

GRANTHAM LAW 2020 LIMITED
TRADING AS "GRANTHAM LAW"
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 we are to provide for you are outlined in our instruction letter.
- 1.2. We will represent and advise you on all legal matters within the scope of your instructions.
- 1.3. We **DO NOT** provide Financial or Tax services advice, Feasibility studies or income yield on rental properties and businesses and No building or Land Advice (unless it is a Building inspection report or LIM report)
- 1.4. We will usually record those instructions on a "confirmation of instruction" report at the outset of a matter.

2. Financial

2.1. Fees:

2.1.1. The fees we will charge or the manner in which they will be arrived at, take into account the following factors:

- The time and labour expended;
- The skill, specialised knowledge and responsibility required to perform the services properly;
- The importance of the matter to you and the results achieved;
- The urgency and circumstances in which the matter is undertaken and any time limitations imposed, including those by you;
- The degree of risk assumed by us in undertaking the services, including the amount or value of any property involved;
- The complexity of the matter and the difficulty or novelty of the questions posed.
- The experience, reputation and ability of the lawyer or other person in our firm doing the work;
- The possibility that the acceptance of the particular retainer will preclude engagement of the firm by other clients;
- Whether the fee is fixed or conditional (whether in litigation or otherwise);
- Any quote or estimate given by us;
- Any fee agreement (including a conditional fee agreement) entered into between you and us;
- The reasonable costs of running a practice; and
- The fee customarily charged in the market and locality for similar legal services. .

2.1.2. If the instruction letter specifies a fixed fee, then 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.

2.1.3. Where our fees are calculated on an hourly basis, the hourly rates are set out in our instruction letter. The differences in 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.

2.1.4. Unless there is any specific agreement to the contrary, we will be entitled to deduct any fees or disbursements from monies held by us on your behalf in our trust account. If we do so, then that will be immediately confirmed to you by statement and/or bill of costs.

2.1.5. The people in our firm who will have the general carriage of/or overall responsibility for the services provided to for you are:

| | |
|---|---------------------|
| Directors | \$375.00 |
| Solicitors/Associates | \$225.00 - \$325.00 |
| Legal Executives/Law Clerks/ Legal Assistants | \$175.00 - \$300.00 |

* Excluding GST and disbursements

- 2.1.6. If any costs estimate is provided to you, then it is our "best guess" of the costs we will charge, based on the factors set out at 2.1.1. If the work turns out to be more time consuming or more complicated than we anticipated, or any of the other variables should change i.e. change of Fee Author hourly rate (or our understanding of them should change) while we are doing the work, then we will amend our cost estimate or final bill accordingly.
- 2.2. **Fees in advance:** We may ask you to prepay amounts to us or provide security for our fees and expenses. These funds will be held in trust on your behalf.
- 2.3. **Disbursements:** 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. We on charge for disbursements incurred when we are providing services which require payments to third parties on your behalf, which shall be limited to \$250 unless agreed otherwise.
- 2.4. **Office Administration Fee:** We charge an office administration fee, a one-off \$50.00 for opening your file, typically there is one file per separate matter, and a general office administration fee of 5% of the net fee or \$25.00 (whichever is higher) for office expenses including fax charges, printing correspondence and documents, photocopying, postage/forms, telephone calls, off-site files storage etc.
- 2.5. **GST (if any):** Is payable by you on our fees and charges.
- 2.6. **Invoices:** We will send interim invoices to you, usually monthly and on completion of the matter, or on termination of our engagement. We may also send you an invoice when we incur a significant expense.
- 2.7. **Payment:** Invoices are payable within 7 days of the date of the invoice, unless alternative arrangements have been made with us. Interest may be charged on any amount which is more than 7 days overdue. Interest will be calculated at the rate of 2% per month at the close of business on the date payment became due.
- 2.8. **Referral to Debt Collection Agency:** If you fail to pay any or all of your invoice/s we reserve the right to engage a debt collection agency to collect the invoice/s on our behalf. You may be responsible for any reasonable debt collection costs that we incur in recovering outstanding amounts due to us.
- 2.9. **Use of Civil Process to collect fee:** We reserve the right to embark upon civil processes to collect any unpaid fees/invoices. You may be responsible for costs associated with this course of action (including the cost of preparing any proceedings) in recovering outstanding amounts due to us.
- 2.10. **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 and Privacy

