

HILL LEE & SCOTT

CLIENT CARE INFORMATION

We set out below the information required by the Rules of Conduct and Client Care for Lawyers of the New Zealand Law Society ("*Law Society*").

Our standard terms of engagement ("*Terms of Engagement*") which (subject to any other agreement we make with you) govern our relationship with you are available on our website at www.hlslegal.co.nz and should be read in conjunction with this information.

1. Fees

- 1.1 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 below.
- 1.2 You authorise us to deduct any fees, expenses or disbursements for which we have provided an invoice from any funds held on your behalf in our trust account.

2. Professional Indemnity Insurance

- 2.1 We hold professional indemnity insurance cover that meets the minimum standards specified by the Law Society.

3. Lawyers Fidelity Fund

- 3.1 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 & 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

- 4.1 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, you may refer your complaint to the person in our firm who has overall responsibility for your work.
- 4.2 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, you may refer your complaint to another partner in the firm.
- 4.3 He/she may be contacted as follows:
 - (a) by letter
 - (b) by telephoning him/her at the office number.
- 4.4 The Law Society also maintains a complaints service and you are able to make a complaint to that service. To do so you should contact the New Zealand Law Society PO Box 5041 Lambton Quay, Wellington 6145, Phone 0800 261 801, Fax 04 473 7909.

5. Persons Responsible for the Work

- 5.1 The name(s) and status of the person or persons who will have the general or overall responsibility for the services we provide to you are set out in our Letter of Engagement.

6. Client Care and Service

- 6.1 The Law Society client care and service information is set out below.
- 6.2 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

6.3 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.

7. Email Transmissions

7.1 We may communicate with both you and others via email for the transmission of all correspondence, documents and advices, where appropriate, unless we are specifically requested by you not to do so.

7.2 Because email is not secure and may be read, copied, interfered with or impaired in transit, you agree to assume the risks associated with transmission and to release us from any claim you may have arising from transmission defects. Transmission defects include the non-receipt by you of any email communication. When you correspond with us by email then your email is deemed to be accepted only once receipt is personally acknowledged by us and not by any automated reply you may receive.

8. Limitations on our Obligations or Liability

8.1 Any limitations on the extent of our obligations to you or any limitation or exclusion of liability are set out in our letter of engagement.

8.2 If you have any questions, please visit www.lawsociety.org.nz or call 04 472 783.

HILL LEE & SCOTT

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. **General**

- 1.1 These Terms apply to any current engagement and also to any future engagement, whether or not we send you another copy of them at the time of any future engagement.
- 1.2 We are entitled to change these Terms from time to time, in which case we will send you amended Terms. Continued use of our services will constitute acceptance of the amended terms.
- 1.3 If we receive instructions from you in your capacity as a director or shareholder of a limited liability company or as a trustee of an estate or settlor or trustee of a trust, then such instructions are accepted on the basis that you are at all times personally responsible for payment of our fees and disbursements. Where instructions are received from more than one client jointly then each will be jointly and severally responsible for our fees and disbursements. In such cases, unless otherwise agreed in writing, we may, but are not required to, accept and act on instructions from any one person.
- 1.4 Our relationship with you is governed by New Zealand law and New Zealand courts shall have non-exclusive jurisdiction.

2. **Services**

- 2.1 The services which we are to provide for you are outlined in the letter of engagement or client engagement email we send to you at the start of an engagement ("*Letter of Engagement*").

3. **Fees**

- 3.1 The fees which we will charge or the manner in which they will be arrived at, are set out in our Letter of Engagement.
- 3.2 If the Letter of Engagement specifies a fixed fee, we will charge this for the agreed scope of work outlined in the Letter of Engagement. Work which falls outside that scope will be in addition to the fixed fee and either subject to a further fixed fee which we agree with you or 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.
- 3.3 Where our fees are calculated on an hourly basis, the hourly rates for the individuals who are working on your matter are set out in our Letter of Engagement. 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.
- 3.4 You may request an estimate of our fee for undertaking the services at any time. If possible we will provide you with an estimate (which may be a range between a minimum and a maximum amount or for a particular task or step). An estimate is not a quote. Any significant assumptions included in the estimate will be stated and you must tell us if those assumptions are wrong or change. We will inform you if we are likely to exceed the estimate by any substantial amount. Unless specified, an estimate excludes GST, disbursements and expenses.
- 3.5 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 on your behalf;
- 3.6 It is not always possible to predict accurately the amount of fees and expenses to complete any matter as this will vary depending on the extent of work required to get the best results, the

quality of instructions we receive, the approach and attitude of any other party as well as other factors. Any estimate is not a fixed price quote and can only be used as a guide of possible costs. In appropriate circumstances we may seek payment of a retainer or fees in advance.

