

Our Terms of Engagement **(incorporating information disclosed to you for the purposes of the Lawyers and Conveyancers Act 2006)**

These Terms of Engagement (**Terms**) apply in respect of work carried out by us, North End Law Limited trading as North End Law (**NEL**) for you, except to the extent that we otherwise agree with you in writing.

1. AML Identification Requirements

We are required to comply with all laws binding on us including (but not limited to):

- Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (**AML/CFT Act**); and
- United States Foreign Account Tax Compliance Act (**FATCA**); and
- Common Reporting Standard (**CRS**).

To meet these requirements, we may be required to conduct customer due diligence on you, persons acting on your behalf, and other relevant persons such as your beneficial owners or persons who have effective control of you as a client. We may not be able to act or continue acting for you until this is completed to the required standard.

We will advise you what information and documents are required for these purposes. This information could include formal identification, address confirmation, source of funds, transaction details, ownership structures, tax identification details, and any other information considered relevant. Please ensure the information and documents requested are provided promptly to avoid any delays in us acting for you.

We will retain the information and documents and may be required to disclose them to government agencies as required by law. We may not be permitted to advise you of the instances when we are required to disclose this information. We may also be required to provide this information to banks with which we place your funds through our trust account. By instructing us to act for you, you are authorising us to disclose your information to government agencies and banks where such information is requested.

2. Client Care and Service

Whatever legal services NEL is providing, we 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 and let you know how and when you will be billed;
- give you clear information and advice;
- protect your privacy and ensure appropriate confidentiality; and
- treat you fairly, respectfully and without discrimination.

The obligations lawyers owe to clients are described in the *Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Rules 2008 (Rules)*. 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 www.lawsociety.org.nz or call 0800 261 801.

3. Financial

Fees:

- The services we are to provide are set out in our letter of engagement.
- 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:
 - (a) the time and labour expended;
 - (b) the skill, specialised knowledge, and responsibility required to perform the services properly;
 - (c) the importance of the matter to you and the results achieved;
 - (d) the urgency and circumstances in which the matter is undertaken and any time limitations imposed, including those imposed by you;
 - (e) the degree of risk assumed by us in undertaking the services including the amount or value of the 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 members of our firm working on your matter;
 - (h) the possibility that the acceptance of the instructions will preclude other clients engaging us;
 - (i) whether the fee is fixed or conditional;
 - (j) any quote or estimate of fees given by us;

- (k) any fee agreement entered into between you and us;
 - (l) the reasonable costs of running our firm; and
 - (m) 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 charges, valuation charges, court charges, and court documents service charges will be invoiced as disbursements in addition to our fee.
 - NEL may charge a file administration fee. The charge relates to stationery, postage, tolls, photocopying and administrative costs incurred on your behalf.
 - An estimate of fees will be provided where reasonably possible if requested. Any such estimate is a “best guess” only and is subject to change depending on developments with the matter. If the estimate is likely to be exceeded, we will let you know.
 - You agree that NEL may obtain a credit check for you and any related entities and authorise NEL to do so.

Payment: Invoices are payable seven days after the date of issue unless you have made alternative arrangements with us. We may require interest to be paid on any amount which is overdue. Interest will be calculated at the rate of 2% per month (calculated daily) from the due date until the date payment is made in full. In addition, you will be liable for any debt collection costs incurred. In the event of any default in payment or late payment, we may notify any credit agency of this.

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. For example, we may invoice a tenant directly when we are acting for the landlord, because the terms of the lease state that the tenant is liable for our costs. However, the landlord remains liable as our client if the tenant fails to pay us.

If you are instructing NEL:

- (a) as a director or shareholder of a company on behalf of that company; or
- (b) as a settlor or trustee of a trust on behalf of that trust; or
- (c) on behalf of an incorporated society; or
- (d) as an executor or administrator of an estate;

then you agree to be personally liable (along with the company, trust, society or estate) to pay the account, as well as any interest and collection costs (and not just as a surety).

Manner of Payment: You authorise us to deduct our fees and expenses from funds held in our trust account on your behalf upon our issuing an account. 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.

Out of pocket expenses are to be paid by you immediately upon request but substantial out of pocket expenses may be asked for in advance.

You may pay an account by direct bank credit. Please contact the receptionist at NEL if further details are required.

