

Terms of Engagement

- 1 Standard terms**
 - 1.1 This document contains our standard terms of engagement. Unless we agree otherwise in writing with you, these terms will govern our relationship.
 - 1.2 If you have any queries about these terms please contact Peter directly.
- 2 Fees and disbursements**
 - 2.1 Our fees are calculated principally on the basis of the time and labour involved, but to ensure that our fees are reasonable having regard to your interests and ours, we also take into account those factors appearing at Rule 9.1 of the Law Society's Rules of Conduct and Client Care for Lawyers. Those factors include:
 - 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
 - the complexity of the work **and** the difficulty or novelty of the questions involved.
 - 2.2 In addition to our fees we will charge for any actual disbursements incurred on your behalf, such as filing fees and couriers. There will be no charge for incidental office expenses.
 - 2.3 In dealing with any matter for you we may have to make payment(s) to third parties on your behalf. Should this apply, we may require an advance payment for the full amount(s).
- 3 Invoicing**
 - 3.1 Our normal procedure is to bill matters on a monthly basis. However, in certain circumstances this may be inappropriate, and such cases will be discussed with you on an individual basis.
 - 3.2 Our terms of payment are 14 days from the date the bill is rendered.
 - 3.3 If a third party is responsible for meeting any bill relating to services supplied on your instruction, and that third party fails to pay our invoice within 14 days from the date the bill is rendered, we may issue you a bill for the same amount which you must pay.
- 4 Trust account**
 - 4.1 We maintain a trust account for all funds which we receive from clients (except moneys received for payment of our invoices).
 - 4.2 If we are holding significant funds on your behalf we will normally lodge those funds on interest bearing deposit with our bank. In that case we will require you to first provide valid self-certifications. We may also charge an administration fee of \$30.00.
 - 4.3 Where we hold funds on your behalf in our Trust Account other than for a specific purpose, we may deduct our fees and other charges from those funds. By instructing us, you authorise us to do this. If we do this, we will inform you in writing.
- 5 Termination**
 - 5.1 You may terminate our engagement at any time.
 - 5.2 We may terminate our engagement:
 - if you do not pay our bills by the due date;
 - if you misrepresent or fail to disclose relevant facts to us or act contrary to, or ignore our advice;
 - if a conflict of interest arises.
 - 5.3 If our engagement is terminated we may also choose to retain your files until all fees are paid.
- 6 Conflicts of interest**
 - 6.1 If a conflict of interest arises we will let you know and if bound to, or we choose to, we will cease to act for you.
 - 6.2 At all times we will comply with Chapter 6 of the Law Society's Rules of Conduct and Client Care for Lawyers which deals with client interests.
- 7 Confidentiality**
 - 7.1 We will hold in confidence all information concerning you and your business and affairs that we acquire in the course of acting for you. We will not disclose this information to any person other than:
- 3.4 If our fees are not paid by the due date we may charge default interest at 14% per annum.
- 3.5 You will be liable for all legal and debt collection costs that we may incur, including solicitor/client costs, in enforcing, or attempting to enforce, our rights.

- to the extent necessary to carry out your instructions;
- in accordance with these terms;
- to the extent required by law (such as detailed in clause 10) or by the Law Society's Rules of Conduct and Client Care for Lawyers.

- 7.2 The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 requires us to collect from you and to retain information required to verify your identity. We may therefore ask you to show us documents verifying your identity (such as a passport or driver's licence). We may retain copies of these documents. We may perform such other customer verification checks as to your identity and checks as to the source of any funds associated with any transaction to which our services relate as we consider to be required by law. **14**
- 7.3 The FATCA and AEOI/CRS regimes (explained in further detail in the attached information sheet) may require us to disclose your personal information. **15**
- 16**

8 Document destruction

- 8.1 We retain files in paper or electronic form for a minimum of seven years from the time a matter is complete. After that time files may be destroyed without your consent.

9 Communications

- 9.1 We are not liable for loss arising from non-receipt of any communication, including electronic communications.

10 General

- 10.1 These terms apply to any current and all future engagements.

Information for clients

Set out below is the information required by the *Rules of Conduct and Client Care for Lawyers* of the New Zealand Law Society ('**Law Society**').

11 Fees

The basis on which fees will be charged is set out in our letter of engagement. When payment of fees is to be made is set out in our terms of engagement.

12 Professional indemnity insurance

We hold professional indemnity insurance that meets or exceeds the minimum standards specified by the Law Society. We will provide you with particulars of the minimum standards upon request.

13 Lawyers Fidelity 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. Except in certain circumstances specified in the Lawyers & Conveyancers 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.

Complaints

If you have a complaint about our services or charges, please take this up directly with Peter.

The Law Society also maintains a complaints service and you are able to make a complaint to that service.

Persons responsible for the work

The names and status of the person or persons who will have the general carriage of or overall responsibility for the services we provide for you are set out in our letter of engagement.

Client care and service

The Law Society client care and service information is set out below.

Whatever legal services your lawyer is providing, he or she 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 or loyalties.
- Discuss with you your objectives and how they should best be achieved.
- Provide you with information about the work to be done, who will do it and the way the services will be provided.
- Charge you a fee that is fair and reasonable.
- 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 promptly and fairly.

The obligations lawyers owe to clients are described in the *Rules of Conduct and Client Care for Lawyers*. Those obligations are subject to other overriding duties, including duties to the courts and to the justice system. If you have any questions, please visit <http://www.lawsociety.org.nz/>

FATCA and CRS INFORMATION SHEET

United States Foreign Account Tax Compliance Act

The United States Foreign Account Tax Compliance Act (**FATCA**) was passed in order to stop US citizens and tax residents living outside of the US from avoiding paying tax in the US. In June 2014 New Zealand signed an inter-governmental agreement with the US agreeing to implement FATCA in New Zealand.

FATCA requires New Zealand financial institutions such as banks, investment management firms, and in some instances law firms, to let the Inland Revenue Department (**IRD**) know about any US citizens or tax residents who have financial accounts with them, and to pass on information about that person's identity, tax status, and accounts.

Our bank is required by law to obtain client information from us. The FATCA information required by the bank from us is information relating to any client with funds on interest bearing deposit (**IBD**) through our trust account. If any client is a US citizen or US tax resident, the bank, depending on any thresholds the bank applies, will advise information to the IRD, which will pass relevant information to the US Internal Revenue Service.

OECD Common Reporting Standard

In addition to FATCA, New Zealand has endorsed the OECD's Standard for Automatic Exchange of Financial Account Information in Tax Matters which incorporates the Common Reporting Standard (**CRS**). From 1 July 2017, CRS will facilitate the annual cross border automatic exchange of information on "financial accounts" between the Competent Authority of each country with which New Zealand enters into a bi-lateral agreement to implement CRS.

Your information

Any relevant information we gather could be used for both FATCA and CRS purposes.

We understand that disclosing your private information to our bank or the IRD conflicts with our usual obligation to you to keep all of your information confidential. If we place your funds on IBD we will request your authority to disclose your information in those limited circumstances. You will also need to complete a self certification form for our bank.