

STANDARD TERMS OF ENGAGEMENT - KANNANGARA THOMSON

1. Services

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. Our fees are charged in accordance with guidelines laid down by the Rules of Professional Conduct of the New Zealand Law Society. In fixing our fees we take into account the following factors:
 - the time spent
 - the skill and knowledge and responsibility required
 - the value of property involved
 - the complexity, novelty, importance and urgency of the matter
 - the reasonable costs of running a practice
 - the result
- 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, with time rounded up to the next unit of 6 minutes.

2.2 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.

2.3 GST (if any)

Is payable by you on our fees and charges.

2.4 Invoices

We may depending on the circumstances 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.

2.5 Payment

Invoices are payable on receipt of our invoice, unless alternative arrangements have been made with us. We may require interest to be paid on any amount which is more than 30 days overdue. Interest will be calculated at the rate of 15.00% per annum applying at the date payment became due (minimum charge \$5.00 per invoice per month). When interest has been charged, it is our policy to apply any subsequent payment to interest charged first before allocating the payment to invoices or other balances. If we are required to take recovery action against you all collection costs will be payable by you. This may include administration charges and collection costs charged by our debt collection agency. We accept payment by direct credit, cheque, cash, EFTPOS, Visa & MasterCard. Please note a 3% surcharge applies to payments by Visa & MasterCard.

2.6 Security

We may ask you to pre-pay an amount to us, or to provide security for our fees and expenses. You authorise us:

- a) to debit against amounts pre-paid by you; and/or
 - 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

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 direct to a third party, nevertheless you remain responsible for payment to us if the third party fails to pay us.

3. Companies, Trusts, Joint Clients and Other Non-Personal Entities

3.1 If we receive instructions from you in your capacity as a director or shareholder of a limited liability company or as a settlor or trustee of a trust or estate (or any other non-personal entity) then such instructions are accepted on the basis that you are at all times personally responsible as principal debtor for payment of our fees, disbursements and any other costs payable and you personally indemnify us for the payment of our fees, disbursements and any other costs rendered to these entities.

3.2 In cases where instructions are received from more than one client jointly such clients will be jointly and severally liable for payment of our fees, disbursements and any other costs. In such cases, unless otherwise agreed in writing, we may, but are not required to, accept and act on instructions from any one person from such a joint client.

4. Confidentiality

4.1 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*.

4.2 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.

4.3 We will of course, not disclose to you confidential information which we have in relation to any other client.

5. Termination

5.1 You may terminate our retainer at any time.

5.2 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*.

5.3 If our retainer is terminated you must pay all fees due up to the date of termination and all expenses incurred up to that date.

6. Retention of files and documents

6.1 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.

6.2 We may charge a fee (advised in our engagement letter) for storage of your file, or alternatively you may choose to uplift your file upon completion of the matter.

6.3 If uplifted, you will be responsible for the storage of the file and its contents in accordance with any legislative requirements.

7. Conflicts of Interest

7.1 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*.

8. Duty of Care

8.1 Our duty of care is to you and not to any other person who may rely on our advice, we must expressly agree to this.

9. Trust Account

9.1 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 will charge an administration fee of 7.5% of the gross interest derived.

10. General

10.1 These terms will apply to any current engagement and also to any future engagement, whether or not we send you another copy of them.

10.2 We are entitled to change these Terms from time to time, in which case we will send you amended Terms.

10.3 Our relationship with you is governed by New Zealand Law and New Zealand courts have non-exclusive jurisdiction.

10.4 We may also receive a commission for the placement of insurance products for client(s) (Fire and General, Personal Risk), either directly (if an agency is held) or indirectly if a referral is made to a specialist insurance advisor.

10.5 We may also receive a commission for referral to third parties.

INFORMATION FOR CLIENTS - KANNANGARA THOMSON

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").

1. 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 Standard Terms of Engagement. 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

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.

3. 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 \$100,000.00. 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.

4. Complaints

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 Wayne Christie, Practice Manager at Kannangara Thomson. He may be contacted as follows:

- by confidential letter addressed to Kannangara Thomson, Barristers & Solicitors, P O Box 13964, Armagh, Christchurch 8141;
- by email at wayne.christie@ktlaw.co.nz;
- by telephoning him at Kannangara Thomson on 03 377 4421.

The New Zealand Law Society also maintains a complaints service and you are able to make a complaint to that service. To do so please visit www.lawsociety.org.nz or call 0800 261 801 or email complaints@lawsociety.org.nz.

5. Persons Responsible for the Work

The names and status of the person 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

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

- 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.

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 www.lawsociety.org.nz or call 04 472 7837 or email inquiries@lawsociety.or.nz

7. Limitations on extent of our Obligations or Liability

At all times, we will act to the best of our ability on your behalf within the scope of your instructions and in accordance with the Rules of Professional Conduct which govern the practice of law. All advice we give to you will be based on our best professional judgement and legal knowledge but should not be taken as a guarantee of any particular outcome, as we will be relying on the completeness of your instructions, the accuracy of the information provided to us and the actions taken by any other parties involved.