

APPENDIX 2

STANDARD TERMS & CONDITIONS

This document outlines the standard terms and conditions of business for CooperAitken Limited. These Terms apply to any current engagement and also to any future engagements, whether or not we send you another copy of them. We may change these Terms at any time, and will publish the changed Terms on our website. The change will bind you in respect of any matters on which we accept instructions after publication of the change.

The Terms and Letter of Engagement form the entire agreement between you and CooperAitken Limited for services specified ("the Contract"). In the event of conflict between the Terms and the Letter of Engagement, the Terms will prevail, unless the Letter of Engagement refers to and modifies a specific provision of the Terms.

Where the Letter of Engagement is addressed to more than one addressee, each addressee is a party to, and is bound by, the terms of the Contract. We will treat you as having accepted this Contract if you continue to instruct us after you receive it.

On the basis of information and instructions you provide, we will compile any required financial statements for you. This engagement will be performed in accordance with Service Engagement Standard No. 2 Compilation of Financial Information (SES-2) issued by Chartered Accountants Australia + New Zealand.

SES-2 specifies that on completion of the engagement we will issue a compilation report and an appropriate disclaimer which will form part of the financial statements. For your reference an example of this is found at the end of these terms and conditions.

They will be prepared as special purpose financial statements for management and taxation purposes. You understand that they may not be suitable for other purposes. They will be prepared in accordance with the Tax Administration (Financial Statements) Order 2014.

Our procedures will not include verification or validation procedures. No audit or review engagement will be performed and accordingly no assurance will be expressed.

It is understood and agreed that:

- a. each page of the financial statements will be conspicuously marked as being unaudited;
- b. you will attach our disclaimer when distributing the financial statements to third-parties;
- c. if you distribute the financial statements (or other report) to any person without attaching to them (that report) our statement disclaiming liability, then you will indemnify us against all claims, actions, damages, liabilities, costs and expenses (including but not limited to reasonable legal costs and expenses) incurred by us and arising out of or in connection with any action, claim or proceeding brought by any third party in connection with the services provided by us to you.

Extent of Services

We do not accept any responsibility for the accuracy and completeness of the accounting records and other information you supply to us or for the reliability, accuracy and completeness of the financial information compiled on the basis of those records and information. We also do not accept any responsibility for the maintenance of adequate accounting records, an adequate internal control structure and the selection and application of appropriate accounting policies within your organisation. In addition you are solely responsible to users of the financial information we compile.

You will be required to review and approve the final returns and reports for reasonableness and correctness, and you will need to understand the importance and risks of signing income tax returns and other statutory documents as being true and correct statutory records.

APPENDIX 2

STANDARD TERMS & CONDITIONS

Where the Services include any taxation services, you are legally responsible for filing correct returns by the due date and for payment of tax on time.

The information you are to supply and any other information that we consider necessary to complete the engagement must be provided on a timely basis in order that the engagement can be completed on a timely basis.

Our engagement does not include the investigation or discovery of internal control weaknesses, errors, illegal acts or other irregularities, including without limitation, fraud, or non-compliance with laws and regulations. However, we will inform you of any such matters which come to our attention during the course of our engagement.

If, for any reason, we are unable to complete the compilation of your financial information, or we consider the information to be misleading, we may refer to such matters within our compilation report or we may determine, at our sole discretion, not to issue a report.

Independence

If we are aware that we are not independent of you, this fact will be stated in our compilation report. However, we will not conduct a comprehensive review to determine whether we are, or are not, independent of you. Independence is not a requirement for a compilation engagement.

Use and distribution of the financial information

We understand that any financial information we will compile is intended for your use and that of those financial institutions that you have specified. If this should change in any material respect, you will inform us immediately.

We will not accept any responsibility to any person, other than you, for the contents of the financial statements. No person should rely on the financial statements without having an audit or review engagement conducted.

Information and Disclosure

The conduct of this engagement is in accordance with the professional standards, rules and ethical requirements of the New Zealand Institute of Chartered Accountants. Information we obtain in the course of this engagement is subject to confidentiality requirements, in addition to our obligations under the Privacy Act 1993. We will not disclose that information to other parties, without your express consent, except as required by law or professional obligations.

However, as members of the New Zealand Institute of Chartered Accountants, we are subject to and bound by the disciplinary procedures and rules of the Institute, and our work and files are subject to the practice review rules of the Institute under which compliance with professional standards by members is monitored. These procedures and rules require us to disclose to the Institute, its reviewers and/or its disciplinary bodies our files and work papers including client information.

By allowing us to undertake this engagement (whether or not you sign this letter), you acknowledge that, if requested, our files relating to this engagement will be made available to the Institute, its reviewers and/or its disciplinary bodies. We assure you that the same ethical standards regarding confidentiality that we adhere to apply equally to the Institute's reviewers.