- 3.7 Our bills contain simple explanations of the work undertaken which we have found most clients prefer. We can however provide more detailed bills if required on an individual request basis.
- 3.8 **You authorise us to deduct any outstanding fees and disbursements from funds held on your behalf.**
- 3.9 We will provide a statement of money received on your behalf and any fees that are deducted. By engaging us you acknowledge that payment by this method is for your convenience and at your request and in lieu of payment by any other means and that such deduction is to be treated in all respects as if you had remitted such payment to us without reservation.
- 3.10 Non-fixed fees may be adjusted (upwards or downwards) to ensure the fee is fair and reasonable to take into account matters such as complexity, urgency, value and importance of the services provided. The relevant factors that we can go in to determining a fair and reasonable fee are:
- (a) The time and labour expended
 - (b) The skill, specialised knowledge, and responsibility required to perform the services properly
 - (c) The importance of the matter to you and the results achieved
 - (d) The urgency and circumstances in which the matter is undertaken and any time limitations imposed, including those imposed by you
 - (e) The degree of risk assumed by us in undertaking the services including the amount or value of the property involved
 - (f) The complexity of the matter and the difficulty or novelty of the questions involved
 - (g) The experience, reputation and ability of the members of our firm working on your matter
 - (h) The possibility that the acceptance of the particular instructions will preclude employment of us by other clients
 - (i) Whether the fee is fixed or conditional
 - (j) Any quote or estimate of fees given by us
 - (k) Any fee agreement entered into between you and us
 - (l) The reasonable costs of running our firm
 - (m) The fee customarily charged in the market and locality for work similar to yours.
- 3.11 Invoices are payable within fourteen (14) days of the date of the invoice, unless alternative arrangements have been made with us.
- 3.12 In the event that any amount is more than seven (7) days overdue, we may:
- (a) Require interest to be paid on the outstanding balance calculated at the rate of 1.5% per month;
 - (b) Stop work on other matters we working on for you;
 - (c) Require an additional payment of fees in advance or other security before recommencing work; and
 - (d) Terminate our retainer on other matters.
- 3.13 All costs and disbursements incurred by us in the recovery of our fees (on a full solicitor/client basis) shall be payable by you in addition to interest charges.

3.14 All our fees are payable whether the matter is resolved through formal processes (court proceedings, a hearing, settlement) and regardless of whether you obtain the results you desired.

3.15 GST (if any) is payable by you on our fees and charges.

3.16 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. Disbursements and Expenses

4.1 In providing the services we may incur disbursements or have to make payments to third parties on your behalf. These costs and disbursements will be included in our invoice to you when the expense is incurred.

4.2 We may require an advance payment for the disbursements or expenses which we will be incurring on your behalf.

4.3 In addition to disbursements, we may charge a fee of \$60.00 or 2% of the total professional fees in the invoice to cover out of pocket costs which are not included in our fee and are not recorded as disbursements. These include items such as printing, photocopying, binding, domestic couriers, postage, telephone and information retrieval.

5. Trust Accounting

5.1 We operate a trust account. All money received from you or on your behalf will be held to your credit in our trust account.

5.2 Payments out of the trust account will be made either to you or to others with your authority. Written authorisation from you (and if we are acting for more than one of you, from all of you) will be required when payment is to be made to a third party. Before making a payment to another account we may require verification of the account details by provision of (for example) a copy of a deposit slip, cheque or bank statement showing the account number, a signed authority from you including the bank account details, or a signed letter from the relevant financial institution providing bank account details.

5.3 A full record of our trust account is kept at all times. A statement of trust account transactions detailing funds received and payments made on your behalf will be provided to you periodically and at any time upon your request.

