

# MINT ADVISORY

CHARTERED ACCOUNTANTS – TAXATION SPECIALISTS

## STANDARD TERMS OF ENGAGEMENT

31 May 2019

These Standard Terms of Engagement (“Terms”) apply in respect of all work carried out by us for you, unless we agree otherwise in writing. If you have any queries about these terms please contact Susan Hall.

In these terms of engagement, “we” means Mint Advisory Limited and “you” means our client as identified in an engagement letter or as otherwise agreed. Where you are a company or other corporate or unincorporated entity, we act only for you. We do not act for your shareholders, directors or members unless we expressly agree otherwise.

### 1 Services

1.1 The services which we are to provide for you are outlined in our engagement letter.

1.2 Where the services outlined in our engagement letter are of a general nature, it is anticipated that you will provide specific instructions to us, within the scope of the services outlined, at meetings or by telephone, or by email or other written communications to us.

### 2 Financial

#### 2.1 Fees:

- a. The fees which we will charge or the basis on which we will charge you, is set out in our engagement letter.
- b. Where our fees are calculated on an hourly basis, the hourly rates are set out in our engagement letter.
- c. If the engagement letter specifies a fee estimate, we will aim to complete the agreed scope of our services set out in that engagement letter within that fee estimate. Work which falls outside that scope will be charged on an hourly rate basis. We will advise you as soon as reasonably practicable if it becomes necessary for us to provide services outside the agreed scope and if requested, give you an estimate of the likely amount of the further costs.

#### 2.2 Disbursements and expenses:

- a. In providing services we may incur disbursements or have to make payments to third parties on your behalf. These will be included in our invoice to you when the expense is incurred. We may require an advance payment for the disbursements or expenses which we will be incurring on your behalf.
- b. We charge an office supplies charge equal to 2.5% of our time charges. This charge is in respect of the cost of non-direct disbursements and expense incurred by us to provide services to you.

2.3 **GST (if any):** Is payable by you on our fees and charges.

#### 2.4 Invoices:

- a. We generally invoice for our services on the earlier of completion of the job and month end for all work done for you during the month. These may be interim invoices. Any alternatives to monthly invoicing will be as set out in our letter of engagement or otherwise agreed with you. We may also send you an invoice if we incur a significant expense on your behalf (which would only occur with your prior approval.) If our engagement with you is terminated for any reason, we will issue an invoice at the time of the termination.
- b. We are always prepared to discuss the amount of any invoice with you. If you have any questions or concerns please contact us.

2.5 **Payment:** Invoices are payable on the 20<sup>th</sup> of the month following the date of the invoice, unless alternative arrangements have been made with us. If any amount is more than 7 days overdue we may cease to do any further work for you until all accounts are paid in full and / or we may charge you interest at the rate of 3% above our firm's main trading bank's 90-day bank bill buy rate as at the close of business on the date payment became due, compounded monthly. We reserve the right, if necessary, to recover the costs of collection of any unpaid account.

2.6 **Security:** We may ask you to pre-pay amounts to us, or to provide security for our fees and expenses. You authorise us to debit against amounts pre-paid by you, any fees, expenses or disbursements for which we have provided an invoice.

### 3 Third Parties

Unless we agree in writing, you will not pass on or make available to any third party any advice or other information that we provide to you. We have no liability to any such third party and you will indemnify us against any such third party claim.

