

## BVO MASTER TERMS OF BUSINESS

### 1.0 Engagement

1.1 This document sets out our master terms and conditions of business, which are incorporated in every current and future engagement we have with you. If there is any conflict between these master terms and our Engagement Letter, then the Engagement Letter will prevail.

1.2 These master terms are available on our website at [www.bvo.co.nz](http://www.bvo.co.nz). We can amend these master terms at any time and give notice of the change by sending you a copy. The change of terms will take effect when they have been sent to you.

### 2.0 The Services

2.1 We will provide the Services and will use all reasonable commercial efforts to provide the Services in an efficient and timely manner, using the necessary skill and expertise to an appropriate professional standard.

### 3.0 New entities

3.1 During this engagement we may, at your request, incorporate a new entity. If that occurs you agree that to the extent that we continue to provide services to that new entity, this engagement will extend to that new entity so that they are also a client and subject to this engagement.

### 4.0 Conflict of Interest

4.1 Except as disclosed in the Engagement Letter, we are not aware of any conflict of interest that would affect our ability to provide the Services to you. If during this engagement we become aware of any potential conflict of interest, we will advise you and work with you to seek a suitable solution that is in accordance with our professional standards.

### 5.0 Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT) and Common Reporting Standard (CRS)

5.1 You must provide us with all documents to enable us to comply with our AML/CFT and CRS obligations, and other similar laws, regulations and rules.

5.2 You acknowledge and agree that we may confirm your identity via electronic means including, but not limited to, passing your identity information (driver licence, passport and address information) to a service provider for identity verification.

5.3 We may decline to engage with you and pursuant to clause 16.2, we may terminate this engagement at any time.

### 6.0 Your Obligations and Our Reliance

6.1 You will promptly provide us with such information as may reasonably be required for the proper performance of the Services, including access to appropriate members of your staff, records, information, technology, systems and premises. You must provide this information to the members of our team engaged in providing you the Services. If you provide information to our principals or staff who are not engaged in the provision of the Services, it will not be deemed to have been made available to those members of our office who are engaged in the provision of the Services.

6.2 You will provide us with current and accurate information from your systems and records. You will promptly respond to any of our questions about this information and provide any source documents that we request.

6.3 We will not independently verify the accuracy of information that you provide to us, or that others provide to us on your behalf. We may rely on this information and if you become aware that this information has been, or may be, rendered untrue, unfair or misleading, you must promptly notify us of this. We may require you to take all necessary steps to correct any announcement, communication or document that has been issued which contains, refers to or relies upon that information. Any work that we complete in relation to any correction is at your cost.

### 7.0 Confidentiality and Privacy

7.1 Both parties acknowledge that they may, during this engagement, be exposed to or acquire information that is proprietary or confidential to the other party. Both parties agree to hold such information in strict confidence, and not to divulge such information except as may be required by law, judicial process or otherwise in accordance with this clause.

7.2 We may disclose your confidential and/or personal information to our AML/CFT service provider, our AML/CFT supervisor, the Inland Revenue in accordance with any request, a solicitor or other professional providing us with advice in relation to this engagement or our business generally, a debt collection agency for the purpose of the collection of any outstanding invoice or amount due in