- 3.1. **Confidence:** 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:
- 3.1.1. To other employees of our firm, if necessary; or
- 3.1.2. To the extent necessary or desirable to enable us to carry out your instructions; or as expressly or impliedly agreed by you; or
- 3.1.3. As necessary to protect our interests in respect of any complaint or dispute; or
- 3.1.4. To the extent required or permitted by law.
- 3.2. **Personal Information and Privacy:**
- 3.2.1. In our dealings with you we will collect and hold personal information about you. We will use that information to carry out the services and to make contact with you. Provision of personal information is voluntary but if you do not provide all the required information to our satisfaction and at our sole discretion, this may impact on, or negate our ability to provide the services to you.
- 3.2.2. Subject to clause 3.1, you authorise us to disclose in the normal course of performing the services, such personal information to third parties for the purpose of providing services and any other purposes set out in these terms or required by law.
- 3.2.3. We may disclose your name and address to third parties such as credit agencies to perform a credit reference or to undertake credit management or collection processes, if it is necessary to do so.
- 3.2.4. The information we collect and hold about you will be kept at our offices, on our online conveyancing or similar programmes, and/or at secure file storage sites (including electronic

storage sites) elsewhere. If you are an individual, then you have the right to access and correct this information.

- 3.2.5. While we use virus checking software, we accept no responsibility for viruses (or similar) in any emails or attachments which come from or appear to be from, us. Once any email or attachment leaves our information systems we do not accept any responsibility for any changes or inception or harm as a result.
- 3.3. **Verification of Identity:** The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 requires us to collect information from you to verify your identity and to retain this information. We may perform identification verification or other checks as to your identity and as to the sources of funds/wealth, to the extent we deem necessary in our sole discretion and in accordance with relevant laws.
- 3.4. **Statutory Disclosure Obligations:** We may be required to, under some circumstances, make disclosure to other parties (e.g. our bank and its statutory supervisor under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, and/or, our supervisor under the same legislation), as required by law. Examples include the New Zealand Police, the Department of Internal Affairs and Inland Revenue.
- 3.5. **Tax Legislation Compliance:**
 - 3.5.1. So that we may comply with Inland Revenue Department taxation requirements, if you are buying, selling or transferring property in New Zealand, then you must provide to us at the onset of your transaction your personal IRD number and/or that of any relevant Company or Trust. We will also require your taxpayer identification number from any overseas countries where you are a tax resident (if applicable).
 - 3.5.2. FATCA (Foreign account Tax Compliance Act -collection of US Tax information only), GATCA Global Version of FATCA, CRS (Common Reporting Standards-collection of all Foreign Tax Information).
 - 3.5.3. We are required by law to comply with the above legislation and supply to our Bank (BNZ) if requested, all necessary information, declarations and supporting information pertaining to FATCA, GATCA and CRS.
 - 3.5.4. As part of your engagement with us and to enable us to meet these requirements, you agree to provide us with all relative information consents as and when requested.

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. Circumstances may include the existence of a conflict of interest, failure to provide us with instructions and/or the documentation requested in our instruction letter, if we cannot allocate sufficient time to your matter, non-payment of our fees, expenses and disbursements or if we consider, for good reason, that you would, or may be, better served if we did not continue to act for you.
- 4.3. If our retainer is terminated you must pay us all fees, disbursements and expenses incurred up to the date of termination and before we will release any documentation.
- 4.4. If our retainer is terminated due to us not receiving sufficient information as requested in our instruction letter and attachments, then you indemnify Grantham Law from any loss or claim which may result.
- 4.5. Identity and source of wealth/funds information and an acceptable explanation as to the nature and purpose of the transaction, in accordance with our instruction letter as well as any other documentation we may require under the relevant laws and your circumstances and delays and/or consequences arise, you agree to indemnify us against any liability.
- 4.6. Work on your matter. Information from you, and/or lack of, resulting in us being able to undertake any work in accordance with our instruction letter and delays and/or consequences arise, you agree to indemnify us against any liability.

