

Terms of Engagement — Independent Trustee

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Terms of Engagement – Independent Trustee

We have set out below the terms on which we are prepared to be a trustee of a trust. Unless we expressly agree otherwise in writing, these terms will apply whenever a trustee company or other person associated with Kemps Weir Lawyers is a trustee of a trust. You do not need to sign anything or otherwise confirm your acceptance of these terms - your acceptance will be assumed from you engaging us or continuing to engage us.

We are entitled to change these terms from time to time, in which case we will provide you a copy of the amended terms.

If you have any comments or questions about these terms, please contact us.

1. **Trustee company:** We will incorporate a company to be the trustee of the trust (**Trustee Company**). The directors of Kemps Weir Lawyers (and any other people nominated by Kemps Weir Lawyers) will be the shareholders and directors of the Trustee Company.
2. **Unanimous decisions:** Decisions relating to the trust must be made unanimously by the trustees. Therefore, we must be involved in the trust activities and agree before the trust enters into any contract or makes any decision - this could be an agreement for sale and purchase in respect of trust assets, any new loan secured by trust property or any other contract or decision relating to the trust or its assets.
3. **Insurance:** You must ensure that all insurable trust assets are fully insured at all times in the names of the trustees and provide a copy of the certificate of currency to the trustees annually (or on request by us).
4. **Annual review:** All of the trustees must participate in an annual review of the trust, trust activities and assets.
5. **Indemnity:** You must personally indemnify the Trustee Company and its directors against all liabilities, claims and costs and sign a deed of indemnity (in a form which we will prepare) to record the terms of this indemnity. We recommend that you obtain independent legal advice in respect to this indemnity.
6. **Bank accounts:** If the trust operates a bank account, that bank account may only be used for transactions relating to the trust and may not be used for any personal or business transactions.
7. **Records:** You must keep proper records in relation to trust transactions and provide copies to us on request.
8. **Financial accounts:** Unless the trustees unanimously agree, you must arrange for financial accounts to be prepared annually for the trust by a suitably experienced accountant satisfactory to the trustees. The financial accounts must be prepared and provided to each of the trustees for their review and approval no later than 3 months (if the trust does not have a tax agent) or 6 months (if the trust has a tax agent) following the end of the trust's financial year. All transactions of the trust must be accounted for in financial accounts.
9. **Tax:** You must ensure that the tax obligations of the trust are complied with at all times.
10. **Guarantees:** If the trust has guaranteed your borrowings (or the borrowings of a company, trust or other entity associated with you), you must ensure that no further money is borrowed without the prior agreement of the trustees.

11. **Rates and levies:** You must ensure that the Council and water rates relating to the properties of the trust are paid by the due date and provide a copy of the receipt issued annually (or on request by us) to confirm that the rates have been paid. If any property of the trust is part of a body corporate or residents society, you must also ensure that the associated levies are paid by the due date and provide a copy of the receipt annually (or on request by us) to confirm that the levies have been paid.
12. **Fees:** You must pay our fees and disbursements for our attendances in respect to the trust. We will charge an annual fee for taking part in the annual review and will also charge for any further attendances relating to the trust in accordance with our usual Terms of Engagement.
13. **Resignation:** If at any time we believe (in our absolute discretion) that:
 - (a) these terms have not been fully complied with;
 - (b) our involvement with your trust exposes the Trustee Company, any of its directors or any other person associated with Kemps Weir Lawyers to risk, loss or liability; or
 - (c) we are unable to properly fulfil our legal responsibilities and obligations as a trustee of the trust,

we may resign as a trustee. You must pay our fees and disbursements for our attendances in respect to our resignation as a trustee and the transfer of the trust assets to the continuing trustees.

14. **Miscellaneous**

- 14.1 You may not transfer or assign your rights or obligations under these terms or in relation to any engagement of us on any matter.
- 14.2 We are entitled to change these terms from time to time, in which case we will provide you a copy of the amended terms.
- 14.3 Our relationship with you is governed by New Zealand law and New Zealand courts have non-exclusive jurisdiction.
- 14.4 Kemps Weir Lawyers is the trading name of Kemps Weir Lawyers Limited.