

LDE Terms of Engagement

1. It is confirmed these terms are the standard terms and conditions between LDE and the Client unless otherwise agreed in writing between LDE and the Client.
2. In this Agreement, unless the context otherwise requires:
 - (a) References to any legislation or any provision of any legislation shall include any modification or re-enactment of, or any legislative provision substituted for, and all legislation and statutory instruments issued under such legislation or such provision;
 - (b) Words denoting individuals shall include body corporates and unincorporated associations and vice versa;
 - (c) Words denoting any gender shall include all genders;
 - (d) Any reference to a person shall be deemed to include that person's personal representatives;
 - (e) An agreement, covenant or undertaking on the part of or in favour of two or more persons binds or is for the benefit of them severally;
 - (f) References to clauses and schedules are references to clauses and schedules in these Terms;
 - (g) The following definitions apply:

"Agreement" means the agreement between LDE and the Client entered into under which LDE is to provide the Services to the Client. The usual form of this agreement is a proposal document authored by LDE, signed by the Client and returned to LDE.

"Business Day" means a day (other than a Saturday, Sunday, or Public Holiday) in Auckland between 9:00 a.m. and 5:00 p.m.

"Charges" means all amounts payable by the Client to LDE following clause 4.

"Client" means the party recorded in the Agreement. Where there is more than one client, it refers to each Client jointly and severally. The client also includes all agents, consultants, and permitted assigns of the Client.

"Debts" means all Charges, Subcontractor Services, Debt Recovery Expenses, and costs whatsoever payable by the Client to LDE.

"Debt Recovery Expenses" means any costs incurred by LDE arising from or relating to the recovery of Debts, including but not limited to legal costs on a solicitor-client basis, attendance by LDE management staff, administrators or engineers at their usual hourly rate, any fixed administrative or default-handling charges agreed between the parties in writing in respect of any payment plan or recovery process, and any disbursements incurred in recovering Debts.

"Due Date" means the date for payment of the Charges specified in the invoice issued by LDE. If no such date is specified, the Due Date is seven working days after the invoice date.

"Engineering Services" means the professional consulting services provided by LDE. "LDE" means LDE Limited and its employees and permitted assigns undertaking the Services.

"LDE Standard Rates" means rates published at www.lde.co.nz/standard-rates, updated yearly.

"Materials" includes but is not limited to all intellectual property, copyright and ownership of all data, information, drawings, specifications, reports, and any other documents or information obtained, derived and prepared by LDE while providing the Services.

"Objection Time" means the close of business five working days after LDE grants notice to the Client that it requires Variation(s) to the Services.

"Project Address" means the project address, being the address specified in the Services.

"Services" means the services described in the Agreement.

"Subcontractor Services" means Services carried out by subcontractors on instruction from the Client or in providing the Services.

"Subcontractor Services Charge" means the cost of the Subcontractor Services plus a minimum additional charge as defined in LDE Standard rates for Subcontractor Services costs unless otherwise specified in the Agreement.

"Terms" means these terms of engagement.

"Testing Services" means the laboratory and field testing services provided by LDE in support of the Engineering Services.

"Variation" means variations to the Services following clause 13 and any updates in deliverables required due to design iterations by any party other than LDE.

Undertake and Pay for Services

3. LDE shall undertake and perform the Services described in the Agreement.
4. The Client shall pay LDE for the Services, including all Debt Recovery Expenses, as invoiced. All amounts are due on the Due Date. Late payments constitute default, incurring default interest at the Reserve Bank of New Zealand Official Cash Rate (as published from time to time) plus 8% per annum on overdue amounts, calculated daily on a simple-interest basis from the day after the Due Date until paid in full. This rate has been set by reference to LDE's cost of capital, lost return on funds, and the administrative cost of dealing with late payment, and the parties acknowledge it is proportionate to LDE's legitimate interests in being paid on time and is not a penalty, including Debt Recovery Expenses. LDE may issue progress invoices and require payment of all outstanding invoices before issuing Materials. Where Subcontractor Services are required (on Client instruction or as part of Services), the Client pays the Subcontractor Services Charge (cost plus minimum additional charge on those costs, as defined in the LDE Standard Rates). LDE maintains records of these costs, available on request, and has no liability for Subcontractor Services.
5. LDE prepares the Services for the sole use and benefit of the Client and for a specific purpose(s), each as expressly stated in the Services. No other party may rely on the Services without the prior written consent of LDE. LDE undertakes no duty and accepts no responsibility to any third party who may act based on the Materials or the Services under the Agreement. If LDE acts on information, or omission, provided by the Client and/or a third party contracted by the Client in preparing the Materials or delivering