- respect of this engagement, an auditor or party that we engage for the purposes of our compliance with any act or regulation, tax pooling intermediaries, for outsourcing and CAANZ in respect of our professional responsibilities.
- 7.3 We collect your personal information for the purpose of delivering the Services to you and in the context of our business requirements. If you are an 'agency' as defined in the Privacy Act 1993, you confirm that you comply with your responsibilities under that Act and where applicable, you confirm that you have disclosed to the applicable stakeholders in your business that we may collect, hold, use or disclose their personal information, as part of this engagement.
- 7.4 You authorise us to discuss your affairs with your spouse unless you advise otherwise.
- 8.0 Our Work Papers and Client Documents**
- 8.1 You acknowledge the work papers we produce during this engagement, which are not an integral part of the end product of that work, remain our property.
- 8.2 If the Inland Revenue requests access to information and work papers and we consider that we are obliged at law to provide access, we will provide them access to our work papers.
- 8.3 Where reasonably possible and unless we consider that we are compelled to do otherwise at law, we will:
- a) inform you if any other person seeks access to our work papers; and
  - b) seek your comment before granting access to any person,
- 8.4 If you, or anyone on your behalf, provides us with documents, including share registers or constitution documents, those documents will be retained during the course of this engagement (unless their earlier return is requested). On termination of the engagement these documents will be returned to you unless separate arrangements have been made. We are entitled to retain copies of these documents for our records.
- 8.5 Except to the extent that we are required to comply with our duties at law, we reserve the right to exercise a general lien over any documents and any such chattels that may come into our possession, until all amounts due to us pursuant to this engagement have been paid in full.
- 9.0 Ownership**
- 9.1 We will retain ownership of the copyright and all the intellectual property rights in the product of the Services, whether oral or tangible, and ownership of our working papers.
- 9.2 Once you have paid for our fees and charges for the Services you acquire ownership of any end product of the Services.
- 9.3 For the purposes of delivering services to you or other clients, we are entitled to use, develop or share with each other knowledge, experience and skills of general application gained through performing the Services.
- 10.0 BVO Employees**
- 10.1 You agree that during the provision of the Services and for a period of six months after, you will not make any offer of employment to any of our principals or employees involved in the provision of the Services, without our prior consent.
- 10.2 If during the provision of the Services you employ any of our principals or employees who are involved in the provision of the Services to you, you will pay us a fee equal to 15% of the remuneration package offered to the person concerned.
- 11.0 Benefit of Advice**
- 11.1 When we provide specific advice or specific work in relation to the Services, it is provided for that specific purpose. To the extent permitted by law, we accept no liability for the use of our advice or work for a different purpose or in a different context.
- 11.2 Unless otherwise specifically stated in the Engagement Letter, any advice or opinion relating to the Services is provided solely for your benefit. We do not accept any responsibility to any person, other than you for the Services.
- 11.3 You cannot publish any advice or opinion relating to the Services, including publication on electronic media, without our prior written consent.
- 11.4 During this engagement, we may supply oral, draft or interim advice, reports or presentations but in such circumstances our written advice or final written report takes precedence. You must not rely on any oral, draft or interim advice, reports or presentations. Where you wish to rely on oral advice or an oral presentation, you will inform us, and we will provide written confirmation of the advice before you may rely on it.

- 11.5 We will not be under any obligation in any circumstance to update any advice or report, oral or written, for events occurring after the advice or report has been issued in final form.
- 11.6 If we provide you with advice, then any advice we provide is based on our understanding of the law as it stands at the date of that advice. We are not obliged to update any advice after the date it is issued so as to reflect changes to the law. Subsequent changes to the law may impact on the conclusions reached in any advice and we do not accept responsibility for the effects of any change in the law on our advice after it is given. In this clause, "law" means and includes legislation, regulations, case law and statements, rulings and determinations issued by the Commissioner of Inland Revenue.
- 11.7 In the case of tax compliance services our function is limited to providing you with information and advice to aid you in making decisions about your tax. However, the ultimate responsibility for making those decisions remains with you.
- 12.0 Electronic Mail**
- 12.1 You may communicate with us electronically to the email address of the principal responsible for the Services.
- 12.2 If you give us an electronic address (your email address, your mobile phone number, or other type of electronic address) you consent to us communicating with you by sending notices and communications to that electronic address.
- 12.3 In accordance with the Unsolicited Electronic Messages Act 2007, you also consent to us sending you emails, text messages or other electronic messages to provide you with newsletters, information about seminars, promotional material or other items of interest to us, unless you notify us that you withdraw your consent to these types of electronic message.
- 12.4 You acknowledge and understand that electronic transmissions can be insecure, can be corrupted or intercepted, may not be delivered, and could contain viruses. You agree that we are not responsible to you for any loss suffered in connection with the use of e-mail as a form of communication between us and conversely, we agree that you are not responsible to us for any loss suffered in connection with the use of e-mail as a form of communication between us.
- 13.0 Fees, Charges, Disbursements and Payment Terms**
- 13.1 You will pay our professional fees, sundry administrative charges and disbursements in connection with this engagement and as further particularised in the Engagement letter
- 13.2 At our discretion, we may invoice you for our fees at monthly intervals, at other points during this engagement that we consider appropriate, or at the completion of a particular piece of work.
- 13.3 Accounts are to be paid within 14 days of the date that the invoice is sent to you or such other time period as set out in the Engagement Letter, or otherwise as agreed in writing.
- 13.4 If an invoice is not paid by the due date, we may charge you:
- a) interest at the interest rate that our bank provides an overdraft facility to us, on the outstanding balance at the end of each month until full payment is received;
  - b) any costs we incur in the recovery of the balance due on your account including any legal fees, debt collection agency costs, court fees or other costs incurred; and
  - c) our time spent to recover the balance due on your account.
- 13.5 Any interest charged to you for non-payment of an invoice will be debited to the balance due on your account, at the end of each month.
- 13.6 We may deduct any fees and expenses owing to us from any credit balance held in our trust account before we forward the balance (if any) to your nominated bank account. We may require that any refund or credit amount that is owing to you by the IRD or a third party, is forwarded to our trust account.
- 13.7 If we are required (pursuant to subpoena or other legal process) to produce documents or attend court in relation to this engagement for judicial or administrative proceedings to which we are not a party, you will reimburse us for our professional time (at our standard billing rates) and expenses, including reasonable legal fees, incurred in responding to such requests.
- 13.8 If GST is payable on any supply of the Services, GST will be added to the fee and the total amount will be payable.

