

Terms of Business

These terms of business ("**Terms**") apply in respect of the services ("**Services**") to be performed by Us ("**Nexia**" or "**We**"), for You ("**Client**"), both named in the engagement letter and collectively referred to as the "**parties**", and any subsequent engagement letter to which these Terms apply ("**Engagement Letter**") (which may include an update schedule which advises any changes to material terms contained in the Engagement Letter for a subsequent income year in which we provide services to You - "**Update Schedule**"). These Terms and the Engagement Letter form the Contract ("**Contract**") between the parties for the Services.

The Contract constitutes the entire agreement between Nexia and You with respect to supply of the Services, despite any other provisions to the contrary contained in any purchaser order or other documents. The Contract supersedes and cancel all prior agreements, understandings or arrangements whether written or oral. By engaging or continuing to engage Nexia to provide the Services, you warrant that you have read and accept the terms of this Contract. However, for evidentiary purposes, our strong preference is for the Client Acknowledgement contained at the end of the Engagement Letter to be signed, dated and returned to our office either electronically or by post.

1. Services

Nexia will provide the Services described in the Engagement Letter to You.

1.1 Timescale

Nexia will endeavour to carry out our obligations in accordance with the timescales set out in the Engagement Letter, where stated. However, unless both parties specifically agree otherwise in writing, the dates contained in the Engagement Letter are indicative dates intended for planning and estimating purposes only and are not contractually binding. Any estimates of time for completion of the Services are given on the assumption Nexia receives co-operation, diligence and commitment from You. For the avoidance of doubt, Nexia will not be liable for any failure or delay in performing the Services if that failure or delay arises from anything beyond Nexia's reasonable control – including the untimely provision of information by You or the provision of incomplete or incorrect information.

1.2 Changes to Services

Either of the parties may request changes to the Services as set out in the Engagement Letter. Both parties agree to work together to enable both parties to assess the impact of any requested changes on the cost, timing and any other aspect of the Services.

1.3 Nexia Engagement Team

Where specific Nexia personnel are named in the Engagement Letter, Nexia will use reasonable efforts to ensure that those individuals are available to provide the Services. Where any changes are necessary, Nexia will give You reasonable notice of the changes. Staff have been allocated to the engagement based upon Nexia's assessment of the levels of experience, skills and responsibility involved.

1.4 Preliminary Advice

In the course of providing the Services, We may provide oral comments or draft reports, presentations, letters, schedules, and other documents. No reliance shall be placed on such oral comments or draft documents, conclusions, or advice as they may be subject to further work, revision, and other factors. The final results of our work will be set out in our final report or advice.

2. Information

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

3. Fees and Payment

3.1 How fees will be calculated

Nexia's fees are calculated on the basis of time spent on the assignment by our personnel in accordance with hourly rates current at the time the Services are performed. Unless otherwise stated, any total quantum of fees indicated in the Engagement Letter are indicative estimates only based upon the preliminary information provided by You and our experience with similar and/or your previous engagements. Any fees quoted are not fixed, unless otherwise stated, and Nexia reserves the right to render fee invoices for an amount based upon time spent, greater than any quantum indicated in the Engagement Letter.

3.2 Performance

Nexia's performance is dependent on you carrying out your responsibilities as set out in the Contract and you providing all information reasonably requested by Nexia in a complete and timely manner. Should this not occur, it may lead to an increase in fees depending upon the extent to which Nexia has to perform more work or reschedule commitments to deliver the Services. Alterations to the scope of Services or delays beyond the control of Nexia may require a reallocation of engagement staff and a renegotiation of fees.

3.3 Expenses

All charges are exclusive of expenses unless the Engagement Letter states otherwise. You agree to pay Nexia's reasonable travel, subsistence and document handling costs (photocopying, scanning and imaging, printing, courier, etc) incurred in connection with the Services. Any special expense arrangements will be set out in the Engagement Letter.

3.4 Payment of Invoices

Nexia's tax invoices will be issued on a monthly basis or as set out in the Engagement Letter. Nexia reserves the right to issue tax invoices at more or less frequent intervals. All tax invoices will be due for payment as stipulated on the tax invoice. All tax invoices will be rendered with relevant client details and a summary of work performed.

Detailed time records, however, will not be provided on the tax invoice. If you wish to receive a break-down of

time entries this may be requested in writing within fourteen (14) days of the issue of the tax invoice.

Nexia retains the right to charge interest on tax invoices which are not paid by the due date. Interest will be calculated daily at a rate equal to the ANZ Business Overdraft Base Rate plus a margin of 2%. You agree that the interest payable under this clause is a genuine pre-estimate of the loss suffered by Nexia due to Your failure to make payment on time.

Nexia reserves the right to recover all reasonable default costs and enforcement expenses in the event tax invoices are not paid by the due date and recovery action is necessary.