the Services, the Client indemnifies LDE from all loss, damages or liability. Subject to conditions specified by LDE in writing, the Client may only transmit, reproduce or disseminate the Materials in their entirety.

New Zealand Laws

6. The laws of New Zealand govern these Terms. The New Zealand Courts have jurisdiction over these Terms, and all amounts are payable in New Zealand dollars only.
7. LDE and the Client will be aware of and comply with any relevant obligations imposed on them under the Health and Safety at Work Act 2015. LDE has not and will not assume any duty imposed on the Client from time to time pursuant to the Health and Safety at Work Act 2015 arising from this Agreement.
8. The Client and LDE agree that where all, or any of, the Services are acquired for a business or commercial gain, the provisions of the Consumer Guarantees Act 1993 are excluded from those Services.
9. These Terms shall apply to any party that signs the Agreement electronically, subject to the provisions of the Contract and Commercial Law Act 2017, and shall be bound in all respects and capacities by the Terms as if the Terms and Agreement were signed in its original form.
10. Where the nature of the Services is such that it is covered by the Construction Contracts Act 2002 (CCA) and LDE has issued a payment claim that has been served following the CCA, the provisions of the CCA shall apply. In all other cases, if the Client, acting reasonably, disputes an invoice, or part of an invoice, the Client must give the reasons for withholding the disputed amount and pay any undisputed amount on or before the Due Date.

Clients Obligations

11. The Client shall :
 - (a) provide, at no cost, all relevant information in its control concerning the Services and Project Address promptly upon request, ensuring compliance with the Copyright Act 1994 and identifying third-party proprietary rights
 - (b) Secure access to the Project Address for testing, inspection, and related matters at reasonable times, including notifying relevant parties, providing site information, and obtaining necessary consents (except those by LDE)
 - (c) Inform LDE promptly of any changes, developments, or issues impacting the Services, providing all related information to allow inspection and potential Variations per clause 13.
 - (d) Warrant that all provided information is accurate, complete, and up-to-date. LDE is not liable for errors, omissions, or delays from inaccurate information; additional work due to inaccuracies is a Variation charged at LDE Standard Rates.
 - (e) manage the project (unless LDE are specifically engaged to do so). This includes arranging and agreeing with LDE to be onsite when required and undertaking the appropriate project communications.
12. The Client warrants that all information provided to LDE is accurate, complete, and up-to-date. LDE shall not be liable for any errors, omissions, or delays resulting from inaccurate or incomplete information provided by the Client. Any additional work required due to inaccuracies shall be treated as a variation and charged at LDE's standard rates.

Variations

13. Where LDE considers a direction from the Client or any other circumstance is a Variation, LDE shall notify the Client as soon as practicable in writing of the proposed Variation ("LDE Variation"). Any LDE Variation shall not form part of the terms of the Agreement until the LDE Variation is recorded and approved in writing by the Client (electronic approval is acceptable, subject to the requirements of the Electronic Transactions Act 2002) or where the Client does not submit an objection in writing to the LDE Variation within the Objection Time, and LDE in good faith undertakes the LDE Variation to meet the project deadlines. In this case, LDE may deem the LDE Variation accepted, and LDE is authorised to proceed with the Services, which shall include LDE Variations. Notwithstanding the above, LDE reserves the right to request the Client to sign or formally acknowledge the LDE Variation, even after the Objection Time has expired. Such a request shall not waive or limit LDE's rights to rely on the expiry of the Objection Time or to deem the LDE Variation accepted per this clause. Variations and other work not included in the Agreement will be charged at LDE's standard rates.

