

STANDARD TERMS OF ENGAGEMENT

1. Services

1.1 The services which we are to provide you are outlined in our Engagement Letter.

2. Financial

2.1 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 would normally lodge those funds on interest bearing deposit with a Bank. A charge will be made (inclusive of bank fees) of \$10.00 per each same day cleared funds transaction and \$5.00 each direct credit transaction completed from the Trust Account on your behalf.

2.2 Fees

We will charge a fee which is fair and reasonable for the services provided having regard to your interests and our interests. In determining the fee, the following may be taken into account:

- The time and labour expended (at the present time our Partners' time is charged at \$300.00 per hour plus GST and other staff have different rates but there are no additional charges for secretarial, word processing and similar services).
- The skill, specialized knowledge and responsibility required to perform the services properly.
- The importance of the matter to you and the results achieved.
- The urgency and circumstances in which the matter is undertaken and any time limitations imposed, including those imposed by you.
- The degree of risk assumed by us in undertaking the services including the amount or value of the property involved.
- The complexity of the matter and the difficulty or novelty of the questions involved.
- The experience, reputation and ability of members of our firm working on your matter.
- The possibility that the acceptance of the particular instructions will preclude employment of us by other clients.
- Whether the fee is fixed or conditional.
- Any quote or estimate of fees given by us.
- Any fee agreement entered into between you and us.
- The reasonable costs of running our firm.
- The fee customarily charged in the market and locality for work similar to yours.

- 2.3 GST
Unless otherwise stated all fees are plus GST.
- 2.4 Disbursements and Expenses
Out of pocket expenses such as search and registration fees, Valuation fees, tolls and faxes will be charged extra.
- 2.5 File and Storage and Office Services Charges
All work done by us is charged on a fee basis apart from a \$30.00 fee for the cost of storage of your file and documents and the provision of office services including photocopying, postage etc in respect of each Retainer.
- 2.6 Estimate
We will provide you an estimate upon request. If that estimate is likely to be exceeded we shall let you know.
- 2.7 Commission
All work done by us is charged on a fee basis apart from a commission of 7.5% which is taken on all interest accruing on funds deposited with our bank through our bulk deposit scheme and on funds invested through our Mortgage Nominee Company.
- 2.8 Legal Aid
Where it is applicable you may wish to apply for legal aid. If legal aid is granted our hourly rate will be the appropriate official legal aid rate. In the event that legal aid is not granted you will be liable for our account charged at the private rates referred to above.
- 3. Payment of Fees**
- 3.1 Our fees are to be paid within 14 days of our account being sent except on conveyancing matters where fees are payable immediately prior to settlement.
- 3.2 Our final account will be sent to you shortly after we have completed your matter.
- 3.3 We do however issue interim accounts where that is appropriate. If your matter is likely to extend more than 3 months we will normally invoice you at the end of each month.
- 3.4 You authorise us to deduct our fees and expenses from funds held in our Trust Account on your behalf upon our issuing an invoice.
- 3.5 We may ask you to pay fees in advance, but in those instances your payment will be held in our Trust Account and only paid to us by deduction when an account has been forwarded to you.
- 3.6 Out of pocket expenses are to be paid by you immediately upon request but substantial out of pocket expenses will be asked for in advance.
- 3.7 Interest will accrue on unpaid accounts at the rate of 15% per annum as from the due date until payment. Other action to recover unpaid fees may also be taken and the cost of such recovery may be added to the account due by you.
- 3.8 In return for not requiring payment of fees in advance, you authorize us to obtain a credit check from Veda Advantage or any other third party in relation to your past financial affairs.

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

5. 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.

6. 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.

7. The Lawyers' Fidelity Fund (the Fund)

The Law Society maintains the Lawyers' Fidelity Fund for the purposes of providing clients of lawyers with protection against pecuniary loss arising from theft by lawyers. The maximum amount payable by the Fidelity Fund by way of compensation to an individual claimant is limited to \$100,000.00. Except in certain circumstances specified in the Lawyers and Conveyances Act 2006 the Fidelity Fund does not cover a client for any loss relating to money that a lawyer is instructed to invest on behalf of the client.

8. Professional Indemnity Insurance

We hold current Professional Indemnity Insurance with QBE Insurance (International) Ltd providing cover when acting as lawyers. As with all insurances this cover has limitations and is subject to certain exclusions, terms and conditions.

9. Limitation of Liability

We do not accept liability for any loss arising from non-receipt of any communication including email communications. Any further limitations on the extent of our obligations to you or any limitation or exclusion of liability are set out in our Letter of Engagement.

10. Right to Terminate Your Retainer

10.1 You are entitled to terminate your instructions to us upon giving us reasonable notice.

10.2 We may terminate the Retainer if there is good cause, such as you not providing us with instructions in a sufficiently timely way or in your inability or failure to pay our fee on an agreed basis, or, except in litigation matters, your adopting against our advice a course of action which we believe is highly imprudent and may be inconsistent with our fundamental obligations as lawyers.

If we terminate the Retainer we will give you reasonable notice so that you can arrange alternative representation and we shall give you reasonable assistance to find another lawyer.

10.3 Our fees for services reasonably and properly provided to you prior to the termination of Retainer shall be paid by you prior to uplifting your records and we may retain copies of your documents and records.

11. Suspension of Service

We will reserve the right to stop work if interim accounts are not paid on time or a request for information or action remains unsatisfied.

12. If You Have a Complaint

We will provide you with a competent, timely service following your instructions but if you have any complaint at all about our service please raise it with the Partner responsible for your matter, or, if you prefer the Practice Manager of our firm.

If it cannot be resolved immediately to your satisfaction we shall appoint a Partner who has not been involved in your matter to deal with it promptly and fairly.

If you are not satisfied with the outcome, you have the right to take the matter up with the New Zealand Law Society which runs a Complaints Service and may be contacted at P O Box 5041, Lambton Quay, Wellington 6145.

13. Privacy and Confidentiality

We will treat all information we hold about you as private and confidential and will not disclose any information we hold on your behalf or about you unless we are required to do so by law or where it is necessary to do so to provide our services to you or when requested by you or with your consent.