5.4 Unless it is not reasonable or practicable to do so, when we hold significant funds for you for more than a short period of time you have the option to have these placed on call deposit with a bank registered under Reserve Bank of New Zealand Act 1989, s 69. Interest earned from call deposits, less withholding tax and an interest administration fee payable to us of 5% of the interest, will be credited to you.

6. Security for Fees

6.1 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.

7. Privacy and Confidentiality

7.1 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.

7.2 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.

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

8. **Termination**

8.1 You may terminate our retainer at any time.

8.2 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, and particularly where our fees remain unpaid or we become aware of a conflict of interest or if you fail to give us adequate instructions..

8.3 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.

9. **Retention of Files And Documents**

9.1 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) 10 years after our engagement ends, or earlier if we have converted those files and documents to an electronic format. All files are stored in our offices or off-site in secure storage with a reputable file storage company.

9.2 You may uplift your file provided all fees (including file retrieval/copying fees) are paid. Please give us reasonable notice if you wish to do so.

10. **Conflicts of Interest**

10.1 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.

11. **Duty of Care**

11.1 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.

12. **Trust Account**

12.1 We maintain a trust account for all funds which we receive from clients (except monies received for payment of our invoices).

12.2 Payments from our trust account of your funds will be made to others with your approval.

12.3 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 interest derived.

12.4 You acknowledge that any funds held in our trust account that are not placed on deposit will not earn interest.

12.5 If you require funds to be paid from our trust account to you, we will require verification of the account number by way of a copy of your bank deposit slip, a signed hand written bank deposit slip, a signed letter from you, advice from your bank.

13. **Privacy and Personal Information**

13.1 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 about issues we believe may be of interest to you. Provision of personal information is voluntary but if you do not provide full information this may impact on our ability to provide the Services.

13.2 Subject to clause 13.1, you authorise us to disclose, in the normal course of performing the Services, such personal information to third parties for the purpose of providing the Services and any other purposes set out in these Terms.

- 13.3 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 reasonable to do so.
- 13.4 The information we collect and hold about you will be kept at our offices and/or at secure file storage sites (including electronic file storage sites) elsewhere. If you are an individual, you have the right to access and correct this information. If you require access, please contact our office on 03 379 7780.
- 13.5 The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 requires us to collect from you and to retain information required to verify your identity. We may therefore ask you to show us documents verifying your identity (such as a passport or driver's licence). We may retain copies of these documents. We may perform such other customer verification checks as to your identity and checks as to the source of any funds associated with any transaction to which the Services relate as we consider to be required by law.
- 13.6 You authorise us to provide such information from time to time as we may be required to government agencies including the Department of Internal Affairs in accordance with our compliance obligations under the AML/CFT legislation.
- 13.7 You confirm that you are authorised to provide the personal details presented and consent to your information being passed to and checked with the document issuer, official record holder, a credit bureau and authorised third parties for the purpose of verifying your identity and address.
- 13.8 Where you engage us on behalf of a non-natural person (e.g. on behalf of a trust or company) we may also request further information in terms of your connection with the non-natural person client, details of other people associated with that non-natural person (such as other directors, shareholders or beneficiaries) and specific financial information.
- 13.9 You agree to provide this information to us in a timely manner and agree that we cannot act for you until such information is provided.
14. **Anti-Money Laundering Requirements**
- 14.1 To meet our obligations under the Anti-Money Laundering and Countering the Funding and Terrorism legislation we are required to undertake customer due diligence on:
- (a) You
 - (b) Persons acting on your behalf; and
 - (c) Where the client is a non-natural person, on the relevant people for such entities including beneficial owners and controlling persons.
- 14.2 We may not be able to begin acting, or to continue acting, for you until the above information has been provided and a successful due diligence check has been completed.
- 14.3 To ensure our compliance and yours, we may be required to provide information about you, persons acting on your behalf or other relevant persons to third parties (such as government agencies or identity verification services). There may be circumstances where we are not able to tell you or such persons if we do provide information.
- 14.4 Please ensure that you and/or any of the persons described previously are aware of and consent to this. It is important to ensure that all information provided to us is accurate. If the information required is not provided, or considered by us to be potentially inaccurate, misleading, or in contravention of any law, we may terminate or refuse to enter into an engagement.