You agree that Nexia will hold a general lien over all files, papers and documents belonging to You ("**Documents**") which are in Nexia's possession as security for all outstanding amounts owed by You to Nexia including without limitation unpaid tax invoices, interest, default costs and enforcement expenses ("**Outstanding Amounts**") until all Outstanding Amounts are paid in full to Nexia.

3.5 Credit Reporting

You authorise Us to check your credit status with a relevant third party (which may include, but is not limited to, credit reference agencies) and to pass on any credit information about you to any credit reference or collection agency at any time.

3.6 GST

Any applicable GST added to our professional costs is shown in your tax invoice and must be paid at the same time that You pay our professional costs charged in your tax invoice.

4. Term and Termination

4.1 Duration of Contract

This Contract will apply from the date that You sign and return the Client Acknowledgment contained at the end of the Engagement Letter ("**Commencement Date**"). In the event that we decide, at our discretion, to perform Services prior to our office receiving the Client Acknowledgment back from You, then the Contract will be deemed to have commenced from the date of the Engagement Letter.

4.2 Termination

The Contract may be terminated by either party by providing written notice to the other party directly or by their agent. If the Contract is terminated prior to completion of the Services, Nexia shall be entitled to be paid for work that has been carried out, or for where expenses have been incurred, up to the date of termination.

5. Confidentiality

Both parties agree to take reasonable steps to maintain (within the respective organisations) the confidentiality of any proprietary or confidential information of the other.

Other than as required by law, or reasonably necessary in order for You to comply with your legal obligations, if You wish to provide third parties with copies of Nexia reports, letters, information or advice, You must first obtain the written permission of Nexia, such permission to be granted or withheld at Nexia's sole discretion, to disclose the document(s) or information (please note our intellectual property rights referred to

in clause 14.1 herein). Nexia also reserves the right to:

- a) set the terms on which those copies are given or used; or
- b) require the third party to enter into a direct relationship with Nexia or to enter a standard form deed poll of confidentiality.

Nexia will maintain the confidentiality of your information, subject to and with the exception of where we're required or requested to make certain disclosures legal requirements such as under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009; requests for information from other service providers that you have engaged; or where we're required to pass information onto public authorities under the non-compliance with laws and regulations (NOCLAR) standard.

6. Exclusions and Limitations of Liability

The parties acknowledge that our maximum liability for services rendered under this letter of engagement shall be limited to the fees paid to us for the work that we have provided, notwithstanding the basis upon which the action is taken against You. We shall not be liable for consequential, special, incidental, or exemplary loss, damage or expense including without limitation, loss of profits, or opportunities, notwithstanding whether We have been advised of their existence.

7. Indemnity for Liability to Third Parties

You agree to indemnify Nexia against all claims incurred by Nexia in respect of any third party claim (including your affiliates and lawyers) which is related to, arises out of, or is in any way associated with, this engagement. However, the indemnity does not apply to any costs, charges and expenses in respect of any matters which are finally determined to have resulted solely and directly from Nexia's negligent or wilful acts or omissions.

Nexia holds the benefit of this indemnity on trust for itself and its partners, directors, employees and contractors.

8. Personal Property Securities Act 1999 ("**PPS Law**")

For the purposes of this clause, PPS Law means:

- a) the Personal Property Securities Act 1999;
- b) any regulations made at any time under the PPS Act;
- c) any provision of the PPS Act or regulations referred to in (b) above;
- d) any amendment to any of the above, made at any time; or
- e) any amendment made at any time to any other legislation as a consequence of a PPS Law referred to in (a) to (d) above.

If at any time we determine that this Contract (or any of the transactions contemplated by or under it) creates a security interest over any of your personal property in our favour, then You must promptly, upon our request, do all things necessary (including, without limitation, completing, signing and providing documents, obtaining consents and supplying information) to:

- a) protect any right, title and/or interest of ours in the relevant personal property;

- b) ensure that any such security interest in favour of us;
 - i) is enforceable, perfected (including, where applicable, by control as well as by registration), maintained and otherwise fully effective; and
 - ii) ranks as a first priority security interest wherever that is possible.
- c) enable us to prepare and register a financing statement or a financing change statement; and
- d) enable us to exercise any of our rights or perform any of our obligations in connection with any such security interest or under the PPS Law.

9. Access to Working Papers

The working papers for this engagement, including electronic documents and files, are the property of Nexia and constitute confidential information.

All original documents received from You arising from the engagement shall remain your property. However, We reserve the right to make a reasonable number of copies of the original documents for our records.

We will return all original documents to You and maintain only electronic copies. Unless otherwise agreed, or required by law, our electronic records will be retained for seven years. At the end of that period, unless You ask us to send those documents to You, they will be destroyed using a secure document destruction service.