Intellectual Property

14. The Client agrees that LDE may use non-confidential information related to the Project for case studies and marketing. All private information, including Address and Client details, will be excluded unless the Client consents in writing. LDE agrees to remove or amend any material should the Client request in writing. The use of the Project information does not imply the Client's endorsement of LDE's services.
15. LDE shall retain ownership of all Materials and rights whatsoever of such Materials, including but not limited to intellectual property, copyright and ownership of all data, information, drawings, specifications reports, and any other documents whatsoever obtained, derived and prepared by LDE in the course of the Services. Materials are not assigned to any person or entity and may not be distributed, operated or copied for any commercial purpose other than as defined in the Services, nor incorporated in any other work or publication, whether in hard copy, electronic or any other form without the prior written consent of LDE. The Client shall only be entitled to copies of the Materials for use in respect to the Services. The Client shall only obtain ownership of the Materials on payment by the Client in full of all Debts, including all Charges, Subcontractor Services Charges and costs, whatsoever, payable by the Client to LDE. The Client's Materials may be reproduced, such as drawings, specifications, and other documents in which the Client has ownership, as reasonably required in connection with the Services, but not otherwise in respect to the Materials, without the prior written consent of LDE, which may be withheld in its unfettered discretion.
16. The Client shall have no right to use the Materials if any Debts remain outstanding after the Due Date, and ownership of Materials shall remain with LDE. The Client shall be in breach of the Agreement. If any Debt remains unpaid 30 days after the Due Date, LDE may, by written notice to the Client, require the Client to return or cease using the Materials, and any use, reliance on, or

distribution of the Materials by the Client or any party on its behalf after that notice is a breach of LDE's intellectual property rights and a breach of the Agreement.

17. LDE may use generative artificial intelligence as a tool in delivering the Services. Any output of generative AI used in the Services is reviewed and approved by appropriately qualified LDE personnel, and LDE remains responsible for the Services to the Client to the same extent as if those tools had not been used.

