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STANDARD TERMS OF ENGAGEMENT AND INFORMATION FOR CLIENTS

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1 July 2016

This document is in two parts. First we set out our standard terms of engagement (“Terms”) which will apply in respect of all work carried out by us for you, except to the extent that we otherwise agree with you in writing. We then set out information that all law firms are required to provide to clients by the New Zealand Law Society.

## TERMS

1. Services:
  - 1.1 The services we are to provide for you are outlined in our engagement letter which will be sent to you separately.
2. Instructions:
  - 2.1 We need clear instructions to act for you. Where instructions cannot be reasonably obtained from you, we may cease work until these are received. If instructions are not received promptly we may, in the short term, take appropriate steps to protect your position. However, if we do so and such action does not meet with your approval we shall not be liable to you.
  - 2.2 If we are to be instructed by a limited liability company, we reserve the right to require that some or all of the directors of that company personally guarantee the liability of the company to pay our fees and disbursements, before we will act. If we have commenced acting without such a guarantee, we may require such a guarantee to be given if we are to continue acting. If such a guarantee is not provided with 7 days of being requested we shall be entitled to stop work.
3. Financial:
  - 3.1 Fees:
    - (a) The fees we will charge or the manner in which they will be arrived at, are set out in our engagement letter.
    - (b) The hourly rates for our lawyers are set out in our engagement letter. The differences in those 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.
    - (c) We reserve the right to change these hourly rates on notice to you. Normally our hourly rates will only increase once in a calendar year, from 1 January.
    - (d) All invoices are supported by a time sheet showing who has spent what time on a matter.
    - (e) We will render invoices to you at regular intervals, usually on a monthly basis.

- (f) We will provide you with a cost estimate where requested. This is not a quote or a fee cap, but merely an estimate of the future costs that we think are likely to be incurred in completing the project, based upon the information available at the time, to assist you in planning. Circumstances often change and if at any stage we consider that an estimate may need to be revised for any reason we may notify you and provide you with a new estimate. Similarly, you are free at any stage to seek a revised estimate from us.
  - (g) If you have any queries about an invoice we would rather discuss these with you at an early stage to see if these can be resolved. Please speak to the lawyer who undertook the work in the first instance.
- 3.2 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.
- 3.3 GST (if any): Is payable by you on our fees and charges.
- 3.4 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.
- 3.5 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 10% per annum.
- If an amount is more than 7 days overdue, we reserve the right to stop any further legal work for you and we shall not be liable for the consequences of doing so.
- Ultimately should we have to seek recovery of any unpaid invoices from you then in addition to interest you shall be liable to pay for our time expended in taking any such action at our normal hourly rate, any other legal costs that may be incurred on a full indemnity basis (which could include the cost of instructing another firm) and any disbursements.
- 3.6 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.
4. Confidentiality
- 4.1 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.
- 4.2 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.
- 4.3 We will of course, not disclose to you confidential information which we have in relation to any other client.
- 5. Termination
  - 5.1 You may terminate our retainer at any time.
  - 5.2 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
  - 5.3 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.
- 6. Retention of files and documents
  - 6.1 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.
- 7. Conflicts of Interest
  - 7.1 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.
- 8. Duty of Care
  - 8.1 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.
- 9. General
  - 9.1 These Terms apply to any current engagement and also to any future engagement, whether or not we send you another copy of them.
  - 9.2 We are entitled to change these Terms from time to time, in which case we will send you amended Terms.

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

### Information required by the Rules of Conduct and Client Care for Lawyers of the New Zealand Law Society ("Law Society").

10. 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.
11. 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.
12. 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. 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.
13. Complaints: 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, 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 either Andrew Hazelton or Scott Galloway.

They may be contacted as follows:

- by letter;
- by email at [andrew.hazelton@hazelton.co.nz](mailto:andrew.hazelton@hazelton.co.nz) or [scott.galloway@hazelton.co.nz](mailto:scott.galloway@hazelton.co.nz);
- by telephoning them at (04) 472 7570.

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.

14. 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.

## 15. 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:

- (a) Act competently, in a timely way, and in accordance with instructions received and arrangements made.
- (b) Protect and promote your interests and act for you free from compromising influences or loyalties.
- (c) Discuss with you your objectives and how they should best be achieved.
- (d) Provide you with information about the work to be done, who will do it and the way the services will be provided.
- (e) Charge you a fee that is fair and reasonable and let you know how and when you will be billed.
- (f) Give you clear information and advice.
- (g) Protect your privacy and ensure appropriate confidentiality.
- (h) Treat you fairly, respectfully and without discrimination.
- (i) Keep you informed about the work being done and advise you when it is completed.
- (j) 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](http://www.lawsociety.org.nz) or call 0800 261 801.