5. Retention of files and documents

- 5.1. We will keep a record of all important documents which we receive or create on your behalf on the following basis:
 - 5.1.1. We may keep a record electronically and destroy originals (except where the existence of an original is legally important such as in the case of Wills or Deeds).
 - 5.1.2. At any time, we may dispose of documents which are duplicates, or which are trivial (such as emails which do not contain substantive information), or documents which belong to us.
 - 5.1.3. We are not obliged to retain documents or copies where you have requested that we provide them to another person and we have done so, although we are entitled to retain copies of our own records if we wish to do so.

- 5.2. We may, at our opinion, return documents (either in hard or electronic form) to you rather than retain them. If we choose to do this, then we will do so at our expense. If you wish to elect this option, then you must notify us on settlement day.
- 5.3. We will provide to you, on request, copies or originals (at our option) of all documents to which you are entitled under the Privacy Act 2020 or any other law. We may charge you our reasonable costs for doing this (please refer to our hourly rate and office administration fee). Where we had documents that belong to a third party you will need to provide us with that party's written authority to uplift or obtain a copy of that document. If you require access, then please contact our Taupo office. Payment of fees is required prior to provision of documents by us, to you or anyone else.
- 5.4. Unless you instruct us in writing otherwise, you authorise us in the consent to us (without further reference to you) to destroy (or delete in the case of electronic files), all files and documents in respect of the services, at the appropriate time after our engagement ends (other than any documents that we hold in safe custody for you or are otherwise obliged by law to retain for longer).
- 5.5. We own copyright on all documents, correspondence and anything else we create in the course of performing the services but grant you a non-exclusive licence to use and copy the documents as you see fit for your own personal or commercial use. However, you may not permit any third party copy, adapt or use the documents without our written permission.

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, then 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. We owe no liability to any other person, including for example any directors, shareholders, associated companies, employees or family members unless we expressly agree in writing. We do not accept any responsibility or liability whatsoever to any third parties who may be affected by the performance of our services or who may rely on any advice we give, except as expressly agreed by us in writing.
- 7.2. Our advice is not to be referred to in connection with any prospectus, financial statement, or public document without our written consent.
- 7.3. Our advice is opinion only, based on the facts known to us and on our professional judgment, and is subject to any changes in the law after the date on which the advice is given. We are not liable for errors in, or omissions from, any information provided to or by third parties. You indemnify us against any third-party claim arising from the release and/or reliance on any such information.
- 7.4. Our advice relates only to each particular matter in respect of which you engage us. Once that matter is at an end, we will not owe you any duty or liability in respect of any related or other matters unless you specifically engage us in respect of those related or other matters.

8. General

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

9. 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").

- 9.1. **Fees:** The basis on which fees will be charged and when payment of fees is to be made is set out in our Instruction Letter and Standard Terms of Engagement.
- 9.2. **Trust Account:** We maintain a trust account for all funds that we receive from clients (except money that is received for payment of our invoices), the provisions of which are regulated by law. We will forward to you a trust statement as required by law. There is a one-off establishment fee of \$50.00 + GST.
- 9.3. **Interest Bearing Deposit:** If we are holding significant funds on your behalf, then we will normally lodge those funds on interest-bearing deposit with a bank. In that case we will charge an initial administration fee of \$50.00. Furthermore, if we are administering funds on your behalf, then there is a monthly charge of \$30.00.

If we hold a small value of funds on your behalf (less than NZ\$20.00) and we are unable to contact you, then you authorise us to pay funds to a charity of our choice.

- 9.4. **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.
- 9.5. **Lawyers' Fidelity Fund:** The Law Society maintains the Lawyers' Fidelity Fund for the purpose 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 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.

10. Complaints

- 10.1. 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, then you may refer your complaint to the Compliance Officer michael@granthamlaw.co.nz in our firm who has overall responsibility for your work. This person's name is recorded on your instruction letter.
- 10.2. 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, then you may refer your complaint to Sean Mason. Sean may be contacted as follows:
 - by letter at: 37 Canada Street, Morrinsville 3300
 - by email at: sean@seanmasonlaw.co.nz
 - by telephoning him on: 07 889 4975
- 10.3. 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.

11. Responsibilities and Obligations

- 11.1. **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 instruction letter.
- 11.2. **Client Care and Service:** The Law Society client care and service information is set out below. Whatever legal services your lawyer is providing, they 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.
- 11.3. 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.
- 11.4. **Limitations on extent of our Obligations or Liability:** Any limitations on the extent of our obligations to you or any limitation or exclusion of liability are set out in our instruction letter.