



CONTRACT OF SERVICES

1. Introduction

We need to set out our terms of engagement. We ask you to sign 2 copies of this contract to confirm that you agree on how we will work together. If we are required to begin your work before you have signed and returned one copy of it to us, we will be doing so on the basis that you are happy to be bound by the terms of this contract.

2. What you have asked us to do

(a) You have asked us to help you with a legal issue. We have written you a letter of engagement setting out our understanding of your instructions and the work we will be doing for you.

3. What we will do for you

- (a) We will give you straightforward advice about the legal and practical issues you need to consider, the time we expect to take, and the steps we need to take.
- (b) We will tell you if we think that what you want may not be possible or will cost more than the result may be worth.
- (c) We will discuss our fees with you **before** we start work for you and will generally set our charges as a best estimate or as a fixed quote as soon as we are clear about what is involved.
- (d) We will do our very best to finish your work as quickly and efficiently as possible.
- (e) We will tell you (in writing) if something comes up that will change the way we need to do the job or which will affect the cost **before** we go any further.
- (f) If we are holding your money for any length of time in our trust account we will usually put it into an interest bearing deposit depending on the amount and when we expect to have to transfer it out again. We will make a minimum charge of \$150 (inc GST) for doing so.
- (g) We hold professional indemnity insurance that exceeds the minimum standards required by the Law Society. We will give you more details if you ask.

4. Limitations

(a) In any situation where it is advisable or recommended that a client or an associated person (such as a guarantor) take independent legal advice we will advise them to do so. If

they chose not to do so then our responsibilities are limited to an explanation of the terms of any document to be signed by them and the witnessing of their signatures to any such document. We will not provide any advice to them about the advisability of entering into any such transaction or arrangement. Where a client has received external advice in respect of some aspect of a transaction, such as financial advice from a mortgage broker or a financial adviser, and we are instructed to implement those arrangements, for example by preparing loan documents, then we do not advise on the suitability of those arrangements. They fall outside the scope of our retainer. Our responsibility is limited to implementing the arrangement in terms of the instructions given to us.

- (b) Our liability in matters relating to a property transaction where you obtain a LIM report will be limited to the contents of the LIM report in respect of Building Consents. You must also visit the Council to check the property file and the floor plans yourself. We will assist on matters that are noted in the LIM report, but we will not contact the Council for any further information. If there are matters in the LIM report that require further investigation, it will be your responsibility to approach the Council or other relevant bodies to satisfy yourself before you make the final decision to approve or disapprove the report.
- (c) Our liability in matters relating to a builder's report will not extend to the content of the builder's report. We will not contact the builder for any further information. If there are matters in the builder's report that require further information, it will be your responsibility to make enquiries of the builder before you make the final decision to approve or disapprove the report.
- (d) The decision to purchase any land or land with buildings ("property") in which we are instructed to act for you is solely yours. We shall not in any way be liable for any matters that are associated with either the quality of the property, the investment or the suitability of the property for your requirements. For sake of clarity the term quality shall include a building that is leaky, or building that is not permitted and a building that does not comply with the resource consent, or District Plan. The term property includes land with buildings or vacant land and the term

quality in the context of the land shall include any impediment to the enjoyment of the land.

- (e) If the property that you are purchasing is a cross lease or unit title property, it is your responsibility to check the title and flats plan to ensure that the title and flats plan corresponds with the actual buildings on site.
- (f) We are not liable for any taxation consequences arising from the work we do for you. You should obtain accounting advice if you have any doubts about tax consequences arising from the work we do for you.

5. Confidentiality

- (a) The confidentiality of your information is of utmost importance. We will not disclose any information about you to anyone outside our firm, with a few exceptions, including where we:
 - Receive your authorisation to do so, either expressly, or where is necessary to carry out legal work for you;
 - Reasonably believe you are proposing to hurt someone or commit a serious crime;
 - Are required by law, including for Anti Money Laundering/Countering of Terrorist Financing purposes, and to comply with tax information reporting requirements including those of the Foreign Account Tax Compliance Act;
 - Are attempting to obtain payment of our fees from you.
- (b) When making disclosures as above, we will disclose only what is reasonably necessary to enable us to comply with our obligations or recover our fees.
- (c) For the purposes of this clause you authorise us to disclose your identity information to a third party but only for the purpose of complying with our obligation to positively identify you pursuant to the Anti-Money Laundering and Countering Financing of Terrorism Act 2009

6. What we ask from you

- (a) You will pay us seven days from the date of our invoice, or as arranged, and talk to us before if that is not possible.
- (b) If you need to pay money into our trust account for a transaction, that payment must be cleared funds no later than the day before the settlement.
- (c) By signing this contract, you now provide us, or our agent, with an ongoing authority to make all reasonable and confidential credit enquiries about you from any appropriate information provider.
- (d) **If you are signing on behalf of a company the signing of this contract by authorised company officers guarantees by you, jointly and severally, payment of our fees.**

- (e) We understand that dissatisfaction about fees is often dissatisfaction with performance and if this is how you are feeling please speak to one of our directors straight away.

