

From: JACOBS FLORENTINE LAWYERS

TERMS OF ENGAGEMENT

We enclose information which we are required to provide to you under the New Zealand Law Society Client Care Regulations.

Client Care Charter – Our Commitment to You

We are committed to doing our best to ensure that your legal needs are met in this matter. We will:

1. Protect and promote your interests and act for you free from compromising influences or loyalties.
2. Discuss with you your objectives and how they should best be achieved.
3. Act competently, in a timely way, and in accordance with instructions received and arrangements made.
4. Provide you with information about the work to be done, who will do it and the way the services will be provided.
5. Protect your privacy and ensure appropriate confidentiality.
6. Treat you fairly, respectfully and without discrimination.
7. Give you clear information and advice.
8. Keep you informed about the work being done and advise you when it is completed.
9. Charge you a fee that is fair and reasonable and let you know how and when you will be billed.
10. 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 the justice system. If you have any questions, please contact us on (06) 358 8129, or the New Zealand Law Society at www.lawsociety.org.nz or call 0800 261 801.

People Responsible for your Work

We will notify you at the outset of your file as to which member of our firm will have overall responsibility for the work on your matter, however other staff members may work on the matter from time to time. Feel free to contact us at any time.

The Basis of our Charges

Unless agreed otherwise our fees are based on the range of factors applied by the NZ Law Society, including time, expertise, importance, urgency and results achieved. In addition to our fees our account will also include disbursements, being monies paid by us on your behalf and office expenses. These will be itemised separately, and we will notify you if any fees or disbursements need to be paid for in advance.

Office Expenses

We also charge for general office services in addition to our fees, for things such as photocopying, facsimile charges, telephone calls, postage and deliveries, document management and other similar things. A charge for office expenses will appear as a separate item on your invoice. We are able to give you an estimate of these charges upon request.

Fees- Landonline

If the matter we act on for you involves a property transaction, such as the buying or selling of property, or changing, registering or discharging an interest on a property title, then we will need to access and use the Land Information New Zealand electronic transaction centre known as Landonline. Landonline enables lawyers to register changes to property titles electronically, and each separate matter we act on requires us to set up or access a new electronic dealing in Landonline known as an e-dealing.

If your file requires us to establish a new e-dealing, a separate Landonline setup fee will be charged in addition to our fees.

Billing Arrangements

We may send interim invoices to you throughout the course of the matter, and we will render a final invoice on completion of your matter.

On rendering an interim invoice to you, or on completion of the matter, if we hold funds on your behalf you authorise us to deduct our fees from those funds (unless they have been provided for a particular purpose) and send you an invoice as required by the Lawyers and Conveyancers Act (Trust Account) Regulations 2008.

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 five percent (5%) above our firm's main trading bank's 90 day bank bill buy rate as at the close of business on the date payment became due. It is our firm policy that if our accounts remain unpaid after ninety (90) days then our files are forwarded to Guardian Credit for collection. Please note the cost of such collection proceedings will be borne by the client unless the client has previously entered into mutually agreed repayment arrangements with the Partners of Jacobs Florentine.

In addition, as referred to above if we are holding funds on your behalf especially in respect of property transactions you authorise us to deduct outstanding fees from the monies held and forward the net balance to you when the transaction is completed.

Professional Indemnity Insurance & Fidelity Fund

We hold professional indemnity insurance that meets or exceeds standards specified by the Law Society. The Lawyers' Fidelity Fund also provides a limited form of cover up to specified maximums in certain circumstances, generally excluding investment monies.

The Law Society maintains the Lawyers' Fidelity Fund for the purpose of providing clients of lawyers with protection against loss arising from theft by lawyers. The maximum amount to an individual claimant is limited to \$100,000. 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.

Complaints

If you have any concerns or complaints that you prefer not to raise with the person with primary responsibility for your file, please contact our Senior Partner Mark Sinclair. We are committed to resolving any issues as soon as possible.

You can also contact the NZ Law Society's Lawyers' Complaints Service as follows:

The Lawyers Complaints Service

Phone: 0800 261 801

Complaints form: www.lawsociety.org.nz/for-the-community/lawyers-complaints-service/concerns-form

Email: complaints@lawsociety.org.nz

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.

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

Termination

You may terminate our retainer at any time. 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*.

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.

Retention of files and Documents

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

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*.

Duty of Care

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.

Trust Account

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 five percent (5%) of the interest derived.

Accounting Advice

We have become increasingly aware of the fact that even the simplest property transactions may have Taxation consequences that we cannot assist with firstly because we don't have knowledge of your overall Taxation position and more importantly it is not our area of expertise.

Accordingly with all transactions with a taxation component and in particular with all property transactions, we strongly recommend that even if you have assumed that there are no significant

Taxation issues to consider that you seek independent Accounting advice to ensure that the Brightline regime, GST or any other Taxation consequences are reviewed prior to you committing to the transaction.

Anti-Money Laundering (AML) requirements

New Zealand has passed a law called the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 ("the AML/CFT law for short). The purpose of the law reflects New Zealand's commitment to the international initiative to counter the impact that criminal activity has on people and economies within the global community.

Recent changes to the AML/CFT Act mean that from 1 July 2018 lawyers must comply with its requirements. Lawyers must do a number of things to help combat money laundering and terrorist financing and to help Police bring the criminals who do it to justice. The AML/CFT law does this because the services law firms and other professionals offer may be attractive to those involved in criminal activity.

Law firms and other professionals are now required to assess the risk they may face from the actions of money launderers and people who finance terrorism and must identify potentially suspicious activity.

To make that assessment lawyers must obtain and verify information from prospective and existing clients about a range of things. This is part of what the AML/CFT law calls "customer due diligence".

Customer due diligence requires a law firm to undertake certain background checks before providing services to clients or customers. Lawyers must take reasonable steps to make sure the information they receive from clients is correct and so they need to ask for documents that show this.

We will need to obtain and verify certain information from you to meet these legal requirements. This information includes: Your full name; your date of birth; and your address.

To confirm these details documents such as your driver's licence or your birth certificate and documents that show your address - such as a current bank statement – will be required.

If you are seeing us about company or trust business, we will need information about the company or trust including the people associated with it (such as directors and shareholders, trustees and beneficiaries).

We may also need to ask you for further information. We will need to ask you about the nature and purpose of the proposed work you are asking us to do for you. Information confirming the source of funds for a transaction may also be necessary to meet the legal requirements.

If we are not able to obtain the required information from you it is likely that we will not be able to act for you. Because the law applies to everyone we need to ask for the information even if you have been a client of ours for a long time.

Before we start working with you we will let you know what information we need and what documents you need to show us. We refer you to the Guidelines attached to this letter of engagement which will give you some idea of the information that we will require from you depending on the legal instructions you provide us with.

General

These Terms apply to any current engagement and also to any future engagement, whether or not we send you another copy of them. We may not send a letter of engagement to existing clients who are instructing us in numerous matters or alternatively in the case of straightforward tasks such as the preparation of a will

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

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

Completion

When this matter is completed, we will advise you accordingly and provide a brief summary of the work undertaken if we have not already done so. Where appropriate we will also identify any necessary future action that may be required.

Conclusion

We value your instructions and look forward to successful completion of the matter(s) you instruct us on. We also look forward to an ongoing relationship with you, so please retain this letter as the core basis of our relationship and our commitment to you to attend to your affairs diligently, with an efficient, effective and professional service.

Yours faithfully

JACOBS FLORENTINE