effect as original handwritten signatures.

We may rely on instructions received from communication channels we reasonably believe belong to you or your authorised representatives.

For higher-risk matters, including changes to ownership, bank account details, significant transactions or transfers of funds, we may require additional verification before acting.

We will not be liable for losses arising from fraudulent communications where we have acted reasonably and in good faith.

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11. AML/CFT Obligations

We are required to comply with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

We may request:

- identification documents;
- proof of address;
- ownership information;
- source of funds information; and
- any other information required by law.

If satisfactory information is not provided, we may be unable or unwilling to act.

Where required by law, we may report certain matters to regulatory authorities and may be prohibited from informing you that a report has been made.

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12. Ownership of Records

All original records, information and documents supplied by you remain your property.

Financial statements, tax returns and other final documents prepared specifically for you become your property once all fees relating to those services have been paid.

Our working papers, calculations, methodologies, templates, file notes, internal correspondence, review notes, risk assessments and other internal materials remain our property and are not part of the deliverables provided under this engagement.

We are not required to provide copies of internal working papers except where required by law or professional standards.

Subject to payment of outstanding fees and any legal or professional obligations, we will provide information reasonably required to facilitate transfer of your affairs to another adviser.

We are not required to create, reconstruct or reorganise records solely for that purpose.

To the extent permitted by law, we may exercise a lien over documents and records in our possession until outstanding fees and disbursements have been paid.

We generally retain engagement records for a minimum of seven years after completion of the engagement, after which records may be securely destroyed without further notice unless a longer retention period is required by law.

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13. Privacy

We collect, use, store and disclose personal information in accordance with applicable privacy legislation and our Privacy Statement.

By engaging us, you acknowledge that you have been provided with, or have been given access to, our Privacy Statement and understand how your personal information may be collected, used, stored and disclosed.

Where you provide us with personal information relating to another person, you warrant that you are authorised to provide that information to us and, where required by law, have informed that person their information may be provided to us and handled in accordance with our Privacy Statement.

You agree to notify us promptly if that authority changes or ceases.

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14. Third-Party Providers, Cloud Services and Artificial Intelligence

To provide services, we may use third-party service providers, software platforms, contractors and cloud-based systems, including accounting, taxation, document management, electronic signing, storage, communication and administration providers.

We may also use artificial intelligence and other technology-assisted tools as part of our internal processes and the delivery of our services. Any such use is subject to our confidentiality, privacy and security obligations, and we remain responsible for all professional advice, services and professional judgement provided to you.

These providers may be located in New Zealand or overseas and may store, process or transmit information on our behalf.

By engaging us, you authorise us to disclose information reasonably required for the provision of services to such providers, subject to appropriate confidentiality, privacy and security obligations.

While we take reasonable care in selecting service providers, we are not responsible for failures, interruptions, security breaches, or acts or omissions of independent third-party providers that are outside our reasonable control.

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15. Marketing Communications

From time to time, we may send you newsletters, taxation updates, business insights, service announcements and other information we believe may be relevant to you.

You may opt out of receiving marketing communications at any time using the unsubscribe facility provided or by contacting us directly.

Operational, regulatory, engagement-related and service communications may continue to be provided where necessary regardless of your marketing preferences.

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16. Professional Standards

We carry out our work in accordance with the professional and ethical requirements of Chartered Accountants Australia and New Zealand.

As part of quality assurance and regulatory processes, our files may be reviewed by authorised reviewers, regulators or disciplinary bodies, all of whom are subject to confidentiality requirements.

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17. Limitation of Liability

To the maximum extent permitted by law:

- we are not liable for losses arising from inaccurate, incomplete or misleading information supplied to us;
- we are not liable for matters outside the agreed scope of services;
- we are not liable for losses arising from acts or omissions of third parties outside our control.

Our aggregate liability arising from this engagement is limited to the lesser of:

- ten times the fees paid to us during the preceding twelve months; or
- NZ$100,000.

Any claim arising from this engagement must be notified to us in writing within twelve months after the date on which the relevant services were completed, or within twelve months after you became aware, or ought reasonably to have become aware, of the circumstances giving rise to the claim, whichever occurs first.

This limitation does not apply to liability that cannot lawfully be excluded or limited.

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18. Complaints

If you are dissatisfied with our services, please raise the matter with a Director of RTCA.

We will investigate the matter promptly and seek to resolve it fairly.

If the matter cannot be resolved, you may make a complaint to Chartered Accountants Australia and New Zealand.

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19. Termination

Either party may terminate this engagement by written notice.

We may immediately cease acting where:

- fees remain unpaid;
- requested information is not provided;
- AML/CFT requirements cannot be satisfied;
- professional obligations require us to cease acting;
- a conflict of interest arises; or
- the relationship of trust and confidence has broken down.

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20. Continuing Engagement

These terms continue from year to year unless replaced by a subsequent engagement agreement.

We may amend these terms from time to time by providing notice, electronic communication, client portal notification or publication on our website. Continued instructions to RTCA, continued use of our services, or continued engagement following such notice constitutes acceptance of the amended terms.