

## Terms of Engagement

### 1. Services

We will provide the services described in our engagement letter. We will use our best endeavours to carry out our obligations in accordance with the timescale set out in our engagement letter. However, unless both parties specifically agree otherwise in writing, the dates contained in our engagement letter are indicative dates intended for planning and estimating purposes only and are not contractually binding. Either of us may request changes to the Services as set out in the engagement letter or changes to any other aspect of the Terms of Business. Changes must be requested in writing with sufficient detail to enable the other party to assess the impact of the requested change on the cost, timing, and other aspect of the Services. Both of us agree to work together to consider and, if appropriate, agree any changes. Until a change is agreed in writing, the latest agreed terms still apply.

### 2. Reports and advice

We will report to you in accordance with the terms set out in the engagement letter. You will make copies of the report available to those people referred to in our engagement letter but, unless required by law, you must not provide the report or copies of it to any third party without first obtaining our written consent. Such consent will only be granted on the terms we deem appropriate which will include that we accept no duty or responsibility to any other party who may seek to rely on our report. In some cases appropriate releases from third parties may be required. You acknowledge that no reliance shall be placed on draft reports, conclusions, or advice, whether oral or written, issued by us as they may be subject to further work, revision and other factors which may mean that such drafts are substantially different from any final report or advice issued.

### 3. Information

You agree to provide in a timely fashion all information and documents reasonably required to enable us to provide the Services. Unless otherwise stated in the engagement letter, we will not independently verify the accuracy of such information and documents, and we will not be liable for any loss or damage arising from any inaccuracy or other defect in any information or documents supplied by you.

### 4. Confidentiality

Subject to our responsibility to respond to queries directed to us by the Inland Revenue Department or as required in order to comply with the requirements of Anti-Money Laundering Countering Financing of Terrorism legislation or the firm's professional obligations under the Code of Ethics including in relation to non-compliance with laws and regulations we will maintain confidentiality with respect to the business records, taxation affairs and personal/private affairs of those listed in the engagement letter.

In the absence of specific instructions from you (oral or written), copies of the financial statements and/or returns of income will be provided only to you and the Inland Revenue Department, and to other such persons as we are required to by law to disclose them. Neither of us will disclose confidential information about the other without the other's consent. Confidential information includes but is not limited to our working papers, any proposal or tender document, information, methodologies and documents that are not in the public domain. Exceptions to this are disclosures to legal advisers, disclosures required by law and disclosures necessary for the proper performance of the Services. On termination of this contract for any reason each of us agrees to return any property of the other (including any confidential information). However, for our internal quality or audit purposes, we are entitled to retain one copy of any document or other material upon which the Service is based.

## **5. Conflicts of interest**

We will inform you if we become aware of any conflict of interest in our relationship with you (including between the various persons this engagement letter covers) or in our relationship with you and another client. Where conflicts are identified which cannot be managed in a way that protects your interests or you do not consent to the way in which we propose to manage the conflict then we will be unable to provide further services to some or all of the persons to whom this engagement applies. If this arises, we will inform you promptly.

We may act for other clients whose interests are not the same as or are adverse to yours, subject to the obligations of conflicts of interest and confidentiality referred to above.

## **6. Intellectual Property**

Intellectual property rights in all pre-existing training materials and methodologies utilised in providing the Services or incorporated into a report of other material provided to you remain vested in Phibbs & Co. Limited.

## **7. Ownership of materials**

We own the copyright and all other intellectual property rights in everything we create in connection with this engagement. Unless we agree otherwise, anything we create in connection with this agreement may be used by you only for the purpose for which you have engaged us.

The working papers for this engagement, including electronic documents and files, are our property and constitute confidential information. We will notify you as soon as practicable (unless restricted by law) where we receive a legally compelling notice or request for access to our working papers from a third party.

## **8. Limitation of liability**

We shall use reasonable skill and care in the provision of the services set out in the engagement letter.

