

TERMS OF ENGAGEMENT

1. Acceptance:

1. Thank you for instructing our firm, NZ Legal Limited trading as Canterbury Legal ("we" or "us") to act for you. We undertake to provide you with legal services as instructed on our terms of engagement set out herein. By continuing to instruct us after the receipt of these terms of engagement you will be taken to have accepted them.

2. Financial

2.1 Fees

- a. Our fees are calculated taking into account not just the time involved but the skill and specialised knowledge required, the value of the property and the amount of money involved, the complexity of the matter and the results achieved, and the urgency and circumstances under which the matter is handled.
- b. If our engagement letter specifies a fixed fee, we will charge this for the agreed scope of our services. 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.

2.2 Disbursements and Expenses

2. In providing services we may incur disbursements or have to make payments to third parties on your behalf. 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. We charge a service fee for general office services.

2.3 GST (if any)

3. Is payable by you on our fees and charges.

2.4 Invoices

4. We will send interim invoices and statements 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.

2.5 Payment and Overdue Accounts

- a. Invoices and statements 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 overdue. Interest will be charged and payable at the rate of 16% per annum from the date payment became due.
- b. We reserve the right to stop working on your behalf where accounts are overdue.

2.6 Security and Payment by Deduction

5. 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.

2.7 Third Parties

6. 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.

2.8 Recovery of Fees and Expenses

7. If we are required to take any action to recover payment of our fees, disbursements or expenses we are authorised to use, only to the extent necessary to receive such payment, your private information as that term is used in the Privacy Act 1993. You shall also be liable to pay all costs including debt collectors and legal fees incurred in taking action.

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 as set out in the Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Rules 2008 ("LCR").

- 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 are unable to 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 as set out in the LCR.

- 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. Retention of Files and Documents

8. You authorise us (without further reference to you) to destroy all files and documents for this matter (other than any documents that we hold in safe custody for you) 6 years from the time a matter is complete, or earlier if we have converted those files and documents to an electronic format.

6. Conflicts of Interest

9. 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 LCR.

7. Duty of Care

10. 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. No Financial Advice

11. While we are able to advise you about any legal issues arising from the sale or purchase of property, we are unable to advise you about the financial wisdom of entering into any sale or purchase transaction or the investment quality of the property. We recommend that you seek independent financial advice about the financial aspects of a sale or purchase transaction as part of any due diligence enquiries you wish to make.

9. Trust Account

12. 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 6% of the interest derived.

10. Production of Documents and Information

13. In the event that we are lawfully required to provide documents or information to any authority then we shall be entitled to charge you fees and disbursements for its involvement. You hereby authorise us to provide your information in order to comply with the Foreign Account Tax Compliance Act or to comply with disclosure of information required under Section 17 of the Tax Administration Act 1994.

11. Companies/Trusts

14. Instructions to us on behalf of a company or trust may be given by one director/trustee or a duly authorised person.
15. Any instructing director/trustee or other duly authorised person is jointly liable with the company/trust for our fees and disbursements.

12. Credit Check

16. You hereby authorise us to make reasonable and confidential credit enquiries from an appropriate information provider.

13. Limitation of liability

- 13.1 Any claim you have against us must be filed within two years after the date of the act or omission on which the claim is based. Otherwise, the claim cannot be filed and we will have no liability for that act or omission or for its consequences (to the extent permitted by law).
- 13.2 In these Terms, "claim" and "the date of the act or omission on which the claim is based" have the same
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meanings as in the Limitation Act 2010. This time limit overrides the time periods under that Act, and applies regardless of when any fact relevant to the claim was first discovered or able to be discovered.

- 13.3 To the extent permitted by law, our aggregate liability to you (whether in contract, equity, tort or otherwise) arising out of your engagement of us on a matter (or any series of related matters) shall not exceed the amount set by the New Zealand Law Society as the minimum standard for the indemnity limit on our professional indemnity insurance.

- 13.4 We shall not be liable for any loss or liability caused or contributed to by inaccurate or incomplete information supplied by you or third parties (including public records and expert witnesses) or because you did not receive or read a communication we sent you.

14. General

- 14.1 These Terms apply to any current engagement and also to any future engagement, whether or not we send you another copy of them.
- 14.2 These Terms will be deemed to be modified to the extent necessary to comply with the LCR's in force from time to time.
- 14.3 We are entitled to change these Terms from time to time, in which case we will send you amended Terms or make the amended Terms available on our website.
- 14.4 Our relationship with you is governed by New Zealand law and New Zealand courts have non-exclusive jurisdiction.
- 14.5 You may not transfer or assign your rights or obligations under these Terms or in relation to any engagement of us on any matter.

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20. INFORMATION FOR CLIENTS

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1. Fees

22. The basis on which fees will be charged is set out in our Terms of Engagement. When payment of fees is to be made is set out in our Terms of Engagement.

2. Professional Indemnity Insurance

23. We hold professional indemnity insurance details of which can be supplied upon request.

3. Lawyers' Fidelity Fund

24. The Law Society maintains the Lawyers' Fidelity Fund for the purpose 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 \$100,000.00. Except in certain circumstances specified in the Lawyers and 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.

4. Complaints

25. We maintain a procedure for handling any complaints by clients, designed to ensure that a complaint is dealt with promptly and fairly. If you have a complaint about our services or charges, you may refer your complaint to the person in our firm who has overall responsibility for your work. If you do not wish to refer your complaint to that person, or you are not satisfied with that person's response to your complaint, you may refer your complaint to Sue Cousins. She may be contacted as follows:

- by letter;
- by email at admin@canterburylegal.co.nz
- by telephoning her at 03 377 0792

26. Alternatively, the Law Society operates the Lawyers Complaints Service and you are able to make a complaint to that service. To do so, phone 0800 261 801 and you will be connected to the nearest Complaints Service Office, which can provide information and advice about making a complaint.

5. Persons Responsible for the Work

27. 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.

6. Client Care and Service

28. The Law Society client care and service information follows.
29. 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 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 promptly and fairly.

30. The obligations lawyers owe to clients are described in the LCR. Those obligations are subject to other overriding duties, including duties to the courts and to the justice system.

7. Limitations on extent of our Obligations or Liability

31. Any limitations on the extent of our obligations to you or any limitation or exclusion of liability are set out in our letter of engagement and terms of engagement.

32. 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.

33. If you have any questions, please visit www.lawsociety.org.nz or call 0800 261 801.

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46. **Please sign here – Signature of
Client**

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