We will notify You as soon as practicable (unless restricted by law) where we receive a legally mandatory notice or request for access to our working papers from a third party or regulator (for example, Inland Revenue). If legal advice is required as to whether any information or documents which may be subject to either legal or accountants' professional privilege, may be retained and not provided to the third party, then all costs for such advice will be Your responsibility.

Nexia is subject to internal and network quality monitoring programs and the Quality Control Review Program conducted by Chartered Accountants Australia and New Zealand and other regulatory bodies. You acknowledge that our working papers we perform for You may be selected by the examiners for review.

10. Privacy

We understand the importance of protecting the privacy of your personal information. In handling personal information, we comply with the Privacy Act 2020 ("**Privacy Act**"), as amended from time to time.

To provide the Services, Nexia is required to process information relating to an identified or identifiable living individual ("**Personal Information**") on behalf of You. You warrant that you have the authority to provide Personal Information to us in connection with the performance of the Services and that any Personal Information provided to us has been processed in accordance with the Privacy Act and any other applicable law.

We collect, use, disclose, store and otherwise handle your Personal Information in accordance with our Privacy Policy.

If You would like to access, or seek correction of, the Personal Information we collect and hold about You, or

otherwise enquire or complain about our approach to privacy, please contact our Privacy Officer.

Our Nexia Privacy Policy is available at www.nexia.co.nz/privacy-policy and contains further information about these processes and the contact details of the Privacy Officer in each office.

You acknowledge that You have read and understood our Privacy Policy and You agree to us collecting, storing, using, disclosing and otherwise handling your Personal Information for the purposes of providing the Services to You and/or for any other purpose set out in the Privacy Policy or otherwise in accordance with law.

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11. Client Due Diligence

You must comply with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 ("**AML/CFT Act**"). Our work for you may be captured under the Act in conducting certain activities, including acting as a formation agent, acting as a nominee shareholder or trusts, managing client funds, or engaging in transactions for buying or selling land or a business or other legal entity/arrangement. If you request us to perform any of these captured activities we will only perform such work after we have conducted customer due diligence required under the AML/CFT Act and satisfied ourselves that we can proceed with the work.

When we conduct client due diligence required by the AML/CFT Act, the information we request from you will differ depending on the entity (for example, individuals, companies, and trusts are subject to different requirements) and the level of assessed risk. Information required may include passports, address verification by way of recent bill, bank statement, or government agency letter, Certificates of Incorporation or Registration, Trust Deeds or Partnership Agreements, proof of authority of personal acting for you and proof of source of funds.

You consent to your information being passed to and checked with the document issuer, official record holder and authorised third parties for the purpose of verifying your identity and address.

As well as our obligations to undertake due diligence, the AML/CFT Act requires us to report suspicious activity or prescribed transactions to the relevant authority. Under such circumstances, we may not disclose information to you about suspicious activity reports or prescribed transactions, in accordance with FIU Suspicious Activity Reporting Guidelines.

12. Relationship with Other Clients

We provide Services to other clients, some of whom may be in competition with You or have interests which conflict with your own. We will not disclose any of your Personal Information, any confidential information, or any commercially sensitive information that may come into our possession as a result of the Contract, to those other clients. However, our relationship with You, and our provision of the Services to You under the Contract does not and will not

prevent or restrict us from providing Services to other clients.

13. Use of Software

We may use or develop software, including spreadsheets, databases and other electronic tools (“**Tools**”) in providing the Services. If we provide these Tools to You, You acknowledge that (except where these Tools are a specific deliverable under the Contract) they are not your property, were developed for our purposes and without consideration of any purpose for which You might 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 or appropriateness of the Tools for any purpose for which You or a third party may use them. Any Tools developed specifically for You will be identified in our Engagement Letter.

14. General

14.1 Intellectual Property Rights

All copyright and other intellectual property rights in all materials and tools (including software and working papers), data, designs, models, methodologies, analysis frameworks, practices, ideas, concepts and techniques brought to the engagement or created in the course of the engagement of Nexia shall remain and be irrevocably vested in Nexia absolutely.

14.2 Severance

If a provision in these Terms is held by a court to be wholly or partially void, illegal or unenforceable, then that provision or part thereof must, to that extent, be treated as deleted and severed from these Terms. This severance will not affect the validity or enforceability of the remainder of the provisions contained in the Contract.

This Clause has no effect if severance of the provision of these Terms materially affects or alters the nature or effect of the parties’ obligations under these Terms such that performance of those obligations is frustrated or impossible to perform.

14.3 Variation

Where an inconsistency exists between these Terms and a matter contained in our Engagement Letter with You, the Engagement Letter shall prevail.

14.4 Non-Solicitation of Personnel

During the Contract, and for six (6) months after it ends, You agree not to solicit for employment or contractual consultancy purposes, whether on a part time, full time or casual basis, or to independently contract the services of, any Nexia personnel who has been involved with performing the Services without Nexia’s prior written consent.

