

LOVEGROVES 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) We charge for our services in accordance with guidelines established by the New Zealand Law Society. The fee is set after taking into account: the time taken in doing the work, the degree of specialist skill needed, the urgency, and the importance and value of the transaction
- (c) If the 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 Third Party 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. Office Service Charge Fee (Administrative Expenses): In addition to disbursements, we may charge a fee of up to \$60 to cover out of pocket costs which are not included in our fee and which are not recorded as disbursements. These include items such as photocopying and printing, forms, postage and phone calls

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 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 more than 7 days overdue. Interest will be calculated at the rate of 12% pa. All costs in relation to the collection of overdue accounts will be added to your account.

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.

4.2. 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*.

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

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 will charge an administration fee of 5% of the gross interest derived.

9 ELECTRONIC COMMUNICATIONS

9.1. We may communicate with you and others at times by electronic means. These communications can be subject to interference or interception or contain viruses or other defects ("corruption"). We do not accept responsibility for, and will not be liable for any damage or loss caused in connection with, or as a consequence of, the corruption of an electronic communication.

10 EXTERNAL INFORMATION AND PUBLIC RECORDS

10.1. We often obtain and rely on external information (e.g. from your accountant) or public records (e.g. from a government agency or registry) to carry out your instructions.

10.2. This information may not always be accurate, complete, or up-to-date. We do not accept responsibility to investigate or verify

external information or public records and will not be liable for any damage or loss caused by errors or omissions in them.

11 **LIMITATION ON EXTENT OF OUR OBLIGATIONS OR LIABILITY**

11.1. To the extent permitted by law, our total aggregate liability to you (or any other persons) in connection with any matter (or series of related matters) on which you engage us, is limited to the lesser of:-

- the amount available to be paid out for that liability under any relevant insurance held by us, up to a maximum of NZ\$2,000,000 (including interest or costs); or
- NZ\$1,000,000 or (if greater) the amount of five times our applicable fee (excluding our service charge, disbursements and GST).

This limitation applies to liability of all kinds, whether in contract, tort (including negligence), equity or otherwise.

11.2. Is There A Time Limit For Any Claim Against Us? 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).

In these terms, "claim", and "the date of the act or omission on which the claim is based" have the same 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.

12 **ANTI-MONEY LAUNDERING**

As part of our obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 we are required to

collect and verify information about our clients' identity, including people acting on behalf of our client and/or with effective control of, or beneficial interests in, our client. We will not undertake any work for you until we are satisfied our obligations under the Act have been met. Any information we collect will be retained and used to meet our ongoing compliance obligations. In some instances we may use the services of a third-party provider to verify the information you provide. When you accept these terms and conditions, you authorise us to provide your details to this provider.

13 **GENERAL**

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

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INFORMATION FOR CLIENTS

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. 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 Procedure:

It is our goal to ensure that we provide you with premium customer service. If you have any concerns with services provided by Lovegroves, please take the following steps to make sure the issue is resolved:

- (i) Talk to the solicitor who is handling your file. Your concern can probably be resolved straight away.
- (ii) If you feel uncomfortable talking to the solicitor in charge of your file, or you are not satisfied with their response, contact our Trust Accountant. The Trust Accountant will listen to what you have to say and enquire into the matter on your behalf while keeping you informed of the progress. It is in everyone's interest that your concerns are resolved in a timely manner.
- (iii) If you are still dissatisfied, write to our Client Care Partner. We are committed to making sure your concerns are addressed:

Client Care Partner
Lovegroves
P O Box 25 066
St Heliers
AUCKLAND 1740

Please include the name of the solicitor handling your file, together with any other information you feel will help to bring about a resolution. Clearly state what you are expecting as an outcome.

We will begin an immediate review of your file and report to you forthwith.

- (iv) In the unlikely event that we are unable to resolve your concern, 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:

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:

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

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.lawsociety.org.nz or call **0800 261 801**.