

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 we are to provide for you are outlined in our Letter of Engagement.

2 FINANCIAL

2.1 **Fees:** Our current hourly rates are set out in our Letter of Engagement. We may review our hourly rates periodically and you will be notified of any change that may affect you.

2.2 **How Does The Firm Charge:** Fees are charged in accordance with guidelines laid down by the Rules of Conduct and Client Care of the New Zealand Law Society. In fixing the fee we are entitled to take account of considerations such as:

- a the time and labour spent;
- b the skill, specialised knowledge and responsibility required;
- c the importance of the matter to you and the results achieved;
- d the urgency and circumstances in which the work is undertaken and any time limits, including time limits imposed by you;
- e the degree of risk assumed by us in undertaking the services including the amount or value of any property involved;
- f the complexity of the matter and the difficulty or novelty of the questions involved;
- g the experience, reputation and ability of the personnel carrying out the work;
- h the possibility that the acceptance of the instructions will preclude employment of us by other clients;
- i the reasonable costs of running a law practice.

2.3 We may also take into account travel and/or waiting time.

2.4 **Estimate of Costs:** Any costs estimate will be our “best guess” as to what the fees and other costs are likely to be. If the work does not proceed as we had expected due to unexpected complications, or if the work proves more complicated than originally anticipated, we will charge for all additional work. If it appears that the estimate will be exceeded, we will advise you of the reasons and obtain further instructions from you.

- 2.5 **Fixed Fees:** If our Letter of Engagement specifies a fixed fee, we will charge this for the agreed scope of our services. Work which falls outside that scope will be charged on an hourly rate basis. 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.
- 2.6 **Hourly Rates:** Where our fees are calculated on an hourly basis, the hourly rates are set out in our Letter of Engagement. 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.
- 2.7 **Disbursements and Expenses:** In providing services we may incur disbursements or have to make payments to third parties on your behalf. These may include expenses such as Court filing fees, barrister fees, experts' fees, toll calls, faxes, photocopying, travel and accommodation expenses, couriers and fees of agents who serve documents or conduct investigations, carry out electronic discovery, searches and/or registration. These disbursements and expenses 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. We may also require that you enter a payment arrangement directly with the third party providing the relevant services.
- 2.8 **GST (if any):** Is payable by you on our fees, disbursements and expenses.
- 2.9 **Invoices:** We will send interim invoices to you, usually monthly and then on completion of the matter, or termination of our engagement. We may also send you an invoice when we incur a significant expense.
- 2.10 **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 bank overdraft applying at the date the payment became due. If we have to take steps to recover any unpaid account, the costs of recovery (including debt collectors' charges) are all payable by you.
- 2.11 **Pre-Payment and Deduction:** We may ask you to pre-pay amounts to us for our fees, disbursements 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;
 - c any fees, disbursements and expenses for which we have provided an invoice.
- 2.12 **Security for Costs:** We may require security for our fees, disbursements and expenses which security may take the form of a mortgage or general security agreement. We may also require another person to guarantee your payment of our fees, disbursements and expenses.
- 2.13 **Third Parties:** Although you may expect to be reimbursed by a third party for our fees, disbursements 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.

- 2.14 **Joint and Several Liability:** If there is more than one person comprising our client, each person is jointly and severally liable for payment in due time of all our accounts and other charges.

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. If we stop work because payment is not received by us within 14 days of issue of our invoice we will have no liability for any loss suffered by you when work is stopped for this reason.

- 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 **LIEN**

- 5.1 Where work has been done by us and we have not been paid by you, then we have the right to retain the original documents and the correspondence on your files until such time as all outstanding fees, disbursements and expenses have been paid. This is known as a lien. This is important if circumstances arise where you decide for whatever reason to instruct another law firm. You must pay all outstanding fees, disbursements and expenses before we release your files to your new solicitors. Alternatively, that other law firm may be obliged to give an undertaking to us to pay all outstanding fees, disbursements and expenses before your file is released.

6 **RETENTION OF FILES AND DOCUMENTS**

- 6.1 You authorise us (without further reference to you) to destroy all files and documents for any matter (other than any documents that we hold in safe custody for you) seven years after our engagement on that matter ends, or earlier if we have converted those files and documents to an electronic format.

6.2 Subject to the lien in paragraph 5, and if you wish to inspect these files and documents or require copies to be made, we may charge for this.

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 Our duty of care is to you and not to any other person.

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 may charge an administration fee of 5% of the interest derived.

10 **GENERAL**

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

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

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