

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

The services which we are to provide for you are outlined in our engagement letter.

2. Financial

2.1 Fees

2.1.1 The fees which we will charge or the manner in which they will be arrived at, are set out in our engagement letter.

2.1.2 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 further costs.

2.1.3 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 specialization 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 If we give you an estimate of our fee:

- (a) it is an estimate only and we will review it if necessary. The final fee may be more or less than the amount of the estimate (although our estimates are as accurate as possible, based on information available to us at the time);
- (b) the estimate does not include disbursements or GST.

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 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.

2.5 Payment

2.5.1 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.

2.5.2 Interest will be calculated at the rate of 15% per annum from the date payment became due until the date payment is made in full. This does not affect our other rights to recover payment.

2.5.3 If you pay by cheque, your payment is treated as made when the cheque has cleared.

2.5.4 You will be liable for all legal and debt collection costs that we may incur, including solicitor/client costs in enforcing or attempting to enforce, our rights under these Terms of engagement.

2.6 Security

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

2.6.1 to debit against amounts pre-paid by you; and

2.6.2 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 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:

3.1.1 to the extent necessary or desirable to enable us to carry out your instructions; or

3.1.2 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.

3.4 You consent to us providing information about you to:

3.4.1 any bank where we maintain a trust account in which we hold funds for you;

3.4.2 the New Zealand Inland Revenue Department; and

3.4.3 any overseas governmental authority with which New Zealand has an inter-governmental agreement relating to the exchange of information where such information may be required to comply with an inter-governmental agreement relating to the exchange of information; and

you agree to provide us with any further information we may request for any of these purposes.

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

You authorise us (without reference to you) to destroy all files and documents in respect of any engagement (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

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

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 may charge an administration fee of 5% of the interest derived.

8.2 Withholding tax will also be deducted by our bank each month as interest accrues and when any term deposit matures.

9. No Investment Advice

Our scope of service excludes any advice in relation to the quality of any investment including, without limitation, property.

10. Advice on New Zealand law only

We can only advise you on New Zealand law. If we do provide assistance in relation to matters governed by foreign law (outside New Zealand) it is on the basis that we are not advising on foreign law and accept no liability for your rights or obligations under foreign law.

11. Business Clients

11.1 Where we are providing services to you for the purposes of a business, to the fullest extent legally permissible:

11.1.1 we will have no liability for any direct or indirect loss of profits or for any indirect, special or consequential loss;

11.1.2 the Consumer Guarantees Act 1993 will not apply; and

11.1.3 our relationship with you will be governed by New Zealand law and New Zealand courts will have non-exclusive jurisdiction.

12. General

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

12.2 We are entitled to change these Terms from time to time and post the amended Terms on our website www.hmlaw.co.nz. The amended Terms will apply from the time that you next commence a new matter with us. If you disagree with any of the amended Terms you may terminate our retainer.