

Terms of engagement

Last updated: 16 January 2007

This document sets out standard terms of our engagement and the nature of, and limitations to the services that Owens Tax Advisors Limited will provide to clients.

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1. Advisory Assistance

We are happy to provide you with written advice in relation to any tax matter that may arise during the year. Any advice provided will be subject to the terms set out in this document, but the scope of the advisory work will be agreed in writing or set out in the advice letter.

You should be aware that most non-routine transactions will have some tax implications, for example, sale or purchase of significant assets, particularly land, non-arm's length transactions with related parties, the acquisition or divestment of a business and investment overseas.

So that the implications of these transactions can be properly assessed, please advise us of your intentions before taking any action, as we may be able to assist you to complete the transaction in a more tax efficient manner or ensure that your proposed course of action does not give rise to adverse tax consequences.

2. Other services

If you require services that are outside our core business we would be pleased to recommend a colleague who could provide those services.

3. Disclaimers

Advisory assistance will be prepared on the basis of information provided by you or your client and our own research. We will rely on the information and documents being true, correct and complete and in general will not audit, test or check them. Therefore, you will appreciate that we can accept no responsibility for any liability arising due to inaccuracies or omissions in the information as set out in our advice.

Any advice provided will be based on the law, regulations, cases, rulings and other tax authorities in effect as of the date of our report. Subsequent changes in these tax authorities may render our opinion invalid. Our advice or opinion will represent our considered judgment as to the proper tax treatment of the proposed or existing transaction at the date of our report. We take no responsibility for updating your report to reflect changes in the law etc unless specifically instructed to do so. Please note that our advice or opinion is not binding on the IRD or the courts and we cannot guarantee that it will not be successfully challenged by the IRD.

Any advice or opinion provided to you will be specific to your current circumstances and intentions and therefore will not be suitable for use at a different time, in different circumstances or to achieve other aims or for the use of others. Accordingly, you should only use the advice for the intended purpose and no other person is entitled to rely on this advice for any other purpose. We will have no responsibility or liability towards any person other than the addressee.

The advice (excluding facts) may be protected from disclosure to Inland Revenue under the rules set out in sections 20B to 20G of the Tax Administration Act 1994.

4. Tax Publications

Unless specifically notified to the contrary we will place you on the mailing list to receive our occasional tax newsletter, and invitations to any tax seminars we may present from time to time.

5. Retention of Information

Any work papers that we prepare remain our property to be dealt with as we decide. Normally we will only retain these in electronic rather than paper form.

In the absence of any other instructions from our clients, it is our normal practice to destroy correspondence and other papers which are more than seven years old, other than documents which may be of continuing significance.

6. Our Service Team

Jeff Owens will be the partner in charge of the tax work which we will do for you, but we reserve the right to involve other personnel if necessary.

We will endeavour to ensure that you receive quality service from us and will always be pleased to hear any suggestion as to how our service can be improved.

7. Client relationships

We will maintain full confidentiality in relation to all matters referred to us. We will not compete with you in relation to any client referrals. You are our client and we will continue to regard your client as a client of yours to protect your relationship with them.

8. Fees

It is our practice to render fees based on the degree of responsibility and skill involved, the value of the services rendered and the time spent on the work.

If requested, we will be pleased to provide a fee estimate for any work undertaken. Please note however that an estimate is not a quote. Where the costs are likely to significantly vary from the estimate we will provide you with an update and seek confirmation that additional work should be done.

We will normally charge for time and cost in preliminary research, whether or not the client decides to proceed with the job.

In relation to certain services we will provide, we may charge fees on a basis other than time and cost. In all such cases, we will agree these arrangements with you prior to providing these services.

In general we will render our invoice once we have provided our advice, however for projects that extend over more than six weeks we may render an interim bill.

Where you have engaged us to provide services to another party, eg your client, if you wish we will invoice your client directly. However in the event of late or non payment, responsibility for payment remains with you.

9. Payments

We pride ourselves on providing quality and prompt advice, and upon completion of work we expect a similar courtesy by way of prompt payment.

Fees paid by cheque or direct credit are due and payable on or before the 20th of the month following date of invoice. Owens Tax Advisors Limited is set up as a Bill Payee with the major NZ trading banks. If necessary we can provide a bank account number.

Alternatively payment may be made by credit card, due within 10 working days of the date of invoice. A secure payment page is hosted by Digiweb - refer payments link from website www.owenstax.com

Given the alternative payment options, late fees are subject to a finance and administration charge of 1.5% per month, commencing date of invoice plus any collection fees (which may be as much as 25% of the original debt). These charges will form part of the principal debt.

10. Refunds and disputes

We pride ourselves on providing excellent service and having satisfied clients. Our bank requires us to document a refund policy. We expect that in the remote chance that a client requested a refund we would settle the issue by discussion. In the event of any dispute over fees which is not settled between the parties within three months the matter can be referred to the Institute of Chartered Accountant's Fees Resolution Service for arbitration.

11. Liability

We shall use reasonable skill and care in the provision of the Services to the client.

Any liability of ours for costs, damages or other legally payable amounts whether for losses arising from the Services provided by us (whether in contract, negligence or otherwise) or otherwise arising at law shall be limited to and not exceed five times the fees paid in aggregate in respect of the Services provided under this Contract. In the case of continuous services reference to "the fee" shall mean our fee charged in the twelve months preceding the occurrence of the event(s) giving rise to the claim insofar as they relate to the services relevant to any alleged losses.

12. Action

Please confirm your agreement to the contents of this letter by arranging for countersigning on behalf of the client and fax back to us at +64 4 971-8944.

If you have any questions about this document please contact us.

signed

signed

Jeff Owens
Director
Owens Tax Advisors Limited
Date

Date

[client]

