

TERMS OF ENGAGEMENT OF FIVE PLUS ACCOUNTING LTD

EFFECTIVE: May 2011

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

Five Plus Accounting Ltd will advise the client regarding their income tax, accounting and business matters. Five Plus Accounting Ltd requires for all clients for whom they provide services to agree to the following:

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

The client is responsible for providing Five Plus Accounting Ltd with all the information required for the preparation of completed 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 Five Plus Accounting Ltd's agency list for all related entities. This authority extends to all tax types and enables Five Plus Accounting 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 Five Plus Accounting 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 Five Plus Accounting Ltd can and will where agreed, 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. Five Plus Accounting Limited will is not responsible for late filing fees, penalties or interest when the clients' information has not been provided in a timely manner.

Five Plus Accounting 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, Five Plus Accounting 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, Five Plus Accounting Ltd will be available upon request to represent the client and will render additional invoices for the time and expenses incurred. If you have paid for audit protection insurance, this will cover any fees over and above \$2,000, provided other insurance conditions are met. With the client's permission, Five Plus Accounting 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 Five Plus Accounting 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 Five Plus Accounting 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.

Five Plus Accounting Ltd will issue invoices for agreed services at the agreed price. Where it has not been possible to accurately estimate the price we will invoice you at our standard billing rates, plus any out-of-pocket expenses. Where we have agreed a price with you we have the right to come back to you to adjust the price if there has been additional information come to hand that creates more cost for Five+ Accounting. We will communicate what the change is and agree any adjustment of price. Furthermore, work may be invoiced as the work progresses. This means that invoices will be issued monthly whether or not the work has been finalized.

The client accepts that all invoices are due and payable within 14 days or as agreed in the package option you have chosen. 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 Five Plus Accounting 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.

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

Five Plus Accounting Ltd strives to complete all work for their clients in a quick and efficient manner while preserving the highest quality. To accomplish this, we may employ external contractors to complete some segments of your work. If we do, we will ensure quality standards are met.

Except as otherwise provided above, Five Plus Accounting Ltd will not be liable for any loss or damage of any kind whatsoever, arising from the supply of the Services rendered by Five Plus Accounting 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 Five Plus Accounting 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 Five Plus Accounting 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 Five Plus Accounting Ltd to enforce any of these terms will not be deemed to be a waiver of any rights or obligations of Five Plus Accounting Ltd under these terms.

If we identify a need, shortfall or an area of your business where we believe you need further advise or services we will recommend a specialist in that area. These services may include insurances, mortgage advice or products, Financial Planning services and consultants in other areas. In some circumstances and depending on the provider we may receive a commission on the service or product you obtain from them. The amount of the commission is dependent on the provider and the value of the product or service you receive from them. If you would like to know what commissions we have received please contact us and we will provide you with those amounts.

Five Plus Accounting 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. Five Plus Accounting Ltd will endeavor to communicate directly with the client any amendments to these Terms of Engagement. Five Plus Accounting Ltd will publish a current copy of the Terms of Engagement on the Five Plus Accounting Ltd website www.5plus.co.nz.

These terms constitute the entire agreement and supersede and extinguish all prior agreements and understandings between Five Plus Accounting Ltd and the client. If there is inconsistency between these terms and any other arrangement between Five Plus Accounting 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.