Limitation of Liability

18. The Services are provided based on the descriptions supplied by the Client, and LDE shall not be liable under any circumstances for any loss, damage, or claims arising from its reliance on such descriptions (or omissions) provided by the Client.
19. LDE will exercise reasonable care and skill, but disclaims guarantees of outcomes.
20. The Client indemnifies LDE from all liability for any damage or necessary correction of any damage to or reinstatement of any underground services, subsurface soil, rock, groundwater, surface water, buildings, surfaces, platform, structure and/or vegetation arising from the Services, which are all outside of the scope of the Agreement, and any remedy or reinstatement of the same required by the Client or LDE, shall all be additional cost to the Client from the amounts agreed to by the Client and LDE under the Agreement.
21. The Client shall indemnify and hold harmless LDE from and against all claims, damages, liabilities, losses, costs (including legal fees on a solicitor-client basis), or expenses arising from: (a) any third party's reliance on the Services or Materials without LDE's written consent; (b) the Client's use, alteration, or disclosure of deliverables to third parties; or (c) the Client's acts, omissions, or provided information.
22. LDE's liability under this Agreement is strictly limited to the scope of services expressly agreed to and described in the Agreement or any subsequent variation approved following these Terms. LDE shall not be held liable for any claims, damages, losses, or expenses arising from matters outside the agreed scope of services, including but not limited to decisions, actions, or omissions taken by the Client or third parties based on LDE's deliverables or advice that are beyond the intended purpose or scope of the services provided. The Client acknowledges that LDE is not responsible for identifying or addressing issues outside the agreed scope of services unless expressly included in a written variation. Any reliance on LDE's work for purposes outside the agreed scope is entirely at the Client's risk.
23. The Client acknowledges that all reports, communications, documents, and deliverables provided by LDE must be read and considered in their entirety. No reliance shall be placed on any individual section, summary, or page without considering the entire document and its context. LDE shall not be held liable for any misinterpretation, omission, or misuse of its reports, documents, or deliverables arising from the Client's failure to review the complete content provided.
24. If either Party is found liable to the other (whether in contract law, tort, or otherwise), and the claiming party and/or a third party has contributed to the loss or damage, the liable party shall only be liable to the proportional extent of its contribution.
25. Where LDE breaches the Agreement, LDE is only liable to the Client (or any third party) for reasonably foreseeable claims, damages, liabilities, losses or expenses caused directly by the breach, whether in contract, tort (including negligence) or otherwise. LDE shall not be liable to the Client under the Agreement and/or these Terms for indirect, consequential, special loss, or loss of profit, however arising, whether under contract law, in tort or otherwise. For events or circumstances beyond LDE's reasonable control, the provisions of clause 47 (Force Majeure) shall apply in addition to the limitations set out in this clause.
26. LDE's liability under this Agreement (including to third parties and negligence claims) shall not exceed the lesser of (a) five times the Charges for engineering services (exclusive of GST, disbursements and testing services) up until the time of the liable event; (b) the amount recoverable under LDE's Professional Indemnity insurance policy; or (c) \$NZ200,000, provided that the cap shall not be less than \$NZ50,000 in any event. This liability cap applies cumulatively to all claims, damages, and losses arising under or in connection with this Agreement, notwithstanding any contributory conduct under Clause 24.
27. The Client acknowledges that LDE currently holds a Professional Indemnity insurance policy for liability under Clause 26. LDE undertakes to use all reasonable endeavours to maintain a similar insurance policy for six years after the completion of the Services. However, the Client agrees that LDE's liability is limited to the extent of coverage provided by its Professional Indemnity insurance policy. LDE shall not be liable for any claims, damages, liabilities, losses, or expenses that are not covered or recoverable under the terms of its insurance policy for any reason, including but not limited to exclusions, policy limits, insurer insolvency, or exhaustion of the policy. LDE's insurance aligns with Engineering New Zealand recommendations; caps reflect coverage to ensure fairness.
28. Without limiting any defences a party may have under the Limitation Act 2010, neither party shall be liable for any loss or damage resulting from any occurrence unless a claim is formally made on the other party within two years from the completion date of the Services.

Suspension and Termination

29. The Client may suspend all or part of the services by providing written notice to LDE. Upon receiving such notice, LDE shall immediately halt the affected services and take reasonable steps to minimize further costs. LDE may suspend all or part of the services if the Client fails to approve a necessary variation when delivering the original scope of services without the variation is no longer feasible. LDE will provide written notice to the Client explaining why the variation is essential, such as a necessary consenting requirement. Or a Force Majeure (as per Clause 47) prevents LDE from performing its obligations under this Agreement.

If the Client instructs LDE to restart the Services, and LDE agrees to do so, upon resumption of suspended services, LDE may charge reasonable restart or re-mobilization fees and Adjust charges if market rates or project conditions have materially changed.

30. The Client may terminate all or part of the services by providing written notice to LDE. Upon receiving such notice, LDE shall immediately halt the affected services and take reasonable steps to minimize further costs.

LDE may terminate the Agreement with written notice if: a) The suspension of services exceeds 15 business days. b) The Client breaches its payment obligations under this Agreement. c) Force Majeure renders performance impossible or impracticable for more than 30 business days.

Either party may terminate the Agreement with written notice if: a) The other party commits a material breach that is not remedied within 15 business days of receiving notice. b) The Agreement becomes impossible to perform or frustrated, including but not limited to events covered under the Force Majeure clause.

In a dispute regarding the applicability of this clause, the matter shall be referred to arbitration following the clause 41.

