

## TERMS OF ENGAGEMENT

You will have received a letter confirming that we are prepared to act as your Lawyer ("*Engagement letter*"). The terms of this engagement are set out below.

### 1. Services

The services we are to provide are outlined in our Engagement letter.

### 2. Financial

#### Fees

- (a) The fees we will charge, and how they are calculated, are set out in our Engagement letter.
- (b) In the event of a fixed fee, this will cover the services defined. Any work that falls outside the area defined will be charged on an hourly rate basis. We will advise you, as soon as possible, if it is necessary to provide services outside the agreed area. We can, at that stage, give you an estimate of the likely amount of the further costs.
- (c) Where the legal fees are calculated on an hourly basis, the rates are set out in our Engagement letter. The rates reflect the experience and specialisation of the staff involved. Our staff's time is recorded in six-minute units.

#### Out of Pocket Expenses

In providing services, we may incur expenses on your behalf, or have to make payments to third parties on your behalf. These will be recorded in your invoice, together with our service charge (6% of net fee) which covers forms and documents used, phone, fax and electronic communications, photocopying and any other materials or services required for your transaction. In many situations, we will require an advance payment for expenses we will be incurring on your behalf.

GST is payable on fees and charges.

#### Invoices

With ongoing matters, we will render regular invoices (usually monthly) and, on completion, a final account. In the event that there is an unusual significant expense, we will render an invoice for that at the time.

#### Payment

Invoices are payable within 7 days of the date, unless you have made alternative arrangements. Interest shall be paid on any amount which is more than 30 days overdue. Interest will be calculated at the rate of 5% above the ASB Bank's 90-day bill buy rate as at the close of business on the date payment became due.

#### Time Payment

We are prepared to enter into an Automatic Payment arrangement and this should be discussed at the outset with us.

## Security

In some instances, we will ask that you prepay us, or provide security for our fees and expenses.

In these circumstances, you authorise us:

- (a) To debit against amounts prepaid by you; and
- (b) To deduct from any funds held on your behalf in our trust account; any fees, expenses etc. for which we have provided in our invoice.

## Third Parties

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

### 3. Confidentiality

We will hold in confidence all information concerning you or your affairs that we gain access to during the course of acting for you.

We will not disclose any of this information to any 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 New Zealand Law Society's Rules of Conduct.

Confidential information concerning you will, as far as practicable, be made available only to those within our firm who are providing the 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 your engagement with us at any time. We may also terminate our engagement with you under the provisions of the New Zealand Law Society's Rules of Conduct. If our engagement with you is terminated, you must pay all fees due up to the date of termination and any expenses incurred up to that date.

### 5. Retention of Files and Documents

We create a file for each transaction. On completion of the transaction, we will scan the file onto electronic storage and shred the original file. We maintain an electronic storage facility for each transaction and this incurs a cost of \$10.00 & GST.

If you require information from the file, this will be provided to you on disk.

### 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 procedures set out in the New Zealand Law Society's Rules of Conduct.

We stress that, in a relatively small community such as the Bay of Islands, issues can arise where we are unaware of conflict or the potential for conflict. If you believe that a situation has arisen, or is likely to arise, where we could be placed in a position of conflict, we ask that you immediately contact us to discuss this and decide whether we need to reconsider our position.

### 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 given to you, we must expressly agree to this.

**8. Trust Account**

We maintain a trust account for all funds received from clients (except payments received for our fees and expenses). If we are holding significant funds on your behalf, we will normally lodge those funds on interest bearing deposit with the bank operating our Trust Account (these deposits remain within the trust account while on deposit). In that case, we will charge an administration fee of \$30.00.

The Bank is required by law to deduct tax from all deposit interest earned (known as Resident Withholding Tax – RWT). A RWT rate will be applied at; 33% for personal – 30% for Companies and Trusts, or if we are unable to obtain an IRD number, RWT will be deducted at 38%.

**9. General**

These terms apply to our current Engagement with you and also to any future work we carry out, whether or not we send you another copy of them.

We are entitled to change these terms from time to time and the current version is held on our website [www.lawnorth.co.nz](http://www.lawnorth.co.nz)

If you supply a mail, facsimile or email address, this is accepted on the basis that confidential communication can be sent to those addresses at any time. We must be notified of any change of address in writing. By providing your email address, you consent to Law North contacting you electronically from time to time with information about our products and services, and without an unsubscribe facility. Please also advise us if you use your phone for emails as we need to avoid sending attachments and long documents that cannot be opened.

Our relationship with you is governed by New Zealand law and New Zealand Courts have jurisdiction in this regard.

## INFORMATION FOR CLIENTS

**1. Fees**

The basis on which our fees are charged is set out in the ‘*Letter of Engagement*’. The procedure and time for payment of fees is set out in our standard Terms of Engagement.

Please note we may deduct from any funds held on your behalf in our trust account, any fees, expenses or disbursements for which we have provided an invoice.

**2. Professional Indemnity Insurance**

When acting as Lawyers, we hold Professional Indemnity Insurance that exceeds the minimum standards required by the New Zealand Law Society.

**3. Lawyers’ Fidelity Fund**

The Law Society maintains the Lawyers’ Fidelity Fund providing clients and Lawyers with protection against loss arising from theft by Lawyers. The maximum payable by the Fidelity Fund to an individual claimant is limited to \$100,000.00. The Fidelity Fund does not cover clients for any loss relating to money your Lawyer is instructed to invest (other than in a New Zealand bank) on behalf of that client.

**4. Complaints**

We maintain a procedure for dealing with complaints by clients. If you have a complaint about our services or charges, we ask that you refer the initial complaint to the person in the firm who is responsible for your work.

If for any reason you have difficulty in referring the complaint to that person or you are not satisfied with that person's response, the firm has an alternative procedure. Contact should be made by letter, email or telephone with the Manager of the firm, Leanne Wilson, or in her absence the Managing Director, Richard Ayton, can be contacted. You will be supplied with a form to complete briefly outlining the issues of concern. When received, the firm will deal with this as quickly as possible and provide a formal response.

The Law Society also maintains a complaints service and you are able to make a complaint using that service. To do so you should contact The New Zealand Law Society, PO Box 58, Auckland 1140, Ph: (09) 303 5270.

5. **Persons responsible for the work**

The names and status of the person or persons who will have general responsibility for the services we provide is set out in our '*Letter of Engagement*'.

6. **Client Care and Service**

The Law Society Rules regarding client care and service are set out below:

A Lawyer must:

- Act competently, in a timely way and in accordance with instructions received and arrangements made.
- Protect and promote your interests and act for you free from compromising influences and loyalties.
- Discuss with you your objectives and how they should be best achieved.
- Provide you with the information about the work to be done, who will do it and the way the services will be provided (*Letter of Engagement*).
- Charge you a fee that is fair and reasonable and let you know how and when you will be billed.
- Give you clear information and advice.
- Protect your privacy and ensure appropriate confidentiality.
- Treat you fairly, respectfully and without discrimination.
- Keep you informed about the work being done and advise you when it is completed.
- Let you know how to make a complaint and deal with any complaint properly and fairly.

These obligations are fully set out in the Rules of Conduct and Client Care for Lawyers. These obligations are subject to other overriding duties a Lawyer has, including duties to the Courts and to the Justice system. Further detail is available at [www.Lawyers.org.nz](http://www.Lawyers.org.nz)

7. **Limitations on our obligation and liability**

Any limitations on our obligations or liability are contained in the Letter of Engagement.