

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 which we are to provide for you are outlined in our engagement letter.

2 Financial

2.1 Fees:

- (a) The fees which we will charge or the manner in which they will be arrived at, are set out in our engagement letter.
- (b) If the engagement letter 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.
- (c) Where our fees are calculated on an hourly basis, the hourly rates are set out in our engagement letter. The differences in those rates reflect the experience and specialisation of our professional staff. Time spent is recorded in 6 minute units.

- 2.2 The New Zealand Law Society has provided under its Conduct and Client care rules that a number of factors can be taken into account in determining a reasonable fee for services provided. These include:

- (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 the client and the results achieved;
- (d) the urgency and circumstances in which the matter is undertaken and any time limitations imposed, including those imposed by the client;
- (e) the degree of risk assumed by the lawyer 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 lawyer;
- (h) the possibility that the acceptance of the particular retainer will preclude engagement of the lawyer by other clients;
- (i) whether the fee is fixed or conditional (whether in litigation or otherwise);
- (j) any quote or estimate of fees given by the lawyer;
- (k) any fee agreement (including a conditional fee agreement) entered into between the lawyer and client;

(l) the reasonable costs of running a practice;

(m) the fee customarily charged in the market and locality for similar legal services.

The relative importance of the factors set out above will vary according to the particular circumstances of each transaction.

2.3 **Disbursements and expenses:** 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.

2.4 **GST (if any):** Is payable by you on our fees and charges.

2.5 **Invoices:** We will send interim invoices 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.

2.6 **Payment:** Invoices are payable upon your receipt 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 1.5% per month as at the close of business on the date payment became due. You hereby undertake to pay interest as set out above and furthermore to indemnify Nicholsons and pay all costs and expenses if legal action is necessary to recover any overdue amount.

2.7 **Security:** 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.

2.8 **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.

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.

- 1.1 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*
- 1.2 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

- 5.1 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) 7 years after our engagement ends, or earlier if we have converted those files and documents to an electronic format.

6 Conflicts of Interest

- 6.1 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*.

7 Duty of Care

- 7.1 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 Trust Account

- 8.1 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 5.7% of the gross interest derived.

9 General

- 9.1 These Terms apply to any current engagement and also to any future engagement, whether or not we send you another copy of them.
- 9.2 We are entitled to change these Terms from time to time, in which case we will send you amended Terms.
- 9.3 Our relationship with you is governed by New Zealand law and New Zealand courts have non-exclusive jurisdiction.