Guarantee: It may be a condition of us accepting instructions that we receive a written guarantee from a person other than you. Situations where this will occur may include requiring a personal guarantee from a director or shareholder of a limited liability company. Trustees of a trust are personally liable for our fees but in most circumstances will have a right of indemnity from the trust assets. However, if those assets are insufficient to meet our costs, we may pursue any of the trustees personally.

4. Trust Account

We maintain a trust account for all funds which we receive from clients (except monies received from 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. However, there are limited circumstances where we can do this unless the appropriate CRS and/or FATCA forms have been completed and all relevant AML documentation provided to us. A commission of up to 5% may be taken on all interest accruing on funds deposited with our bank through our bulk deposit scheme. We will deduct RWT from interest earned on funds deposited before accounting to you for such net interest.

5. Retention of files and documents

We are in the process of converting to a digital file storing process to improve the security and accessibility of our client files. Once your matter has been completed, you can choose to collect your physical file once you have paid the final bill if you wish to do so. If you do not collect the physical file, then we will scan and electronically store the file for at least 10 years and destroy the physical copy. You will be able to access the electronic file during this period if necessary. Original deeds (e.g. Wills and Enduring Powers of Attorney), will continue to be physically stored by us as appropriate.

6. Professional Indemnity Insurance

We hold professional indemnity insurance that meets the minimum standards specified by the Law Society. If you request us to do so, we will provide you with particulars of the minimum standards.

7. The Lawyers' Fidelity Fund (the Fund)

The Fund exists to provide compensation of up to \$100,000 per claim for clients who suffer a pecuniary loss in certain circumstances. These circumstances are the theft by a lawyer of money or other valuable property entrusted to that lawyer while the lawyer is providing legal services to the public or while the lawyer is acting as a solicitor-trustee. It should be noted though that the Fund will not pay compensation in respect of money instructed to be invested on behalf of clients except in certain circumstances.

This is only a short summary of the major provisions in the Lawyers and Conveyancers Act 2006 relating to the Fidelity Fund. If you would like further information, please ask us.

8. Limitation of Liability

We will have no liability for any consequential or indirect loss or loss of profit which you may incur caused by our breach of any other legal duty we may owe you. In addition, and overall, our liability to you is limited in all circumstances to three times the fees paid by you on the matter you have instructed us on.

Please note that as lawyers, we do not give "financial advice" (as defined in the *Financial Advisors Act 2008*). In general, this means we do not give advice as to the desirability or economic benefits of a proposed transaction, acquisition, investment or venture. If you want that kind of advice, we will, if requested by you, put you in touch with someone who we believe has the required qualifications and skills to provide such advice. We also do not provide tax advice, nor any advice on the taxation implications of a matter or transaction, unless we expressly agree otherwise in writing. If you want tax advice, we can, if requested by you, put you in touch with a tax professional who can assist.

Specific limitations on the extent of our obligations to you, or any specific limitation or exclusion of our liability, are set out in our letter of engagement.

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

9. Complaints

We have a procedure for handling complaints which is designed to ensure that any complaint is dealt with in a proper, timely and fair manner. If you have a complaint about our services, please refer it to the partner in our firm who has overall responsibility for your work. If you are unsure who that partner is, you do not wish to refer your complaint to them or if you are not satisfied with that person's response, you may refer your complaint to our Practice Manager.

Our Practice Manager's contact details are as follows:

Post: PO Box 20555, Te Rapa, Hamilton 3241

Email: info@northendlaw.co.nz

Phone: (07) 849 9729

If you are not satisfied with our response to your complaint, the Law Society also maintains a complaints service and you are able to take the matter up with them.

10. Right to Terminate/Suspend your Retainer

You are entitled to terminate your instructions to us upon giving us reasonable notice. Our fees for services reasonably and properly provided to you prior to the termination of the retainer, need to be paid by you prior to you uplifting your records and we may retain copies of your documents and records.

NEL may terminate your retainer in the circumstances permitted by the NZLS Rules, including if your conduct towards a lawyer or person associated with NEL amounts to bullying, discrimination, harassment, racial or sexual harassment, threatening behaviour, or violence.

Without limitation, we reserve the right to stop work on your retainer if interim accounts are not paid on time or a request for information or action remains unsatisfied.

11. General

These terms apply to our 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 make the updated Terms available on our website and will provide you with a hard copy of them upon request by you.