### 4 Confidentiality

4.1 We will hold in confidence all information concerning you or your affairs that we acquire during the course of acting for you. We will not disclose any of this information to any other person except:

- a. to the extent necessary or desirable to enable us to carry out your instructions; or

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- b. to the extent required by law or by New Zealand Institute of Chartered Accountants' Code of Ethics.
- 4.2 We will of course, not disclose to you confidential information which we have in relation to any other client.
- 4.3 You acknowledge that we may communicate with you electronically. We will take all reasonable steps to ensure that no error, omission or loss of confidentiality arises from or in connection with the electronic communication of information to you. However, we cannot guarantee that any such error, omission or loss of confidentiality won't arise.
- 5 Termination**
- 5.1 Either party may terminate this engagement at any time.
- If we terminate this engagement, we will make it clear to you what matters within the terms of engagement have been dealt with, what remains to be done and also what further action we will or will not take as required by New Zealand Institute of Chartered Accountants' Code of Ethics.
- 5.2 If our engagement is terminated you must pay us all fees due up to the date of termination and all expenses incurred up to that date.
- 6 Our work papers**
- 6.1 We will inform you if any person seeks access to our work papers and will seek your consent before granting access unless we are prevented from doing so by law.
- 6.2 We confirm that, in certain circumstances, the Inland Revenue Department may request access to information and work papers and we may not be legally able to stop this process.
- 6.3 You acknowledge that Chartered Accountants Australia and New Zealand can access our work papers for the purpose of undertaking a practice review and for otherwise ensuring that we meet our professional obligations as Chartered Accountants.
- 7 Retention of files and documents**
- You authorise us (without further reference to you) to destroy all hard copies of files and documents for this matter (other than any documents that we hold in safe custody for you) 8 years after the end of the income year to which they relate.
- 8 Conflicts of Interest**
- We have procedures in place to identify and respond to conflicts of interest. If a conflict of interest arises we will advise you of this and follow the requirements and procedures set out in the New Zealand Institute of Chartered Accountants Code of Ethics and Rules.

- 9 Duty of care**
- Our duty of care is to you and not to any other person. Before any other person may rely on our advice, we must expressly agree to this.
- 10 Your responsibility for meeting your tax obligations**
- As taxpayers, you and your associates or your clients, as appropriate, have the primary responsibility for meeting your respective New Zealand tax obligations. These obligations include keeping the required records, ensuring your tax returns are true and correct, filing your tax returns on time and paying your taxes on time. As our advice will be based on the information you provide, we cannot accept any responsibility for any inaccuracies or omissions in that information or for any delays or other problems beyond our control.
- You may request us to compile your tax returns. The compilation is limited primarily to the collection, classification and summarisation of financial information supplied by you. The compilation does not involve the verification of that information.
- We will not perform an audit or a review and therefore neither we nor any of our employees accept any responsibility for the accuracy of the information from which the return will be prepared. Further, the return will be prepared at the request of and for the purpose of the client only and neither we nor any of our employees accept any responsibility on any ground, whatsoever, including liability in negligence, to any other person.
- Any tax advice we provide to you will be based on current tax law. You will appreciate that tax law frequently changes, both prospectively and retrospectively. Unless otherwise agreed in advance, we won't update our advice to take account of any subsequent changes to the tax legislation, case law and the rulings and determinations issued by the IRD. It is your responsibility to obtain further advice if you wish to rely on our advice at a later date.
- Considerable uncertainty can arise when applying tax law to specific situations. Therefore, it is not possible for us to provide you with any guarantee that our advice will ultimately be sustained in the event of challenge by the IRD.
- 11 Our requirements as to the limitation of our liability**
- The aggregate liability (including interest and costs) of Mint Advisory Limited and any director, employee, contractor or agent of Mint Advisory Limited to you and your associates, whether in contract or tort, including negligence, for losses or damages (including indirect, special or consequential losses or damages and loss of profits) resulting from any breach of our obligations, whether or not such defaults or breaches entitle you to

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terminate our engagement, shall be limited to two times the amount of the fees we have charged (excluding GST and disbursements) for the relevant piece of work.

- 12 No trust account**  
We do not operate a trust account and so we will not receive or hold monies for you.

**13 General**

13.1 These Terms apply to any current engagement and also to any future engagement, whether or not we send you another copy of them.

13.2 We are entitled to change these Terms from time to time, in which case we will send you amended Terms.

13.3 Our relationship with you is governed by New Zealand law and New Zealand courts have non-exclusive jurisdiction.