

STANDARD TERMS OF ENGAGEMENT

These Standard Terms of Engagement ("Terms") apply in respect of all work carried out by us for you, except 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 as follows:

Assessment of Legal Fees

The Law Society requires charges by practitioners for all professional work to be calculated to give a fair and reasonable return for the services rendered, having regard to the interests of both client and practitioner. Such charges shall take account of all relevant factors and in particular:

- a. The skill, specialised knowledge and responsibility required.
- b. The time and labour expended.
- c. The value or amount of any property or money involved.
- d. The importance of the matter to the client and the results achieved.
- e. The complexity of the matter and the difficulty or novelty of the questions involved.
- f. The number, and importance of the documents prepared or perused.
- g. The urgency and circumstances in which the business is transacted.
- h. The reasonable costs of running a practice.
- i. Whether the fee is fixed or conditional (whether in litigation or otherwise).
- j. Any quote or estimate of fees given by the lawyer in writing.
- k. Any fee agreement (including a conditional fee agreement) entered into between the lawyer and client.

The relative importance of the factors set out above will vary according to the particular circumstances of each transaction.

It will be seen that the time expended is but one of a number of factors to be considered. We may record the time we spend on a job to assist us in determining what is a fair fee but do not accept an obligation to do so.

Every account when rendered will reflect the relative importance of the various factors to which the Law Society refers and we are confident that the results are fair and reasonable having regard to both the interests of the client and the firm.

We are always comfortable about discussing costs in relation to any particular matter. Sometimes at the beginning of what could become a prolonged and involved matter, predicting the charges is like asking "How long is a piece of string?" Where such matters are contemplated, progress accounts will be rendered and costs can be monitored and discussed at each stage of the journey.

- b. If the engagement letter specifies an estimated fee, we will charge this for the agreed scope of our services. Work which falls outside that scope will be charged as outlined above.

- 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):** The Government requires you to pay 15% GST on our fees and charges.

- 2.4 **Invoices:** We may send interim invoices to you, either monthly or at appropriate stages in the work and on completion of the matter, or termination of our engagement. We may also

send you an invoice when we incur a significant expense such as filing fees or Council charges.

- 2.5 **Payment:** 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 5% above our firm's trading bank's overdraft rate for our firm as at the close of business on the date payment became due.
- 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 any fees, expenses or disbursements for which we have provided an invoice.
 - c. Where fees of an accumulated total exceeding \$5,000 remain unpaid for more than 30 days you agree to execute such security documents, including a mortgage, as may be reasonably required.
- 2.7 **Third Parties:** Although you may expect to be reimbursed by a third party for our 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.

3. CONFIDENTIALITY

- 3.1 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*.
- 3.2 Confidential information concerning you will as far as practicable be made available only to those within our firm who are providing legal services for you.
- 3.3 We will of course, not disclose to you confidential information which we have in relation to any other client.

4. TERMINATION

- 4.1 You may terminate our retainer at any time.
- 4.2 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*.
- 4.3 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.

5. RETENTION OF FILES AND DOCUMENTS:

You authorise us (without further reference to you) to destroy all files and documents for this matter (other than any documents that we hold in safe custody for you) 7 years after our engagement ends, or earlier if we have converted those files and documents to an electronic format. You are entitled (even encouraged) to uplift your files following settlement of your account.

6. CONFLICTS OF INTEREST:

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 as set out in the Law Society's *Rules of Conduct and Client Care for Lawyers*.

7. DUTY OF CARE:

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. TRUST ACCOUNT:

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 5% of the interest derived. However, before placing funds on term deposit you will have to comply with all Anti Money Laundering Act requirements.

9. GENERAL:

- 9.1 These Terms apply to any current engagement and also to any future engagement, whether or not we send you another copy of them.
- 9.2 We are entitled to change these Terms from time to time, in which case we will send you amended Terms.
- 9.3 Our relationship with you is governed by New Zealand law and New Zealand courts have non-exclusive jurisdiction.