#### **14.0 Personal Guarantee**

- 14.1 Each person, and if there is more than one of you then each of you severally and all of you jointly, who signs this engagement on behalf of a company, a partnership, another entity or as a trustee gives us a personal guarantee and indemnifies us for:
- a) any outstanding fees or expenses of that entity incurred or rendered for that entity; and
  - b) all costs and losses arising from this engagement.

#### **15.0 Communications and Dispute Resolution**

- 15.1 If at any time you would like to discuss with us how the Services can be improved or if you have a complaint about them, you are invited to telephone our principal or associate identified in the Engagement Letter. We will investigate any complaint promptly and communicate with you following our investigation.
- 15.2 If the matter cannot be resolved the parties may agree to enter into mediation, or some other form of alternative dispute resolution, before commencing legal proceedings. If you have failed to pay an invoice we've issued to you then we may commence legal proceedings, or in the case of a company, issue a statutory demand for payment of the invoice.
- 15.3 In the event of a dispute, or where fees remain unpaid beyond the due date, we reserve the right to suspend provision of the Services until the dispute is resolved or the fees are paid. Suspension of the Services will not affect your obligation to pay us for our time spent on the Services to the date of suspension. If the Services are suspended, you will be responsible to meet all the filing deadlines and we are not required to file any tax return on your behalf until that amount is paid in full.

#### **16.0 Term and Termination**

- 16.1 This engagement commences when you signed the Engagement Letter or have otherwise consented (either expressly or impliedly) to our provision of the Services and it continues as varied or updated, until termination.
- 16.2 Each of us may terminate this engagement with the other party by written notice. Termination has effect immediately or as set out in that notice. We are not required to explain the reason for our termination.
- 16.3 You will pay us for all of our time, costs and disbursements incurred up to the date of

termination. Termination under this clause is without prejudice to any rights that may have accrued for either of us before termination.

- 16.4 Any of the terms and conditions of this engagement which are intended to apply after termination, will continue to apply.