31. Suspension or termination of the Agreement does not affect the rights, obligations, or liabilities accrued by either party up to the date of suspension or termination. Or LDE's entitlement to payment for all services provided up to the date of suspension or termination, including: a) Pro-rata charges for completed work, b) Costs incurred for subcontractor services already provided or committed. c) Downtime costs for staff awaiting reassignment, calculated at LDE's standard rates. LDE shall take reasonable steps to mitigate costs associated with suspension or termination. Suspension or termination does not waive any other remedies available to either party under this Agreement or in law.

Dispute Resolution

32. The Parties shall attempt in good faith to settle any dispute themselves but failing that, all disputes between the parties under or in connection with this Agreement including negligence claims or those involving third parties shall be resolved exclusively through arbitration following the Arbitration Act 1996. Arbitration shall be the sole mechanism for dispute resolution under this Agreement, except where expressly excluded by Clauses 33, 34 and 42.
33. In any claim involving multiple parties where LDE is named alongside other parties in legal proceedings, the Plaintiff shall be required to initiate separate arbitration proceedings against LDE. LDE shall not be joined in any court proceedings involving other parties unless LDE provides express written consent, , to avoid inefficiency in multi-party disputes.
34. LDE shall enforce this arbitration requirement except where a court or arbitrator determines that enforcing arbitration would substantially prejudice LDE, or LDE agrees in writing to waive arbitration.
35. All arbitration proceedings shall remain confidential, and neither party shall disclose the existence, content, or outcome of such proceedings without prior written consent of the other party, except where disclosure is required by law.
36. Where any claim, counterclaim, or proceeding against LDE (including in arbitration or court) is dismissed, withdrawn, struck out, or otherwise determined in LDE's favour (or found to lack merit), the claimant shall pay LDE's reasonable costs of defending or responding to that claim. These costs include, without limitation: (a) legal fees and disbursements incurred by LDE, on a solicitor-client (indemnity) basis to the extent recoverable under the applicable rules or as determined by the arbitrator or court; (b) reasonable fees and disbursements of experts, witnesses, and other third-party advisors; and (c) LDE's internal staff time reasonably incurred in preparing for and responding to the claim, calculated at LDE's standard hourly rates (as published from time to time) and supported by time records.
37. The parties agree that such costs are a genuine and reasonable pre-estimate of the losses and expenses LDE incurs when defending unmeritorious claims, including diversion of professional resources, management time, and associated overheads. All costs claimed under this clause shall be supported by reasonable documentation. The arbitrator or court retains its full discretion under the Arbitration Act 1996 (or applicable rules) to assess reasonableness and make such costs orders as it considers just in all the circumstances. This clause applies to arbitrations, court proceedings, and any settlements where no liability is established against LDE.
38. The claimant acknowledges that it bears the onus of proving that any costs claimed by LDE under clause 36 are unreasonable. LDE shall substantiate its claims with detailed documentation, including time records, invoices, and relevant evidence. These provisions apply to arbitrations, court proceedings, and any settlements where no liability is established against LDE.
39. LDE's rights under clauses 36 and 37 apply whether the dispute is resolved by arbitration, court proceedings, or settlement. If arbitration is waived or the dispute proceeds in another forum, LDE retains the right to pursue its costs (including by counterclaim) in that forum. Recovery of costs shall not be subject to any fixed monetary cap, provided the costs claimed are reasonable and proportionate in all the circumstances.
40. This counterclaim provision does not apply to disputes governed by the Construction Contracts Act 2002. Payment claims under the Act must be addressed solely following its provisions. This clause does not suspend the Client's obligation to pay any amount claimed under the Act.
41. If a dispute arises between LDE and the Client regarding these Terms or the Agreement, the following process shall apply: (a) Either party may serve written notice specifying the nature of the dispute. The parties shall meet in good faith to resolve the dispute in person or virtually. (b) If unresolved within 10 Business Days, the dispute may be referred to arbitration unless: (i) The dispute involves multiple parties, in which case Clause 33 shall apply; or (ii) The dispute concerns matters excluded from arbitration under Clause 34. (c) If no arbitrator is agreed upon within 10 Business Days, the arbitrator shall be appointed by the President of the Arbitrators' and Mediators' Institute of New Zealand Inc upon application by either party. (d) Arbitration shall follow the Institute's Arbitration Protocol, using a single arbitrator, conducted in Auckland unless otherwise agreed. (e) The arbitrator's decision shall be binding on both parties.
42. Nothing shall restrict or limit either party's right to seek urgent injunctive relief from the Courts to prevent imminent harm; or to exercise rights under the Construction Contracts Act 2002, including adjudication.

