



STANDARD TERMS OF ENGAGEMENT

These Standard Terms of Engagement ("Terms") apply in respect of all work carried out by us for you, except to the extent that we otherwise agree with you in writing.

1. Services

1.1 The services which we are to provide for you are outlined in our engagement letter.

2. Financial

2.1 Fees:

- (a) The fees which we will charge or the manner in which they will be arrived at, are set out in our engagement letter.
- (b) If the engagement letter specifies a fixed fee, we will charge this for the agreed scope of our services. Work which falls outside that scope will be charged taking into account the reasonable fee factors specified in the Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care Rules) 2008. We will advise you as soon as reasonably practicable if it becomes necessary for us to provide services outside the agreed scope and if requested, give you an estimate of the likely amount of the further costs.
- (c) Where our fees are calculated on an hourly basis, the rates will reflect the relative experience and specialisation of our professional staff.
- (d) In addition to disbursements, we may charge an office service fee of up to 7% of our invoice to cover out of pocket costs which are not included in our fee and which are not recorded as disbursements. These include items such as photocopying and printing, postage and phone calls.
- (e) Given we are required to hold your files for at least 7 years we may charge you a fee of up to \$30 per matter to store your files for you for the required period.

2.2 Disbursements and

expenses: in providing services we

may incur disbursements or have to make payments to third parties on your behalf. These will be included in our invoice to you when the expense is incurred. We may require an advance payment for the disbursements or expenses which we will be incurring on your behalf.

2.3 **GST (if any):** Is payable by you on our fees and charges.

2.4 Invoices:

- (a) We may send interim invoices to you, usually monthly and on completion of the matter, or termination of our engagement. We may also send you an invoice when we incur a significant expense.
- (b) You may request an estimate of our fee for undertaking the Services at any time. If possible we will provide you with an estimate (which may be a range between a minimum and a maximum amount or for a particular task or step). An estimate is not a quote. Any significant assumptions included in the estimate will be stated and you must tell us if those assumptions are wrong or change. We will inform you if we are likely to exceed the estimate by any substantial amount. Unless specified, an estimate excludes GST, disbursements and expenses.

2.5 Payment:

- (a) Invoices are payable within 14 days of the date of the invoice, unless alternative arrangements have been made with us. We may require interest to be paid on any amount which is more than 7 days overdue. Interest will be calculated at the rate of 2% per month
- (b) If we take collection action against you in order to recover our unpaid fees then you will be liable for all costs associated with such collection including our legal costs as between solicitor and client.

2.6 **Security:** We may ask you to pre-pay amounts to us, or to provide security for our fees and expenses. You authorise us:

- (a) to debit against amounts pre-paid by you; and
- (b) to deduct from any funds held on your behalf in our trust account fees, expenses or disbursements for which we have provided an invoice.

3. Agreement to Mortgage

3.1 In consideration of the legal services we have provided you agree, in the event your unpaid fees are more than 60 days in arrears, to execute a registrable mortgage over any land owned by you in favour of all of the partners of the firm to secure the firm's unpaid fees and disbursements. Such mortgage to be prepared by us at your expense on the usual terms and conditions of mortgages prepared by solicitors in Auckland and on the standard Law Society Mortgage Instruments. This agreement will create a caveatable interest in any land owned by you in favour of the firm.

4. Third Parties

4.1 Although you may expect to be reimbursed by a third party for fees and expenses, and although our invoices may at your request or with your approval be directed to a third party, **nevertheless you remain responsible for payment to us if the third party fails to pay us.**

5. Confidentiality

5.1 We will hold in confidence all information concerning you or your affairs that we acquire during the course of acting for you. We will not disclose any of this information to any other person except:

- (a) to the extent necessary or desirable to enable us to carry out your instructions; or
- (b) to the extent required by law or by the Law Society's Rules of Conduct and Client Care for Lawyers.

5.2 Confidential information concerning you will as far as

**STANDARD TERMS OF ENGAGEMENT**

practicable be made available only to those within our firm who are providing legal services for you.