#### **17.0 Limitation of Liability**

- 17.1 If you receive the Services in trade, you agree to contract out of the provisions of the Consumer Guarantees Act 1993 in respect of our supply of the Services.
- 17.2 To the maximum extent permitted by law and except to the extent of any guarantees provided by law that we have not contracted out of in clause 17.1, you (and any others for whom the Services are provided) agree that:
- a) Our liability (contractual, tortious and statutory) to you under this engagement is limited to the sum of (which includes any interest and costs) of four (4) times the professional fees actually paid to us for the particular services that directly caused the loss or \$50,000 (NZD), whichever is the lesser amount (the Limited Amount). We are released from all claims arising in connection with the Services to the extent that our liability in respect to such claims would exceed the Limited Amount.
  - b) We are not liable, in contract or tort, under statute or otherwise, for:
    - i. any amount with respect to any loss of profit, data or goodwill, or any indirect or consequential costs, loss or damage in connection with claims arising out of the Services or otherwise relating to the Services, whether or not the likelihood of such loss or damage was contemplated; and
    - ii. any loss or damage suffered by you which is directly or indirectly attributable to negligence, fault or lack of care on your part or on the part of any other person (including advisors to you) or arises out of our reliance on any information.
  - c) No legal proceedings may be commenced later than two years after the party bringing the claim becomes aware (or ought reasonably to have become aware), of the fact which gave rise to the action and in any event no later than four years after the facts giving rise to the claim occurred.

17.3 You agree that you may only make claims or bring any proceedings against us and you may not commence proceedings relating to this engagement against any shareholders, directors, partners, principals, or employees.

## 18.0 Indemnities

18.1 To the maximum extent permitted by law, you agree to indemnify us against any and all losses, claims, costs, expenses, actions, demands, damages, liabilities or any other proceedings, whatsoever incurred by us in respect of any claim by a third party arising from or connected to our provision of the Services to you under this engagement.

18.2 You agree to indemnify us from any such liabilities we may have to you or any third party as a result of our reliance on any information provided by you or any of your representatives which is false, misleading or incomplete.

## 19.0 Client Records

19.1 You agree that we can store your files, data and any other information we hold, including but not limited to, in electronic form, in the cloud, hard copies stored on-site and in storage facilities, and overseas.

19.2 You authorise that we can outsource parts of all the work required to be undertaken to provide the Services and that our agents may use and store your files in accordance with these terms.

19.3 We will retain or archive the records required to complete the Services. After the time frame specified by Inland Revenue, currently 7 years, we are entitled to destroy these records without your prior consent. It is your responsibility to hold full records for the time frame specified by Inland Revenue, in case of an audit or other information request made by Inland Revenue.

## 20.0 Circumstances Beyond Your or Our Control

20.1 Neither of us will be in breach of our contractual obligations nor will either of us incur any liability to the other if we or you are unable to comply with these terms as a result of any cause beyond our or your reasonable control. In the event of any such occurrence affecting one of us, that party is obliged as soon as reasonably practicable to notify the other, who then has the option of suspending or terminating this engagement on notice, taking effect immediately on delivery.

## 21.0 General Terms

21.1 All aspects of this engagement are governed by, and construed in accordance with, the laws applicable in New Zealand. You agree to irrevocably submit any disputes arising under this engagement to the exclusive jurisdiction of the Courts of New Zealand.

21.2 The illegality, invalidity, or unenforceability of a provision of these terms under any law, does not affect the legality, validity, or enforceability of any other provision of these terms.

21.3 If there is more than one of you then the obligations of each of you under this engagement are joint and several.

## 22.0 Defined Terms

22.1 In these terms and the Engagement Letter, these words have the following meanings:

**AML/CFT** means the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 and all associated regulations and codes of practice issued in accordance with that act.

**BVO, we, us and our** means the partnership called Blackmore, Virtue & Owens which is a partnership of two companies, A R Owens Limited (CN 1006172) and D M Virtue Limited (CN 2436553) and where context requires, but not otherwise, it includes its principals, employees and all its related entities.

**CAANZ** means Chartered Accountants Australia & New Zealand and where context requires also means the New Zealand Institute of Chartered Accountants created under the New Zealand Institute of Chartered Accountants Act 1996.

**Client, you and your** means the parties described as "client" in the Letter of Engagement.

**Engagement Letter** means the letter or letters that we send to you that incorporate these terms.

**Scope of Work** means the description of the Services set out in an Engagement Letter and includes any changes or updates to the Scope of Work communicated to you in writing over the duration of this engagement.

**Services** means the services described in a Scope of Work.