However, we have discussed with you, and you agree, that in unlikely event that we fail to do so, the liability of Phibbs & Co. Limited for loss or damage arising from, or in relation to, the services whether arising from breach of contract, tort or otherwise, of its directors and staff, will in no circumstances exceed five times the assignment fee in the aggregate. We have also agreed with you that this limitation of liability extends to both the engagement contained in this letter and any variation or addition to it, and to claims arising from breach of contract, negligence or in any other way. Where services are provided in connection with business, the guarantees implied by the Consumer Guarantees Act will not apply. Where you have rights under the Consumer Guarantee Act, nothing in this paragraph limits those rights. To the extent permitted by law you will indemnify us, our directors and employees against any liability, loss, cost, or expense they incur as a result of any claim or demand by a third party which relates in any way to the Services, or any deliverable provided by Phibbs & Co. Limited under this contract.

## **9. Limitation of third-party rights**

Our advice and information is for your sole use, and we accept no responsibility to any third party, unless we have expressly agreed in the engagement letter that a specified third party may rely on our work.

## **8. Disclosure permissions**

Our report, advices or other deliverables under our engagement are not intended for publication (including on a website), distribution or circulation outside yourself, and should not be used by you for any other purpose other than the purpose that you have communicated to us in writing before commencement of the engagement or as otherwise agreed by us in writing. We do not accept

responsibility for losses caused to any person as a result of the circulation, reproduction or use of a document contrary to this paragraph.

## **9. Use of software**

We may use or develop software, including spreadsheets, databases, electronic tools, and artificial intelligence technologies or systems (collectively, tools) to assist us in providing the services. This may include the use of AI-assisted applications for tasks such as analysis, data processing, summarisation, and workflow automation. We will take reasonable steps to ensure that any use of such technologies is consistent with our professional obligations, including obligations relating to confidentiality, privacy, and data security. If we provide these tools to you, you acknowledge that (except where these tools are a specific deliverable under this engagement letter) they were developed for our purposes and without consideration of any purpose for which you may use them, are made available on an "as is" basis for your use only and must not be distributed to or shared with any third party. We make no representations or warranties as to the sufficiency, accuracy, or completeness of the tools for any purpose for which you or a third party may use them.

## **10. Communications**

We will communicate with you electronically. Electronically transmitted information cannot be guaranteed to be secure or error free and it can be adversely affected or unsafe to use. We will use commercially reasonable procedures to check for the most commonly known viruses before sending information electronically, but we will not be liable to you in respect of any error, omission or loss of confidentiality arising from or in connection with the electronic communication of information to you. You must advise of any changes to your contact details. We may send any communications to the last contact details you have provided.

As required by the Unsolicited Electronic Message Act 2007, you give your consent for us to contact you by email with news, offers and information. You can at any time request that we remove you from our email mailing system.

## **11. Fees and Payment**

Our fees are calculated on the basis of the anticipated time required to be spent on the assignment by our directors and staff and on the levels of skill and responsibility involved. If we have agreed on a fee for the provision of services then this will be set out in the engagement letter. Alterations to the scope of work or delays beyond the control of Phibbs & Co. Limited may require a re-negotiation of fees. Our performance is dependent on you carrying out your responsibilities as set out in these terms of engagement and the engagement letter. Should this not occur, it may lead to an increase in our fees depending upon the extent to which we have to perform more work ourselves or reschedule our commitments to deliver the agreed Services.

You agree to pay our reasonable travel and accommodation costs incurred in connection with our services. We also charge a service fee of 6% to cover costs in respect of photocopying, postage, tolls, taxes, filing fees, stationery, couriers and mileage. Any special expense arrangement will be agreed. Our invoices will be issued either on a fortnightly basis reflecting the status of the assignment or following completion of the assignment. All invoices will be due for payment within 14 days of issue. Phibbs & Co. Limited reserves the right to charge interest on a monthly basis, at a reasonable rate, in respect of account balances not paid within sixty (60) days from the date of issue. We may also on charge any costs incurred in the collection of overdue fees including, but not limited to, the costs incurred in the placement of the overdue fees with a debt collection agency.

