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Thank you for the opportunity to become your Chartered Accountants and Business Advisors.

As members of the Institute of Chartered Accountants of New Zealand, our Code of Ethics requires as a matter of record that we outline our terms of engagement, which are set out below. We believe that both parties should be in agreement on the terms of our professional relationship before we commence work on your behalf. Please contact us if you require further explanation.

Professional Standards

As professionals, we act in your interests within the Code of Ethics and professional guidelines established by the New Zealand Institute of Chartered Accountants. In particular this involves adherence to standards of:

- a) Confidentiality;
- b) Avoiding any conflict of interest which could prevent us from acting other than in your best interests; and
- c) providing competent professional staff and advice to assist you.

Our role is to provide high quality financial information and business advice appropriate to your personal needs and objectives.

Fees

We believe that it is important for our clients to understand the basis upon which our fees are calculated and our expectations for payment.

Unless otherwise agreed, all services are charged on a time-incurred basis according to the level of training and experience of the person performing those services and the complexity of the work involved.

Disbursements paid on behalf of the clients are reimbursable and will be invoiced.

We are always willing to consider providing quotations or estimates for specific tasks or projects which can be adequately defined. Any quotation or estimate, however, will depend on the accuracy and completeness of records and information provided by you.

Fees are rendered on a monthly basis for time incurred within that month and are payable by the 20th of the month following the date of the invoice. In instances where your assignment has not been completed by month end, a progress fee will generally be rendered. For company clients we require a personal guarantee from a Director/Shareholder as detailed below.

Terms of Engagement

1. Scope of Work

You accept responsibility for the accuracy and completeness of the information supplied at our request to us, which is to be used in the preparation of your taxation return and/or financial statements. We are not to complete an audit, nor do you wish us to undertake a detailed review of your affairs in order to substantiate the accuracy of your information, and therefore we are unable to provide any assurance on your financial statements.

You understand our work cannot be relied on to detect error and fraud and that we accept no liability for the accuracy and completeness of the information supplied by you. You further understand that the financial statements are prepared at your request and for your purposes only and that we will not be liable for any losses, claims or demands by any third person.

You also accept responsibility for the accuracy of all other records and information supplied to us. You accept responsibility for any failure by you to supply all relevant records and information to us.

2. Disclaimer

You accept that we will be preparing information for use by you and that we will attach our disclaimer when distributing it to third parties.

3. Privacy Issues

You irrevocably authorise any person or company to provide us with such information as we may require in response to our inquiries to enable us to prepare financial statements and tax returns on your behalf. You authorise any person or company to provide us with such information as we may require in response to our credit inquiries.

You authorise us to furnish to any third parties details of this application and any subsequent dealings that you may have with us as a result of this application being actioned by us. You further authorise us to supply credit information to any person or company who contacts us in response to a credit application by you.

4. Indemnity Against Claims

You agree to indemnify us and our practice against all claims, actions, damages, fines, penalties, 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, which was based on the information supplied by you.

5. Payment Terms

You will ensure that our normal payment terms will be adhered to, which may include payment by monthly Automatic Payment if agreed and/or payment of all other invoices on or before 20th month following the date of the invoice therefore when an invoice is received it will generally be for work performed in the **prior** month and would require settlement in the month of receipt of invoice unless otherwise negotiated by us in writing. You also agree that we are entitled to recover all costs of collecting any outstanding debts, should this be required.

6. **Personal Guarantee**

You agree to be jointly and severally personally liable for any debts including all debt collection costs unpaid by the entities listed on Appendix I and any additional entities that may be added by you from time to time.

Refer Appendix I

Investment Advice

We are not investment advisors. Under current Law there are strict requirements as to the disclosures investment advisors must make to their clients.

The usual practice of our office on investment advice is to give only general advice about investing and on the different type of investment products available.

The office does **not** recommend specific products but have available a number of specialist investment advisers we can refer you to for specific advice.

From time to time investment opportunities do arise which we may detail to you under no obligation. Some investment products do pay brokerage / introductory fees to our firm for introductions.

Information

In order for us to act effectively on your behalf we would like to obtain some information from you for our records.

We will be in contact to obtain client set up information.

We take this opportunity to emphasise the importance of the Disclaimer Statement accompanying all accounts, forecasts and analyses prepared by us.

Please note this engagement is in respect to the attached Schedule of Entities **as** well as any other entity added from time to time by the principal/director/shareholders.

We thank you for giving us the opportunity to assist in regard to your financial affairs and look forward to being of service to you.

Yours faithfully

BAIGENT CONSULTING LIMITED



**Ross Baigent
Director**

I hereby accept your terms of engagement as outlined above.

.....
Signed

.....
Business Name

.....
Date

GUARANTEE

IN CONSIDERATION of Baigent Consulting Limited, Chartered Accountants (BC) at our request agreeing to provide Limited ("the Client") with accounting and financial services I, hereby personally unconditionally and irrevocably guarantee to BC the due and punctual payment of all monies due and owing from time to time by the Client to BC. If for any reason the Client does not pay any amount due to BC when due we will pay the relevant amount immediately on demand being made by BC. As between BC and ourselves, we have the liability of a principal debtor. Furthermore no change of constitution of the present BC firm shall impair our liability hereunder. BC shall be under no obligation to take proceedings against the Client before taking proceedings against us. This guarantee and indemnity will not be affected by any release waiver delay neglect to sue or indulgence given by BC to the Client or any other thing whereby we would have been released had we been merely a surety.

This guarantee covers all entities on the attached schedule plus any future entities that you may add from time to time. Any costs of recovery due to non payment of accounts on your behalf are covered by this guarantee.

DATED this _____ day of _____ 2010

SIGNED by the Guarantor)
in the presence of:) _____
Guarantor

.....
Witness' Signature

.....
Witness' Name

.....

.....
Witness' Address

SCHEDULE OF ENTITIES

AS AT

Or any other entities added from time to time by the principals/director/shareholders.