Other

43. The Client acknowledges that all engineering outputs prepared by LDE are developed according to best practices and the latest applicable standards, codes of practice, and guidelines endorsed by Standards New Zealand and Engineering New Zealand when the services are provided. Any disputes regarding the adequacy or accuracy of LDE's engineering outputs must be substantiated

by an independent expert opinion from a qualified engineer, prepared following Engineering New Zealand's guidelines and other applicable regulatory standards.

44. The party signing the Agreement on behalf of the Client, in consideration of LDE entering into the Agreement with the Client, acknowledges and agrees they are entering into this contract in their personal capacity and on behalf of the Client. They further acknowledge and agree they are jointly and severally liable with the Client as a principal debtor to LDE and confirm they are authorised to bind the Client under these Terms. Where these Terms are entered into on behalf of the Client, the signatory shall be jointly and severally liable with the Client for all fees and expenses due to LDE, including Debt Recovery Expenses. By signing the Agreement, the signatory acknowledges they have read this clause and understand the personal liability they are accepting.
45. The Client and LDE each agree that they shall not, during the provision of the Services and for six months following either completion of the Services or termination of the Services or this Agreement, by either party, solicit or entice away from employment any employee of the other party who was involved in either the provision or receipt, of the Services.
46. The Client shall not assign any of its rights or obligations under the Agreement and/or these Terms without the prior written consent of LDE, such consent which shall not be unreasonably withheld. These terms remain in force notwithstanding any neglect, forbearance or delay in enforcement. LDE shall not be deemed to have waived any term or condition under this Agreement unless such waiver shall be in writing and signed by an LDE Director, and any such waiver shall apply only to the particular transaction defined in writing to which it refers.
47. LDE is not liable under the Agreement and Terms where an event occurs that impedes LDE's ability to provide the Services, including exceptional weather conditions, fire, earthquake or act of nature, war, strikes, riots, civil commotion, vandalism, nuclear explosion and/or fallout, pandemics, acts of government, and any event which is normally covered by a policy of general insurance and LDE may in its sole discretion cancel the Agreement if LDE deems such an event defined under this clause effects the terms of the Agreement to the extent that there is a material possibility the event may cause LDE material loss.
48. LDE and the Client agree to treat each other respectfully and professionally, including their respective staff, subcontractors, and representatives. Abusive, threatening, or harassing verbal, written, or physical behaviour is strictly prohibited.
49. The Terms and the Agreement, including the Services, provide the entire understanding and agreement relating to the matters dealt with between LDE and the Client. These Terms supersede all previous understandings or agreements (written, oral, or both), other than as provided by Variation.
50. LDE recommends that the Client obtain independent legal advice on these Terms and the Agreement before signing. By signing the Agreement, the Client confirms it has had a reasonable opportunity to obtain that advice and has either obtained it or has made an informed choice not to. The Client agrees that any failure to obtain independent legal advice is the Client's informed choice and is not a defence to enforcement of these Terms. If any provision of these Terms can be read in a way that makes it illegal, unenforceable or invalid, then that provision, or part thereof, is deemed to be severed from these Terms and shall not affect the validity or enforceability or any other provision. If a court or arbitrator finds that the default interest rate, or any charge or limit in these Terms, exceeds what is enforceable, the parties agree that the unenforceable element shall be reduced to the maximum amount that would be enforceable, rather than struck down in full.