5.3 We will of course, not disclose to you confidential information which we have in relation to any other client.

5.4 We may provide any information we hold relating to your United States Foreign Accounts Tax Compliance Act (FATCA) or Common Reporting Standard (CRS) status, or other FATCA or CRS matters, to the Inland Revenue Department and to our banks if they request information to be able to meet their FATCA or CRS obligations. Please ask us if you would like more information about FATCA or CRS.

5.5 We may also provide information we hold relating to your affairs to the New Zealand Police Financial Intelligence Unit in accordance with the obligations imposed on us by the Anti-Money Laundering and Countering Financing of Terrorism Act 2009. If we do that we are prohibited by law from telling you.

6. Retention of files and documents

6.1 We will keep a record of all important documents which we receive or create on your behalf on the following basis:

- (a) We may keep a record electronically and destroy originals (except where the existence of an original is legally important such as in the case of wills and deeds)
- (b) At any time, we may dispose of documents which are duplicates, or which are trivial (such as emails which do not contain substantive information), or documents which belong to us.
- (c) We are not obliged to retain documents or copies where you have requested that we provide them to you or to another person and we have done so, although we are entitled to retain copies for our own records if we wish to do so.

6.2 We will provide to you on request copies or originals (at our option) of all documents to which you are entitled under the Privacy Act 1993 or any other law. We may

charge you our reasonable costs for doing this.

6.3 Where we hold documents that belong to a third party you will need to provide us with that party's written authority to uplift or obtain a copy of that document.

6.4 Unless you instruct us in writing otherwise, you authorise us and consent to us (without further reference to you) to destroy (or delete in the case of electronic records) all files and documents in respect of the Services 7 years after our engagement ends) other than any documents that we hold in safe custody for you or are otherwise obliged by law to retain for longer). We may retain any document for longer at our option.

6.5 We may, at our option, return documents (either in hand or electronic form) to you rather than retain them. If we choose to do this, we will do so at our expense.

6.6 We own the copyright in all documents or work we create in the course of performing the Services but grant you a non-exclusive license to use and copy the documents as you see fit for your own personal or commercial use. However, you may not permit any third party to copy, adapt or use the documents without our prior written permission.

7. Conflicts of Interest

7.1 We have procedures in place to identify and respond to conflicts of interest. If a conflict of interest arises we will advise you of this and follow the requirements and procedures set out in the Law Society's Rules of Conduct and Client Care for Lawyers.

8. Duty of Care

8.1 Subject to clause 8.2 our duty of care is to you and not to any other person. Before any other person may rely on our advice, we must expressly agree to this.

8.2 Unless expressly agreed in writing we do not provide advice in relation to the quality of any investments for which we may be

acting in respect to the conveyance or in any other manner or capacity.

9. Trust Account

9.1 We maintain a trust account for all funds which we receive from clients (except monies received for payment of our invoices). If we are holding significant funds on your behalf we will normally lodge those funds on interest bearing deposit with a bank. In that case we will charge an administration fee of up to 6% of the interest derived.

10. Limitations on our Obligations or Liability

10.1 To the extent allowed by law, our aggregate liability to you (whether in contract, tort, equity or otherwise) in connection with our Services is limited to the amount available to be payable under the Professional Indemnity Insurance held by the firm. Details of our Professional Indemnity Insurance shall be made available upon request.

11. Termination

11.1 You may terminate our retainer at any time.

11.2 We may terminate our retainer in any of the circumstances set out in the Law Society's Rules of Conduct and Client Care for Lawyers.

11.3 If our retainer is terminated you must pay us all fees due up to the date of termination and all expenses incurred up to that date.

12. General

12.1 These Terms apply to any current engagement and also to any future engagement, whether or not we send you another copy of them.

12.2 We are entitled to change these Terms from time to time, in which case we will send you amended Terms.

12.3 Our relationship with you is governed by New Zealand law and New Zealand courts have non-exclusive jurisdiction.