All our fee estimates exclude GST.

## **12. Practice Review**

Chartered Accountants Australia New Zealand (CAANZ) requires practitioners to be subject to review from time to time in order to ensure that professional standards are being maintained. Reviews are based on a sample of files and your file may be selected by the Reviewer for examination. The Reviewer is officially appointed by the Institute and is bound by declarations of secrecy, meaning utmost confidentiality is maintained. Furthermore, the Reviewer is the only person from the Institute who has access to your records and no copies are made, but the review could include anonymous reference to information provided by you. If you have any questions about practice review, please do not hesitate to contact us.

## **13. Client money**

We maintain a trust account for dealing with client monies on their behalf. We can only accept money into our trust account on your behalf if you have provided us with a written trust account authority letter which details the authority given to us in relation to that trust money.

We may need to undertake further client due diligence to comply with our obligations under the AML Act. We may not be able to process a transaction if the required information is not provided.

For any bank accounts we are required to administer, or for any cheques to be signed on your behalf, we will ensure:

- All payments are approved by a Director
- Appropriate segregation of duties,
- Payments are only approved when supported by your authorisation
- A report will be sent to you each month advising details of payments made

In the event of the bank not honouring a payment on your account due to a lack of funds, we will not be responsible or held liable for the funds not paid to the recipient. Notwithstanding the above, in the event that the recipient should seek retribution from us for the unpaid funds, you will indemnify us for any monies lost.

## **14. Payroll**

Where we are to be responsible for administering your payroll function, we will ensure;

- We have on file details of the approved salary/ wage rates and appropriate written authorities for employee deductions;
- We have your written approval of payroll before payment. If it is not possible to obtain your approval before payment, a letter will be sent to you after payment, advising details and seeking confirmation;
- All payments are approved by a Director
- Appropriate segregation of duties,
- Under no circumstances would we be involved in the preparation of cash payrolls.

## **15. General**

Neither party will be liable to the other for failure to fulfill obligations caused by circumstances outside its reasonable control. Either party may terminate this contract at any time by giving at least 14 days notice to the other, provided that Phibbs & Co. Phibbs Limited may terminate this contract immediately if it has a professional objection to any proposed course of action by you or to any instructions you give us in relation to the Services. On termination, Phibbs & Co. Limited shall be entitled to be paid for work that has been performed up to the date of termination, in accordance with its standard hourly rates, subject to any agreed upper limit.

For the duration of our engagement, and for 12 months after its termination or completion, you will not employ, or procure a third party to employ, any employee of ours who has taken part in the performance of the Services. If you offer employment to such an employee, and if we give our

consent, and if the employee accepts the offer, then you pay a recruitment fee to us. The recruitment fee will be calculated at 20% of the relevant employee's gross annual package.

We will not be prevented or restricted by anything in the contract from providing services for other clients. A failure or delay by a party in exercising a power or right given to it under this contract does not operate as a waiver of that power or right; nor does a single or partial exercise of a power or right prevent any other or further exercise of it. A waiver by a party of a power or right given to it under this contract does not affect any other provision of this contract.

Neither party may, nor shall have the power to, assign or otherwise deal with its rights or obligations under this contract without the prior written consent of the other party, except that Phibbs & Co. Limited may without consent assign or novate this contract to a successor to the business of Phibbs & Co. Limited to which this contract relates.

If there is any conflict or discrepancy between the terms of these Standard Terms and Conditions and our engagement letter or proposal, the terms of our engagement letter or proposal will prevail in that order.

The contract comprising our Letter of Engagement and these Terms of Engagement forms the entire agreement between us relating the Services. It replaces and supersedes any previous proposals, correspondence, understandings or other communications whether written or oral in respect of the Services.

