

SBA CLIENT STANDARD TERMS OF ENGAGEMENT

1. INTRODUCTION

- 1.1 “We”, “SBA” “Our” or “Us” means the SBA Franchisee you have engaged, and “You” or “Your/s” means the Client.
- 1.2 These Terms apply to all work we do for you. The Terms may be updated from time to time on the SBA website. The current version of the Terms will always be the SBA Website and you should check regularly to view the latest version. Your ongoing use of SBA indicates your ongoing acceptance of the current and any updated Terms.
- 1.3 Correspondence and ‘in writing’ includes emails and scanned or faxed documents.
- 1.4 If the Client is not a sole trader, the owners or officers of the Client are deemed personally responsible to us for satisfaction of the Client’s payments and other obligations under these Terms. This includes:
- (i) For partnerships; each partner both jointly and severally (or in the case of a Limited Partnership the General Partner/s);
 - (ii) For companies; the company and each director both jointly and severally;
 - (iii) For Trusts; each trustee, both jointly and severally;
 - (iv) For other entities; the entity itself where it has separate legal existence and its office holders.
- 1.5 For clarity, we are only providing the Services to the named Client (not partners, directors, trustees or office holders of Clients personally unless we have been independently engaged by such people).

2. THE SERVICES

- 2.1 Services means all advice, assistance and accounting services we carry out for you:
- (a) As detailed in our Accounting Needs Analysis Report as accepted by you by signing and returning that document to us; and/or
 - (b) As detailed in our Client Contract as accepted by you by signing & returning that document to us;
 - (c) And any additional, varied or ongoing Services as you may request in writing from time to time and as agreed to by us in writing.
- We will:
- 2.2 Carry out the Services in an efficient and timely manner using reasonable skill and care.
 - 2.3 Comply with our obligations under these Terms.
 - 2.4 Not be responsible for providing any advice, assistance or services that are not specifically offered to you by us and accepted by you in writing; or requested by you.

3. FINANCIAL STATEMENTS AND MANAGEMENT REPORTS

- 3.1 If the Services include preparation of your annual financial statements and/or monthly profit and loss or other management accounts or reports (“accounts and reports”) they will be prepared based solely on information supplied by you (or sourced on your behalf from third parties with your authorisation). We shall have no responsibility or liability to you or any other person to check or verify accuracy or completeness of information you supply.
- 3.2 It is your responsibility to:
- (a) provide us with all information necessary to compile the accounts and reports in a timely manner;
 - (b) review and approve (or advise us of any errors) all accounts and reports, statements, resolutions and records prepared or provided by us including assertions in the Financial Statements and accept full responsibility for their completeness and accuracy.
- 3.3 Annual financial statements will be prepared in accordance with the current mandatory financial reporting requirements applicable to the Client (if any) or as opted in or out of by the Client.
- 3.4 Annual financial statements are not audited by us and each page will be marked as unaudited. Our disclaimer to you, as set out below will apply and be attached to all financial statements:
We have compiled the Financial Statements of for the year ended xx/xx/xx, comprising pages as per

the index. A compilation is limited to the collection, classification and summarisation of financial information supplied by the client. A compilation does not involve the verification of that information. We have not carried out an audit or review assignment on the Financial Statements and therefore neither we, nor any of our employees, accept any responsibility for the accuracy of the information from which the Financial Statements have been prepared. Further, the Financial Statements have been prepared at the request of and for the purpose of the client only and neither we nor any of our employees accept responsibility on any ground whatever, including liability and negligence, to any other person.

4. TAXATION SERVICES

If the Services include taxation services:

We will:

- 4.1 Prepare, complete and file with Inland Revenue Department those tax returns, statements and documents required by you based on the records and information you provide to us.
- 4.2 Calculate and advise you of the taxation payable or refundable by reference to those returns.
- 4.3 Include you on our agency listing with the Inland Revenue Department.
- 4.4 Advise you of any queries directed to us by the Inland Revenue Department.
- 4.5 Respond to any Inland Revenue Department queries on the basis of information available to us.
- 4.6 Maintain the necessary taxation files and records for the relevant minimum statutory period.
- 4.7 Prepare Statistics New Zealand returns as required.

