

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

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

The charges to you for our legal services will depend on the input of time and skill required from us. To ensure that matters are addressed properly and you are given the best possible advice it is essential that we spend time to fully understand and consider the issues raised. We do all we can to minimise the costs for you by maintaining our expertise and, where appropriate, by allocation of tasks to suitably qualified staff. As work on your matter proceeds, a partner or member of staff other than the one you initially consulted may be asked to assist. The purpose of this is to ensure that your work is handled in a way that sees you obtain the best advice in the most economical way.

2 Financial

Fees:

The fees which we will charge or the manner in which they will be arrived at, are set out in our engagement letter.

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.
- The skill, specialised 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 the 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.

Unless otherwise stated all fees are plus GST.

Out of pocket expenses such as search and registration fees, valuation fees, tolls, faxes and photocopying will be charged extra as set out below.

We will provide for you an estimate upon request. If that estimate is likely to be exceeded we shall let you know.

There are other methods of charging which suit certain types of work and we shall discuss those with you where they are appropriate.

All work done by us is charged on a fees basis apart from a commission of 5% which is taken on all interest accruing on funds deposited with our bank through our bulk deposit scheme.

Where our fees are calculated on an hourly basis, the hourly rates are set out in our engagement letter. The differences in those rates reflect the experience and specialisation of our professional staff. Time spent is recorded in 6 minute units, with time rounded up to the next unit of 6 minutes.

Payment:

Please note that as well as cheque and cash we accept the following credit cards:

- (a) Mastercard;
- (b) Visa.

Disbursements and expenses:

In providing services we may incur disbursements or have to make payments to third parties on your behalf.

These disbursements will include an initial amount for establishment of the file and may also include administration, tolls and telephone charges (which are charged at a flat 4% of the monthly fee), facsimiles, photocopying, Court or Tribunal filing fees, registration and search fees (particularly in property transactions), couriers and any special postage. In addition we may need to collect from you the charges of other professionals (such as Valuers) whom we have engaged on your behalf, by arrangement with you.

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.

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

Invoices: We will 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.

Payment: Invoices are payable immediately at 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 main trading bank's 90-day bank bill buy rate as at the close of business on the date payment became due.

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.

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

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*.

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.

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

4 Termination

You may terminate our retainer at any time.

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*

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

When your instructions have been completed we shall keep your file for a period of six (6) years (unless your matter requires e-dealing transaction in which case we will retain for ten (10) years) from completion and then destroy it. You are welcome to uplift your file, provided that all fees and expenses have been paid. Please give us reasonable notice before collecting your file should you wish to do so.

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 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 Reliance on client information

Where applicable, you agree to provide to us on a timely basis the information we reasonably require to provide the service. You warrant that this information will be accurate and complete, and acknowledge we may rely on it without further verification. We will not be liable for any loss or damage arising from inaccuracy, incompleteness or other defect in any information or documents supplied by you.

9 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.

10 Limitation of Liability

We do not accept liability for any loss arising from non receipt of communications including email communications.

11 Lien and Security

Where work has been done by us, but we have not been paid by you, then as a general rule we have the right to retain original documents and correspondence on the client's file until such time as all outstanding fees, disbursements and other expenses have been paid. This is known as a lien. This will be particularly important in circumstances where you decide, for whatever reason, to instruct another firm. That other firm may be obliged to give an undertaking to us to pay all outstanding fees and disbursements before the client's file is released.

In these circumstances we also reserve the right to register a security (mortgage), including a Memorandum of Mortgage, general or specific security, over your personal or real property to secure unpaid fees. You agree to this and that this agreement will be an irrevocable power of attorney to us to execute the necessary Authority and Instruction documents should this be required.

12 General

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

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

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