7. Our Fees

- (a) We calculate our fees to provide us a fair and reasonable return for our services and we use the following criteria (not in order of importance):
 - ♦ The skill, specialized knowledge and responsibility required.
 - ♦ The importance of the matter to you and the results achieved.
 - ♦ The urgency and circumstances in which work is carried out.
 - ♦ The value or amount of any property or money involved.
 - ♦ The number and importance of the documents prepared or reviewed.
 - ♦ The time and labour spent on the job.
 - ♦ The complexity of the matter and the difficulty or novelty of questions involved.
 - ♦ The reasonable costs of running our firm.
- (b) We usually give a fixed quote for work that is entirely within our control and for which we have complete instructions from you.
- (c) If you ask us to work on a time basis we will quote you our hourly rates.
- (d) In order to manage our cash flow and yours as smoothly as possible we may ask for a retainer to be paid when we start work for you.
- (e) We will include in our invoice an office expense charge for telephone tolls, photocopying, faxes, postage and similar expenses. The office expense charge is GST inclusive. We may include in our invoice a charge or charges for undertaking work on your behalf in Landonline the on-line land record system established by Land Information NZ (LINZ). These charges described in our invoices as e-dealing fees or e-search fees are GST inclusive.
- (f) If you ask us to make an international payment on your behalf we will charge a fee of \$25.00 per transaction, GST inclusive.
- (g) Our fees may be deducted from money held on your behalf or in respect of conveyancing matters, at the time of settlement.
- (h) We will bill you either at the end of the job, or on completing a part of the job, or at the end of each month.
- (i) Our fee estimates, or quotes, are GST exclusive unless advised otherwise.

- (j) Although you may expect to be reimbursed by a third party for our fees and expenses, and although our invoices may be at your request or with your approval directed to a third party, nevertheless you remain responsible for payment to us if the third party fails to pay us.
- (k) While a reminder to you about an overdue payment is an opportunity to talk with you, it is never nice to have to chase you for payment and we would prefer not to do so.
- (l) In the unlikely event we have to sue you for our fees we will also want you to pay all the collection costs and legal fees for chasing you.
- (m) Our fees are payable by you seven days from the date of our invoice or if we have a reached different arrangement with you, as agreed
- (n) **If you are late in paying us then we may charge you penalty interest at the rate of 2% per month until you have paid us.**
- (o) If you do not pay us we will stop working for you.

In consideration of the legal services we have provided you agree, in the event your unpaid fees are more than 60 days in arrears, to execute a registrable mortgage over any land owned by you in favour of all of the partners of the firm to secure the firm's unpaid fees and disbursements. Such mortgage to be prepared at your expense on the usual terms and conditions of

mortgages prepared by solicitors in Auckland and on the standard Law Society Mortgage Instruments. This agreement will create a caveatable interest in any land owned by you in favour of the firm. We may charge attendance fees on disbursements in addition to actual costs paid to third parties to recover some of our time costs incurred.

8. Commission

We are obliged to invest funds held on your behalf for any length of time. We will need to invest funds and you agree to cooperate with our process. The process may involve signing and returning required forms and ID documentation to authorise the investment/s and you specifically agree to our commission charges of 6% of the net interest earned on these investments. Please also be aware that RWT is deducted by the bank at a default rate of 33% in the event your IRD number and tax rate are not provided to us prior to creation of the investment.

9. Paperless Office

If you give us a paper document, or we receive one on your behalf, you authorise us to destroy it after making an electronic copy of that document. We will not destroy Wills or any other document we have agreed in writing to hold in safe custody for you.

10. Client Care Charter

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

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

The Law Society has a Lawyers Fidelity Fund which also protects you.

We also have some useful tips on how to get the best out of your lawyer on our website and suggest you check these out.

The obligations lawyers owe to their 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 Court and the Justice system. If you have any questions, please contact us on **09 623 0515** or the Law Society on **0800 261801**, or you can contact the Law society by email at complaints@lawsociety.org.nz and for more information see www.lawsociety.org.nz

Client Name

Duncan King

Date

Date