You will:

- 4.8 Provide us with all information we request and as is otherwise necessary by the required dates to allow us to complete your tax returns, statements, and other documents in a timely manner. All information you provide to us must be accurate, relevant and complete.
- 4.9 Review and approve all drafts and final versions we provide. By approving drafts and final versions you accept the full and exclusive responsibility for the accuracy and completeness of those tax returns, statements, and documents.
- 4.10 Review any Inland Revenue Department assessments, determinations or statements of accounts that you receive for accuracy.
- 4.11 Accept the full and exclusive responsibility for meeting your tax obligations and any penalties and/or use of money interest imposed by the Inland Revenue Department for any reason whatsoever.
- 4.12 **Tax Agent Authority**
 - (a) By signing this letter you authorise us to act as your sole Tax Agent for all purposes and in relation to all Inland Revenue Department tax types included in the Services.
 - (b) Without limiting the generality of this authorisation, you specifically authorise us to obtain and provide such information from and to the Inland Revenue Department as may be helpful or necessary for all tax types and to file such returns and answer such queries as may be required.
 - (c) You may cancel this authority any time in writing. If you cancel this authority, the scope and nature of the Services may reduce or change accordingly if we are unable to deliver the same without such authority.

5. PRICE AND PAYMENTS

- 5.1 Subject to clauses 5.2 and 5.3, our Fees are initially as quoted at commencement of providing the Services.
- 5.2 We may review and provide updated fee estimates each year after assessing the work required for the year ahead.
- 5.3 We may need to increase the quoted fees at any time due to a change in the level, type or complexity of the work; changes in legal requirements, accounting practice or taxation requirements; or other circumstance outside our control. If any increase seems necessary, we will consult with you within a reasonable timeframe before making any changes.
- 5.4 GST Invoices will be issued by us and payment is due upon receipt of invoice (or the due date

stated on the invoice if different).

- 5.5 Interest will be charged at 2% per calendar month on any overdue payments from the due date of invoice until payment is received, accrued on a daily basis (including after entry of any judgement for recovery of such payment).
- 5.6 The customer shall pay the full costs incurred by or on behalf of us in collecting or enforcing any payment under this contract.
- 5.7 We may suspend all work pending payment of any undisputed invoice overdue by more than 7 days. If any payment is overdue by more than 21 days, we may cancel this contract and retain all payments made with no liability or continuing obligation to the Client for unfinished work.
- 5.8 If the Services are cancelled for any reason you must pay us all amounts due or accrued as at the date of cancellation including for work in progress that has not been invoiced or paid for whether or not that work is finished or able to be used / finished by you or another service provider. If all amounts are not paid without our agreement we may hold all or any of your files, access to subscriptions and information pending payment in full.

6. INFORMATION AND RECORDS

- 6.1 All information related to or necessary for the Services that is supplied to us by you or persons authorised by you or that is produced by us will be transferred and / or copied to and stored on our local office servers, and / or on servers owned or controlled by Small Business Accounting (NZ) Limited (the SBA New Zealand Franchisor); and / or on servers owned by third party software suppliers and /or on servers owned by independent server hosting organisations; all of which may be located within or outside New Zealand.
- 6.2 We shall take all reasonable and practicable steps and precautions to back up and protect the confidentiality, privacy and security of all information about you held by us or transmitted by us.
- 6.3 However you accept that storage, processing and transmission of information electronically, by internet, email, facsimile or any similar method involves inherent risks of accidental or unauthorised loss, interception by third parties, modification or disclosure that cannot be completely excluded regardless of the precautions and steps we take. The Client shall carry the sole risk for any loss, misuse or unauthorised disclosure of Client records and information supplied to us and the Client must keep copies or backups of all information supplied to us.
- 6.4 Privacy Policy
 - (a) Personal information means information about a person or entity such as name, email address, telephone number, bank account details, taxation details and accounting and financial information.
 - (b) We collect, store and use personal information about Clients, (including their owners, directors and officers) as necessary to provide the Services.
 - (c) All Client personal information may also be disclosed, stored and used by the SBA Franchisor at any time pursuant to contractual rights to access, copy and retain Client files and information under the SBA Franchise Agreement.
 - (d) We, and the SBA Franchisor will only ever collect, store or use identifying information about or belonging to Clients in connection with ongoing provision of the Services in a legally compliant manner, or to review or audit the quality of the Services being provided to you.
 - (e) In the event that we cease to be a SBA Franchisee for any reason, or sell our business to a third party; ownership of Client files and information and the contract to provide the Services to the Client may transfer to the SBA Franchisor, another SBA franchisee or the third party purchaser along with the assets of our business without your prior consent and you will be notified as soon as practicable of any such transfer.
 - (f) We shall not use or disclose personal information in any other way unless notified to you, requested by you or required by law.
- 6.5 You shall have to right to access and correct all personal information on notice to us at any time.
- 6.6 You authorise us to collect whatever information we require from banks, financial institutions, IRD,

