

**TERMS OF ENGAGEMENT OF ACCOUNTANTS PLUS LTD
EFFECTIVE: 1 April 2010**

The following terms are issued by Accountants Plus Ltd to ensure there are no misunderstandings at any time during the working relationship between clients and Accountants Plus Ltd.

Accountants Plus Ltd will advise the client regarding their income tax, accounting and business matters. Accountants Plus Ltd requests that for all clients, for whom they provide general support, give advice, prepare financial statements and prepare tax returns for, agree to the following:

Accountants Plus Ltd will give advice and prepare the annual accounts and income tax returns (the "Services") from information provided by the client. Accountants Plus Ltd will not audit or otherwise verify the data provided. The client agrees that all information provided is accurate. Accountants Plus Ltd may provide the client with questionnaires or worksheets to assist Accountants Plus Ltd in obtaining the necessary information.

The client is responsible for providing Accountants Plus Ltd with all the information required for the preparation of complete and accurate tax returns. The client should retain all the documents and other data that form the basis of income and deductions for a period of seven years, as these may be necessary to prove the accuracy and completeness of the returns to the Inland Revenue Department.

The client agrees to linking their tax records to Accountants Plus Ltd's agency list for all related entities. The authority extends to all tax types to enable Accountants Plus Ltd to become the mailing address for correspondence from the Inland Revenue Department (where requested by the client), and make enquiries of the Inland Revenue Department from time to time regarding the client's tax affairs. The client allows Accountants Plus Ltd to communicate on their behalf with the Inland Revenue Department by way of phone, fax, email, or internet regarding the customer's tax affairs.

While Accountants Plus Ltd can and will prepare GST, PAYE, FBT, income tax or any Inland Revenue returns on the client's behalf, this does not absolve the client of responsibility of meeting their IRD obligations.

Accountants Plus Ltd will use their judgment in resolving questions where the Tax Law is unclear, or where there may be conflicts between the Inland Revenue Department's interpretations of the Law and other supportable positions. With the client's permission, Accountants Plus Ltd may seek technical advice, and the client accepts full responsibility for payment of such related costs.

The client's returns may be selected for review by the Inland Revenue Department. Any proposed adjustments by the Inland Revenue Department are subject to certain rights of appeal. In the event of such tax examination, Accountants Plus Ltd will be available upon request to represent the client and will render additional invoices for the time and expenses incurred. With the client's permission, Accountants Plus Ltd may engage expert advice, and the client accepts full responsibility for payment of such related costs.

The client agrees to linking their Accident Compensation Corporation (ACC) number to Accountants Plus Ltd's agency list for all related entities. The client agrees to allow us to contact ACC via phone, fax, email or internet to make enquiries of ACC from time to time regarding their ACC affairs.

The client authorises Accountants Plus Ltd under the provisions of the Privacy Act 1993 to access any information held by the client's bankers, solicitors, finance companies, Accident Compensation Corporation or the Inland Revenue Department that may be required throughout the course of our engagement.

Accountants Plus Ltd will issue invoices for payment according to services rendered. The fees for all services will be based upon the amount of time incurred by Accountants Plus Ltd, at their standard billing rates, plus any out-of-pocket expenses. Furthermore, work will be invoiced as work progresses. This means that invoices will be issued monthly whether or not the work has been finalised.

The client accepts that all invoices are due and payable by the 20th day of the following month. If payment is not received by the due date:

1. an administration fee may be charged on all overdue amounts in addition to any other charges;
2. interest will accrue on all amounts overdue at the rate of 2.5% per month and will be calculated on a day by day basis until payment is made in full;
3. all costs incurred by Accountants Plus Ltd as a result of a default by the client, including but not limited to administration charges, debt collection costs, and legal costs as between solicitor and client will be payable by the client.

Furthermore, where any account is due, the client accepts and permits Accountants Plus Ltd to directly deduct all monies owing from any tax refund amount, prior to payment and release of the tax refund (that is paid into our Trust account). This applies to any entity the client is associated with, and across all tax refunds (including but not limited to income tax, GST, Family Support), and all outstanding accounts.

When undertaking work for limited liability companies, Accountants Plus Ltd may require a personal guarantee from the directors in relation to payment of fees. Accountants Plus Ltd recommends that the client obtains independent legal advice prior to signing the guarantee.

Except as otherwise provided above, Accountants Plus Ltd will not be liable for any loss or damage of any kind whatsoever, arising from the supply of the Services rendered by Accountants Plus Ltd to the client, including:

- consequential loss whether suffered or incurred by the client or another person; and
- whether in contract or tort (including negligence) or otherwise; and
- irrespective of whether such loss or damage arises directly or indirectly from the Services provided by Accountants Plus Ltd to the client.

Any dispute will in the first instance be referred to mediation for resolution. In the event that resolution by mediation is not achieved to the satisfaction of both parties within 30 days of referral to mediation, either party may then take legal action to resolve the dispute. Nothing in this clause prevents Accountants Plus Ltd from taking legal action to enforce payment of any debt due, nor where required to seek interlocutory or injunctive relief.

If any provision of these terms is invalid, void or illegal or unenforceable the validity existence, legality and enforceability of the remaining provisions will not be affected, prejudiced or impaired. Failure by Accountants Plus Ltd to enforce any of these terms will not be deemed to be a waiver of any rights or obligations of Accountants Plus Ltd under these terms.

Accountants Plus Ltd may from time to time, by written notice, amend, add to or repeal these terms and any amendments will be binding on the client fourteen days after the date of delivery of the notice. Accountants Plus Ltd will endeavour to communicate directly with the client any amendments to these Terms of Engagement. Accountants Plus Ltd will publish a current copy of the Terms of Engagement on the Accountants Plus Ltd website www.accountantsplus.co.nz.

These terms constitute the entire agreement and supersede and extinguish all prior agreements and understandings between Accountants Plus Ltd and the client. If there is inconsistency between these terms and any other arrangement between Accountants Plus Ltd and the client, these terms will prevail unless otherwise agreed in writing by the parties.

These terms will continue from year to year, unless it is agreed in writing to change them.

On engaging Accountants Plus Ltd as your accountant and therefore accepting the above terms, the client gives Accountants Plus Ltd the authority to add the client's names to Accountants Plus Ltd's Tax Agency List held with the Inland Revenue Department.