

STANDARD TERMS OF ENGAGEMENT AND INFORMATION FOR CLIENTS

We, Murdoch Price Limited trading as Murdoch Price, set out below our Standard Terms of Engagement (“Terms”) and New Zealand Law Society (“Law Society”) client information required by the Rules of Conduct and Client Care for lawyers (“Rules”).

1 Services

The services we are to provide for you are outlined in a letter (“the letter”) or other communication to you.

2 Financial

2.1 Fees:

- a The fees we will charge or the manner in which they will be arrived at, are set out below.
- b If we specify a fixed fee, we will charge this for the agreed scope of our services. Work which falls outside that scope will incur additional charges.

Our fees are calculated taking 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 imposed 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 involved;
 - The experience, reputation and ability of the person in our firm carrying out the work;
 - The possibility that the acceptance of the particular retainer will preclude engagement of us by other clients;
 - Whether the fee is fixed or conditional (whether in litigation or otherwise);
 - Any estimate of fees given by us;
 - Any fee agreement (including a conditional fee agreement) entered into between us and you;
 - The reasonable costs of running a practice;
 - The fee customarily charged in the market and locality for similar legal services
- c Any costs estimates are our “best guess”. If the work proves more complicated or time consuming than we anticipated then we will charge for all additional work.
 - d An indication of the hourly rates which are a factor taken into account in the calculation of the fees are Principals \$450, Staff Solicitors \$400, Legal Executives \$370-\$400 and other staff \$150. These rates are subject to change.
 - e We may also charge a fee for office expenses (bureau). This is a contribution towards such expenses as photocopy, postage, telephone, power, files and stationery.

- 2.2 **Disbursements:** 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. We may require an advance payment for the disbursements which we will be incurring on your behalf.
- 2.3 **GST:** Is payable by you in addition to our fees and charges.
- 2.4 **Residential Land Withholding Tax (RLWT)** If you sell land within 5 years of acquisition and you are classed as an off-shore person under the RLWT rules then we will calculate and deduct the appropriate RLWT from the sale proceeds and pay same to IRD on your behalf as required under the RLWT rules.
- 2.5 **Invoices:** We will send interim invoices to you from time to time, but usually no more frequently than monthly. We will send an invoice on completion of the matter, or termination of our engagement. We may also send you an invoice when we incur a significant expense.
- 2.6 **Payment:** Invoices are payable within 14 days of the date of the invoice, unless alternative arrangements have been made with us.
- 2.7 **Security:** We may ask you to pre-pay amounts to us, or to provide security for our fees and expenses. We may also:
- a debit against amounts pre-paid by you; and
 - b deduct from any funds held on your behalf in our trust account
- expenses or disbursements incurred on your behalf and fees for which we have provided an invoice.
- 2.8 **Third Parties:** 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 (e.g. invoices to your tenant if you are a landlord).
- 2.9 **Interest and Collection Charges on Unpaid Invoices:**
Interest may be charged on late payment of invoices at the rate of 15% per annum from the date due to the date paid.

Should we choose to refer an unpaid invoice to a debt collection agency, you must meet any costs or commission charged to us by that agency in full. Alternatively, should we seek to recover payment of any unpaid invoice ourselves, you must meet any Court fees and disbursements incurred by us, and meet our reasonable legal costs in pursuing that recovery.

3. **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 the letter or other communication.

4. **AML/CFT Act Requirements**

- 4.1 The Anti Money Laundering and Countering of Financial Terrorism Act ("AML Act") is designed first to assist in the detection of money laundering of the proceeds of crime (e.g. drugs related and criminal tax evasion) and second the prevention of criminal and legitimate funds being sent to terrorist organisations.

Many countries in the world have adopted similar measures.

- 4.2 We are required under the AML Act to obtain and have independently verified ID information about you and others associated with you together with independently verified confirmation of the source of funds for your transaction and your overall source of wealth appropriate to the transaction.

This information is retained by us and is available to Police investigating financial crimes. For example you may have purchased a house from an unrelated person who is subsequently the object of a Police investigation.

4.3 The requirements are mandatory and we are not able to do any work for you before obtaining the information.

5. Limitations on extent of our Obligations or Liability

5.1 You are contracting with Murdoch Price Limited, a company with limited liability. Personal liability of any individual including directors, principals and employees of the company is excluded to the extent permitted by law

5.2 Unless otherwise stated in the letter, our maximum liability to you in respect of work done on your behalf will be limited to the lesser of 100 times our fee or the amount payable under any relevant professional indemnity insurance policy we hold, but in any event, to a maximum of \$1,000,000. This limitation of our liability applies to all claims whether in tort (including negligence), contract or otherwise.

6 Confidentiality

6.1 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 Rules.

6.2 Confidential information concerning you will as far as practicable be made available only to those within our firm who are providing legal or office support services for you.

7 Termination

7.1 You may terminate our retainer at any time.

7.2 We can terminate our retainer only in the circumstances set out in the Rules.

7.3 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.

8 Retention of files and documents

8.1 We may destroy all files and documents for any 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.

8.2 If your files or documents are held in a contracted third party storage facility then you will pay us our expenses incurred in retrieval and subsequent return to storage of files or documents requested by you or on your behalf or required for a subsequent transaction.

8.3 We reserve the right to charge you an annual fee for storage of your files or documents. Additional fees will be payable if we decide to return the files or documents to you and you fail to collect them or pay the cost of delivery to you or your authorised agent.

9 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 Rules.

10 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.

11 Trust Account

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 may lodge those funds on interest bearing deposit with a bank. In that case an interest administration charge of 9% of the interest will be deducted.

Additional fees may be charged:

- (a) On an annual basis for holding funds on your behalf; and
- (b) For transfers to and from term deposits authorised by you; and
- (c) Part payments of funds to you or on your behalf; and
- (d) Closure of interest bearing deposits or term deposits.

12 Foreign Tax Compliance

If we are to hold monies for you in our trust bank account on interest bearing deposit then current legislation requires you to advise us if you are a tax resident of a foreign country (i.e. you pay or are liable for tax in a country other than New Zealand). We will send you a form or forms for this purpose before we are able to deposit the monies on interest bearing deposit.

13 Information We Request

If you delay or fail to supply information and/or documentation we request (whether or not we have a legal obligation to obtain that information and/or documentation) then we will not be liable for any loss or consequences to you arising wholly or partly from your delay or failure.

14 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.

15 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.

16 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 principal in our firm who has overall responsibility for your work.

If you do not wish to refer your complaint to that principal, or you are not satisfied with that principal's response to your complaint, you may refer your complaint to any other principal.

A principal may be contacted as follows:

- by letter;
- by email at rob@murdochprice.co.nz (Rob Voulk) or richard@murdochprice.co.nz (Richard Brown) or catherine@murdochprice.co.nz (Catherine Te Wharau);
- by telephoning a principal at (09) 271-5880 and ask for or wait for his/her extension number.

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.

17 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:

- *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.*

The obligations lawyers owe to clients are set out in the Rules. 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**

18 General

- 18.1 These Terms apply in respect of all work carried out by us for you, except to the extent otherwise advised in the Letter or other communication.
- 18.2 These Terms apply to any current engagement and also to any future engagement, whether or not we send you another copy of them.
- 18.3 We are entitled to change these Terms from time to time, in which case we will send you amended Terms.
- 18.4 Our relationship with you is governed by New Zealand law and New Zealand courts have non-exclusive jurisdiction.
- 18.5 If you initiate or continue with our services after receiving these Terms then you are deemed to have accepted these Terms for all present and future services provided by us.