commercial operations or people as may be helpful or necessary for us to properly provide the Services including if necessary any credit check.

- 6.7 Information and documents that you provide to us remain your property. Work papers that we create are our property.
- 6.8 We shall hand over all or any information (in hard copy or electronically) that is owned by or about you that we hold or control on your written request provided that all our current and accrued fees of third party suppliers have being paid in full to the date of uplift, or expiry of subscription or services, whichever is later.

7. ACCOUNTING SOFTWARE AND THIRD PARTY DATA SERVICES

- 7.1 We utilise a combination of third party suppliers (such as Xero) and SBA proprietary accounting and business management software, programs and services to receive, process, store and interpret Client data and to produce reports and returns for Clients and for filing with third party agencies (such as IRD and the Companies Office).
- 7.2 You authorise us to provide all and any information we consider strictly necessary to such third party suppliers to enable us to supply the Services including access to your bank accounts to upload financial information necessary for accounting reports and records.
- 7.3 We do not warrant that use of any software or third party services will be uninterrupted or error free and we shall not be liable for any loss or claim as a result of any interruption or delay of access to such services.
- 7.4 You will be required to subscribe as a user directly with suppliers or to engage us to subscribe on your behalf to all third party software or services necessary to enable us to deliver the Services.
- 7.5 You will pay the costs of all subscriptions and usage necessary to provide the Services. If you cease using us to provide the Services at any time for any reason during a current third party subscription you will be liable for paying any fees for any unexpired period of the subscription or for any period of notice of cancellation required to be given to the supplier.
- 7.6 While we shall take all reasonable steps and use our best endeavours to avoid any such event, we are not responsible for the use or misuse by any third party supplier of information about or belonging to you including retention or loss of records or information in the event of any dispute over ownership or technical difficulty.
- 7.7 You (and all of your staff and representatives) must at all times comply with all software user terms and conditions where you have access or authority to view or process or administer data whether you or we are the named subscriber.
- 7.8 You are solely responsible for using correctly, protecting and keeping secure all user passwords, codes & authorisation keys that are created or generated for your use & not disclosing them to any person that is not authorised to have the same level of access as the Client or owners of the Client.
- 7.9 You will fully and completely indemnify us for any loss, damage, claim, liability or cost against or suffered by us as a result of you or persons under your control using or accessing, copying or disclosing any function or part of any software, service or data outside the scope of your authorised use or in breach of these Terms.

8. WE RELY ON YOU FOR ACCURACY OF INFORMATION

We will:

- 8.1 Fully rely on all information you supply us as being complete, correct and accurate and not attempt to verify accuracy or completeness.
- 8.2 Not conduct any review, investigation or audit of the information you supply or your internal accounting records for legal compliance or irregularity, or attempt to prevent or detect fraud or error. However, we will inform you of any such matters which come to our attention during the course of our engagement.

- 8.3 Not be liable for any losses, claims or demands that may arise in connection with our relying on information you have supplied.
- You will:
- 8.4 Ensure that all information & records are complete, accurate, lawfully compliant & not misleading.
- 8.5 Accept responsibility for any failure to supply us with such records or information or for any lack of accuracy or completeness, and be solely liable for any loss or claim resulting from such failure.
- 8.6 Immediately update us of any changes, errors or other matters you become aware of relating to you or to information provided that could impact on the accuracy or completeness of the Services.
- 8.7 Need to understand the importance and risks of signing tax returns or other statutory compliance statements, reports or returns as being true and correct statutory records.
- 8.8 Ensure that you carefully check all our work for accuracy and completeness before approving it.