We have the right to charge You a recruitment fee calculated at 30% of the relevant person’s gross annual remuneration package (“**Recruitment Fee**”) if, in contravention of this clause:

- a) You offer an employment or consultancy contract to one of our personnel; and
- b) That person accepts your offer.

You agree that the Recruitment Fee payable under this clause is a genuine pre-estimate of the loss suffered by Nexia due to Your failure to comply with this clause.

14.5 Miscellaneous

Nexia will provide the Services as an independent contractor. Nothing in the Contract shall be construed to create a partnership, joint venture or other relationship between the parties. No party has the right, power or authority to oblige or contractually bind the other in any manner.

14.6 Dispute Resolution

Both parties will use reasonable endeavours to resolve any dispute before bringing a legal claim or starting legal proceedings against the other.

This engagement is governed by NZ law and any dispute arising out of any advice or material is subject to the exclusive jurisdiction of NZ Courts.

14.7 Electronic Communication

We may communicate with You electronically from time to time. You consent to us sending Commercial Electronic Messages to You and You may opt out at any time if You no longer wish to receive these commercial messages from us.

Electronically transmitted information cannot be guaranteed to be secure or error or virus free and it may be unsafe to use or cause damage to the effectiveness of your software or computer network or systems. Nexia will use commercially reasonable procedures to check for the most commonly known viruses before sending information electronically, but will not be liable to You or any of your associates in respect of any error, virus or omission or loss of confidential information arising from or in connection with the electronic communication of information to You. You may elect, in writing, not to permit Nexia to communicate electronically with You.

15. Relationship with Other Nexia Network Firms

You will not bring any claim (whether in contract, tort (including negligence) or otherwise) against any other Nexia network firm or its personnel in respect of the services. Any Partner or employee of another Nexia network firm who deals with you in connection with the services does so solely on our behalf.

The benefit of this clause is expressly held by Nexia for the benefit of other Nexia network firms and their personnel (together “**the beneficiaries**”). You agree that each of the beneficiaries has the right to rely on this clause as if they were parties to this Contract. Each Nexia network firm which agrees to assist in the provision of the services does so in reliance on the protections afforded to it by this clause.

16. Audit Shield

We may disclose your name and contact details to Accountancy Insurance for the purpose of being included in a prompt to consider purchasing Audit Shield, an insurance product that assists in covering costs related to an official audit, enquiry, investigation or review of your lodged tax returns.

17. Commission

We may receive a commission on Audit Shield insurance, iPayroll and some Xero fees charged to you (if applicable). This commission is to cover administration in providing these services to you. No commission is charged on any other services provided.

18. Cloud-based Accounting Software

As part of our services, you may request that we

establish a licence to cloud-based accounting software in your name. In that circumstance, we will provide you with a copy of the cloud-based accounting software's Terms of Use at the commencement of those services.

By agreeing to subscribe to a cloud-based accounting software service, you acknowledge that you are responsible for the payment of fees charged by that software service provider, agree to the service provider's Terms of Use, and indemnify the Firm, our Partners, Directors and Employees against all liabilities, claims, costs, losses, or expenses (including legal fees and disbursements) you may incur as a consequence of utilising that service.

19. Use of Third-Party Services

We may utilise the following third-party service providers to perform or assist in providing various aspects of the Services:

- Connect Outsourcing, located in India.

This may include:

- a) Preparation of financial statements from your source data and information; and
- b) Preparation of income tax returns and other regulatory forms from your source information.

By agreeing to this engagement and accepting these Services you accept that some aspects of the Services may be outsourced as described above. Where the outsourced service requires the disclosure of personal information to an overseas recipient, we will take reasonable steps to ensure that New Zealand Privacy Principles are complied with by the overseas recipients of that information.

20. Cloud Computing

In providing our Services to you, we may utilise working paper and other software using cloud computing hosted by an external IT provider. By agreeing to this engagement and accepting our Services you acknowledge and agree that your personal information and data may be stored electronically using third party cloud computing services, which in some instances may be located overseas.

21. Health and Safety

We are required to comply with the provisions of relevant health and safety legislation by taking all practical steps to ensure the health and safety of our employees. However, You have responsibility for their safety when our employees visit your site.

22. Force Majeure

Neither of us will be liable to the other Party for any delay or failure to fulfil their obligations (excluding payment obligations) under this Contract to the extent that any such delay or failure arises from circumstances beyond the reasonable control of that Party.

23. Disputes and complaints

If you have any concerns about our costs or services, please advise us. 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.

24. Entire Agreement

This Contract comprising the Engagement Letter and Terms and Conditions of Business forms the entire agreement between the parties relating to the Services. It replaces and supersedes any previous proposals, correspondence, understandings or other communications whether written or orally.