The contract between us shall be governed by and interpreted in accordance with the laws of New Zealand. The Courts of New Zealand shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the contract and any other matters arising.

## **16. Disputes and complaints**

If you have any concerns about our costs or services, please speak to the person responsible for this engagement, who is identified in our engagement letter. To resolve your concerns, we have policies and procedures in place to deal appropriately with complaints and will use best endeavours to resolve a complaint or dispute to the mutual satisfaction of the parties involved. We may require you to detail your complaint in writing to allow us to fully investigate any concerns that you raise.

## **17. Outsourcing**

We may utilise the services of our preferred suppliers of contract services, 'The Back Room Limited Partnership' and other third parties from time to time and as separately notified to you to assist with the preparation of financial statements and income tax returns. To perform the services, we provide these third parties with access to your data to the extent this is required to perform the services. This does not require information being sent to our service provider in accordance with our Privacy Policy.

## **18. Anti-Money Laundering and Countering Financing of Terrorism Act 2009 ("AML/CFT Act")**

You acknowledge that Phibbs & Co Limited is bound by the requirements of the AML/CFT Act and related legislation and is obliged by that legislation to conduct client due diligence and ongoing customer monitoring ("CDD") and related customer verification and will require you to provide appropriate information to Phibbs & Co Limited or the agent of the Phibbs & Co Limited appointed to conduct that due diligence in compliance with AML/CFT Act requirements.

You agree to promptly provide any and all information required by the Phibbs & Co Limited and/or its agents in order to CDD in accordance with the AML/CFT Act or any other CDD performed as a risk assessment process undertaken and will pay all of the costs (including agents costs) reasonably incurred by us in respect of completing CDD and any later associated due diligence that may be required.

You acknowledge that if Phibbs & Co Limited and/ or its agents cannot obtain adequate and appropriate CDD information from you or any related person as may be required by the AML/CFT

Act, the AML/CFT Act prohibits Phibbs & Co Limited from commencing a new business relationship with you and Phibbs & Co Limited may be required to terminate any existing business relationship with you without completing or carrying out any further instructions.

You acknowledge that Phibbs & Co Limited may use a third-party provider to assist with the collection of the CDD information required by the AML/CFT legislation and that costs incurred by Phibbs & Co Limited during this process will be on-charged

### **19. Foreign Account Tax Compliance Act (FATCA) and OECD Common Reporting Standard ("CRS")**

You acknowledge that Phibbs & Co Limited is or may be required by law, including, without limitation, the Foreign Account Tax Compliance Act and the OECD Common Reporting Standard, to obtain certain information or certification from clients in respect of their legal or financial status, in particular their taxation status in overseas jurisdictions.

You agree that you shall promptly provide all such requested information or complete any certification required by Phibbs & Co Limited and further acknowledge that Phibbs & Co Limited may provide that information to its bank and any other organisation or regulatory body to the extent necessary to comply with all relevant legislation.

### **20 Privacy Act 2020 ("Privacy Act")**

We may collect, store, use and disclose your personal information for the purpose of providing the services described in the engagement letter to you and to comply with our obligations in section 5 above and in accordance with the disclosure exceptions outlined in section 4 above. We will comply with the Privacy Act 2020 when collecting, storing, using and sharing your personal information. Our Privacy Policy provides further details of our privacy practices and our obligations to you.

### **21. Retention of records**

You must keep sufficient records to calculate the income, expenses and GST liability of your organisation, and to enable Inland Revenue to confirm your accounts if necessary. The records you must keep are:

- receipt and payment account books
- bank and credit card statements
- invoices (including GST tax invoices)
- receipts
- any other necessary documents to confirm entries in your accounts
- stock-take figures for the end of the financial year
- wage records for all employees, including ESCT and KiwiSaver records
- interest and dividend payment records.

Your organisation must hold all records for seven years, even if you cease operating. All your records must be in English, unless Inland Revenue give you written approval to use another language.

**Phibbs & Co Limited**

May 2026