9. IF YOU ARE A REGISTERED COMPANY

9.1 Companies Act 1993 Annual Returns

We will prepare and lodge your annual returns with the Registrar of Companies unless you request us not to.

9.2 Registered Office and Statutory Record Keeping

- (a) We do not hold records for Clients unless specifically agreed. If you do not elect our office premises as your company registered office, you will be responsible for keeping and maintaining the records required by law at your own or other suitable premises.
- (b) It is your responsibility to advise the Registrar of Companies where your records are kept, and you must update the Registrar within 10 working days if the location of the records changes.
- (c) Such records include the following. You are responsible for keeping informed of any changes for record keeping under the Companies Act:
- (i) constitution of the company (if any);
 - (ii) share register;
 - (iii) minutes of all meetings and resolutions of shareholders, directors and directors' committees within the last 7 years;
 - (iv) interests register;
 - (v) certificates given by directors under this Act within the last 7 years;
 - (vi) the full names and addresses of the current directors;
 - (vii) copies of all written communications to all shareholders or all holders of the same class of shares during the last 7 years, including annual reports made under section 208;
 - (viii) copies of all financial statements and group financial statements required to be completed by this Act or any other enactment for the last 7 completed accounting periods of the company;
 - (ix) the accounting records required by section 194 for the current accounting period and for the last 7 completed accounting periods of the company.

9.3 Solvency

- (a) You acknowledge that we are not responsible and have no liability of any type to you or any other person for assessing or advising on your solvency.
- (b) You have full responsibility to ensure that any transactions, distributions and obligations entered are at all times in accordance with legislative regulations and will not cause you to be insolvent or unable to pay your debts when they fall due.

10. GENERAL

10.1 End of contract

- (a) Either of us may cancel all or any of the Services any time on reasonable written notice to the other.
- (b) Upon termination of our engagement all records and information belonging to the Client shall be returned to the Client as set out in paragraph 5.8. amount under the jurisdiction of the Disputes

Tribunal in place at the time.

- (c) We shall only retain such information or copies of documents as legally required for as long as legally required.

10.2 Dispute Resolution

- (a) In the event that a disagreement arises about our Services, payment of fees or any other matter between us we agree that we will first attempt to resolve the matter amicably by discussion (which is the preferred option).
- (b) No claim or dispute will be valid if the events or issues in dispute occurred or became known to both or either party more than three months prior to the dispute or claim being raised.
- (c) If the amount in dispute is within the jurisdiction of the Disputes Tribunal then a claim must be filed in the Disputes Tribunal. The parties hereby irrevocably agree to the maximum extended
- (d) The Client acknowledges that fees due or payable shall continue to be payable without set off or retention during any dispute process even if the fees are in dispute.

10.3 Franchisor Not Liable

- (a) You acknowledge that the SBA franchisee is an independently owned and operated business and that the Franchisor is not liable to the Client or any other person for any franchisee obligation under this contract.

10.4 Jurisdiction

- (a) You confirm that the Client is acquiring the Services for the purposes of a business that is owned and operated in New Zealand. The laws of New Zealand shall apply.

10.5 No Implied Warranties or Guarantees

- (a) To the maximum extent permitted by law, all and any statutory or implied warranties and guarantees including pursuant to the Consumer Guarantees Act 1993 or Fair Trading Act 1996 or similar or replacement legislation in any jurisdiction are excluded and do not apply to the supply of the Services or these Terms.

10.6 Limitation of Liability

- (a) We exclude all and any liability of any nature to the Client and any other person for any loss, cost or damage whatsoever resulting, directly or indirectly from our acts, omissions or any use of, or reliance on, the Services.
- (b) Notwithstanding paragraph (a) above, should we be found to have any liability to you or any other person it will be limited to us repeating the Services at no further cost to you, or at our option refunding the amount you paid for the particular Services to which the liability is relevant; or in any event the total amount we shall be liable for in any one, or series of claims shall not exceed the amount paid by you for the Services in the 12 months prior to the date of claim (or last claim).