Fees

Our fees are normally based on hours worked charged at rates appropriate to the work performed and the levels of expertise required. If at the commencement of each year we advised you of our estimated fee for the work to be completed, and then our costs seem likely to exceed this figure, we will discuss the matter with you within a reasonable timeframe.

APPENDIX 2

STANDARD TERMS & CONDITIONS

In the unfortunate circumstance that a disagreement arises between us over our fees, if the matter cannot be resolved amicably by discussion (which is the preferred option) then we both agree to use the Fees Resolution Service of the New Zealand Institute of Chartered Accountants to resolve the matter.

Any queries in relation to an invoice should be raised within fourteen (14) calendar days to enable prompt resolution of any issues.

Under standard business arrangements, fees are to be paid by the 20th of the month following the date of invoice. We will charge interest on overdue amounts at the rate of 18% per annum. Suspension of interest charges is solely at our discretion. If your account remains unpaid and there is no satisfactory explanation for non-payment we may start proceedings to recover the amount owed, plus interest and any collection and other associated costs incurred. We may also do no further work for you, and not release your papers and files, until all accounts are paid.

You authorise us to check your credit status with any relevant third party (which may include, but is not limited to, credit reference agencies).

Ownership of work papers

Material that you provide to us remains yours and will be returned to you when the engagement is completed. Work papers that we create remain our property.

You should be aware that, like all other providers of services, we are entitled to retain possession of your records that have been used in relation to this engagement until outstanding fees are settled.

However, if your affairs at some time in the future are handled by another Chartered Accountant, we will make available, as required by the *Code of Ethics*, such information regarding your affairs that is essential to enable your new Chartered Accountant to perform the services we previously provided.

Our work may involve the collection of personal information relevant or incidental to the engagement. Any such information will be held at our offices and will be retained for as long as may be relevant to the engagement, and, except where otherwise noted in this letter, will only be used or disclosed for purposes related to the engagement. Individuals concerned will be able to contact us to access information held concerning them and, if necessary, seek correction to that information. By signing this engagement letter, you confirm we have authority to communicate with and obtain information from any third party (including the Inland Revenue Department) if the information sought is relevant to our engagement. You give permission for us to link you and all associated entities to the Inland Revenue Department and to sign, on your behalf, Inland Revenue Department returns for you and your associated entities.

We will store tax records that we hold on your behalf for a period of seven years after the applicable balance date. At the end of that period, unless you ask us to send that information to you, the records will be destroyed using a secure document destruction service.

While this engagement is in place, we will hold on your behalf, all files we have completed that are of an enduring significance, including minute books, company statutory records and 'permanent' files.

We look forward to full cooperation with you and your staff and we trust that any records, documentation and other information requested in connection with our compilation, will be made available to us in a timely manner.

You agree that all claims against us, whether in contract, negligence or otherwise, must be formally commenced in two years after the party bringing the claim becomes aware (or ought reasonably to have become aware) of the facts which gave rise to the action and in any event no later than three years after any alleged breach of contract, negligence, or other cause of action arises.

APPENDIX 2

STANDARD TERMS & CONDITIONS



Where this Agreement applies to more than one client, this limitation of liability must be allocated among these clients. Such allocation is a matter to be resolved by those clients.

Generally

These Terms and Conditions will be effective for this and all future engagements unless we advise you of any change in our arrangements.

This is an example of how the compilation report is currently expected to read:

Reporting Scope

On the basis of information you provided we have compiled, in accordance with the New Zealand Institute of Chartered Accountants Service Engagement Standard No. 2: Compilation of Financial Information, the special purpose financial statements of [name of entity] for the period endedas set out in the attached statements. The statements are special purpose financial statements prepared for management and taxation purposes only. Accordingly, they should not be relied upon for any other purposes. They have been prepared in accordance with the Taxation Administration (Financial Statements) Order 2014.

Responsibilities

You are solely responsible for the information contained in the special purpose financial statements and have determined that the basis of accounting used is appropriate to meet your needs and for the purposes the special purpose financial statements were prepared. The financial statements were prepared exclusively for your benefit.

Disclaimer of Liability

As mentioned above, we have compiled the financial information based on information provided to us which has not been subject to an audit or review engagement. Accordingly, neither we nor any of our employees accept responsibility for the liability, accuracy or completeness of the compiled financial information, nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.

No audit or review engagement undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. A compilation is limited primarily to the collection, classification and summarisation of financial information. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Independence (if required)

We are not independent of [name of entity] because.....(reason why not independent, for example, we are a Shareholder/Director)