

Richmond Law 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 the legal work carried out by us for you, except to the extent that we otherwise agree with you in writing.

1. Anti-Money Laundering and Countering Financing of Terrorism Act (AML/CFT)

We are deemed a reporting entity under AML/CFT. Before we can commence acting for you we must comply with AML/CFT requirements which are set out in our letter of engagement and Identity Verification Requirements.

We are required to and will report to the NZ Police Financial Intelligence Unit (FIU) in relation to all your matters on the following:

- a. All suspicious activities or transactions - Suspicious Activity Report (SAR);
- b. All international wire transfers/electronic transfer of funds equal to or above NZ\$1,000 paid into or paid out of our trust account to/from a bank or financial institution outside of NZ – Prescribed Transaction Report (PTR);

If you pay funds above \$1,000 NZD to our trust account from a bank or financial institution outside of New Zealand, you will immediately notify us and provide all details we request.

If we are required to file a PTR you will provide us with all information requested of you and we will charge you a \$250 administration fee for each PTR we are required to file.

You acknowledge our AML/CFT obligations and waive your legal professional privilege in relation to these.

2. Financial

2.1 Fees:

- a. The services we are to provide and 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 work. 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 or the hourly rate applicable.
- c. Where our fees are calculated on an hourly basis, the hourly rates are set out in our engagement letter. We reserve the right to review and amend our hourly rates from time to time. The differences in those rates reflect the experience and specialisation of our professional staff. Time spent is recorded in six minute units, with time rounded up to the next unit of six minutes.
- d. Our fees are calculated principally on the basis of time involved. To ensure that our clients obtain the best possible value from our fees, the following factors are also considered.
 - (i) The skill, specialised knowledge and responsibility involved; and
 - (ii) The importance and complexity of the matter and the results achieved; and
 - (iii) The urgency and circumstances in which the matter is handled; and

- (iv) The degree of risk assumed by us in undertaking the services, including the amount or value of the property involved; and
 - (v) The complexity of the matter and the difficulty or novelty of the questions involved; and
 - (vi) The possibility that the acceptance of the particular instructions will preclude employment of us by other clients; and
 - (vii) The fee customarily charged in the market and locality for work similar to yours.
 - (viii) The Result
- e. All work done by us is charged on a fee's basis apart from a commission of 5% which is taken on all interest accruing on funds deposited with our bank through our bulk deposit scheme.
- 2.2 Disbursements:** We may incur disbursements or have to make payments on your behalf in which case we may require an advance payment to cover these.
- 2.3 Expenses:** We may also charge an additional fee as set out in our letter of engagement for office expenses.
- 2.4 GST (if any):** Is payable by you on our fees and charges.
- 2.5 Invoices:** We may invoice you monthly, or invoice you on completion of the matter, or termination of our engagement.
- 2.6 Payment:** Invoices are payable within 14 days of the date of the invoice. We require interest to be paid on any amount which is more than 14 days overdue. Interest will be calculated at the rate of 4% above ASB Bank Limited's 90-day bill buy rate. You will be liable for all legal and debt collection costs that we incur, including solicitor / client costs, in enforcing, or attempting to enforce our rights under these Terms.
- 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 have an arrangement to be reimbursed by a third party for our fees and expenses, and although our invoices may, at your request, be directed to a third party, you remain responsible for payment to us if the third party fails to pay us.
- 2.8 Settlement monies:** For property and financing transactions where payment of monies is due by you, we require cleared funds for the full amount to be deposited with us no later than the morning of settlement.
- 3. Trust Account**
- We maintain a trust account for all funds which we receive from clients (except monies received for payment of our invoices).
- We will not accept payments in cash in excess of \$1,000.
- 4. FATCA**
Foreign Accounts Tax Compliance Act
- AEOI/CRS**
Automatic Exchange of Information and Common Reporting Standard

If we are holding significant funds on your behalf you acknowledge that it is only reasonable and practicable for us to lodge those funds on an interest-bearing deposit if we comply with FATCA & AEOI/CRS requirements. If you request us to lodge your funds on an interest-bearing deposit you will provide all information requested of you. We will charge you:

- a. \$150 administration fee for an "In Scope" IBD deposit plus a 5% commission of all interest accruing, or
- b. \$50 administration fee on exempt deposit plus a 5% commission of all interest accruing

5. Confidentiality

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.

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.

6. Termination

You may terminate our engagement at any time.

We may terminate our engagement in any of the circumstances set out in the Law Society's Rules of Conduct and Client Care for Lawyers.

We may terminate our engagement if we are unable to obtain full instructions from you.

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

7. Conflicts of Interest

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. Retention of files and documents

We may 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.

9. 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.

10. Lawyers Fidelity Fund

The Lawyers Fidelity Fund provides protection against loss arising from theft by lawyers. This is currently limited to \$100,000 for each claimant. Except in certain circumstances the Fund does not cover for any loss relating to money that a lawyer is instructed to invest on behalf of a client.

11. Complaints

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 Stephen Sansom, Partner.

The Law Society also maintains a complaints service and you are able to make a complaint to that service. To do so you should contact the NZ Law Society whose contact details can be found in your local telephone book.

12. Client Care and Service

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.

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.lawyers.org.nz or call 0800 261 801.

13. Limitations of our liability

13.1 Exclusion: You acknowledge that where you are in trade the provisions of the Consumer Guarantees Act 1993 (CGA) shall not apply and that sections 9, 12A and 13 of the Fair Trading Act 1986 (FTA) shall not apply for the purposes of section 5D of the FTA.

13.2 Limitation of Liability:

You agree that our liability is limited as follows:

13.2.1 where we have to obtain and rely on external information or public records, we do not accept any liability for direct or indirect loss caused by errors or omissions in such information;

13.2.2 the liability of our firm and all staff within our firm, howsoever arising shall be limited to the sum of \$2,700,000 in aggregate in respect of each matter upon which we have accepted your instructions to act;

13.2.3 our firm and all staff within our firm will not be liable to you for any loss of revenue or income, loss of profits, loss of opportunity or any indirect or consequential loss of whatsoever nature;

13.2.4 our advice is given only for your benefit and in your interest. It is not to be relied on by third parties unless we agree in writing;

13.2.5 we do not accept liability for loss arising from non-receipt of any communication, including emails;

13.2.6 we do not accept liability for loss arising from cybercrime, including but not limited to the hacking of emails and/or tampering with bank account details; and

13.2.7 we do not give investment advice. Such advice should be obtained from a properly qualified financial adviser or financial advice provider in terms of the Financial Markets Conduct Act 2013.

13.3 **Time Limit for Claims**

For the purposes of any claim against us, as defined by the Limitation Act 2010, whether in contract, tort, equity or otherwise, arising out of our engagement, the Act shall be modified so that any claim must be filed within 12 months after the date of the act or omission on which the claim is based. Further, the "late knowledge" provisions in sections 11(2), 11(3), 14 and 32(2) shall not apply. The 12-month time period applies whether or not loss or damage has become apparent, or has been suffered, within that time period.

14. **Email Correspondence**

When you provide us with any email address for communications with you, you authorise us to use that email address for all electronic communications we have with you regarding the legal matter we are handling for you.

15. **General**

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

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