

Letter of Engagement

CLIENT CARE CHARTER – OUR COMMITMENT TO YOU

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

1. Protect and promote your interests and act for you free from compromising influences or loyalties.
2. Discuss with you your objectives and how they should best be achieved.
3. Act competently, in a timely way, and in accordance with instructions received and arrangements made.
4. Provide you with information about the work to be done, who will do it and the way the services will be provided.
5. Protect your privacy and ensure appropriate confidentiality.
6. Treat you fairly, respectfully and without discrimination.
7. Give you clear information and advice.
8. Keep you informed about the work being done and advise you when it is completed.
9. Charge you a fee that is fair and reasonable and let you know how and when you will be billed.
10. 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 the justice system. If you have any questions, please contact us on Tel: (03) 365 1013 or our Director – Chris Fernando chris@fernlaw.co.nz or the Law Society on 0800 261 801 or www.lawsociety.org.nz.

PEOPLE RESPONSIBLE FOR YOUR WORK

You will be advised who will be the lead solicitor on your matter. Your solicitor will be assisted by other members of staff.

LIMITATION ON SERVICES

Our services do not include providing you with investment, financial or tax advice or other excluded areas of advice which we advise you of from time to time either by writing to you or by placing advice of that additional limitation on our website.

PRICE INDICATION

You may be provided with a price indication for your work on an hourly basis or our fixed fee rate as appropriate (excluding GST and Disbursements). We will work to stay within that budget and will discuss with you as early as possible if it becomes apparent that this will be insufficient to cover the work required. We will record all time by the lead solicitor and any support staff providing assistance. That time will be charged at the hourly rate of the person undertaking the work for you, as noted below.

THE BASIS OF OUR CHARGES

Unless agreed otherwise our fees are based on the range of factors applied by the NZ Law Society, including time, expertise, importance, urgency and results achieved.

The current hourly rates (exclusive of GST) are as follows:

Director / Consultant / Senior Associate	\$340.00
Associate	\$280.00
Senior Solicitor	\$240.00
Solicitor	\$220.00
Legal Executive / Legal Assistant / Trust Admin	\$150.00

These rates may change from time to time. We also charge for disbursements (courier fees, court filing fees, registrations, search fees, duties/levies etc), document retrieval fees and travel expenses incurred on your

behalf. These will be itemised separately, and we will notify you if any fees or disbursements need to be paid for in advance.

We are happy to discuss other fee arrangements that you may prefer, such as fixed fees, conditional fees and retainers.

SERVICE FEE

We charge a 6% Service Fee based on the fee component (fixed fee / conditional fee / hourly rate / retainer). This covers our office expenses, administration & overheads including printing, photocopying, binding, standard postage, facsimiles, local landline and mobile phone calls, software, equipment, subscriptions and library costs.

We may require an advance payment for the Disbursements or Expenses which we will be incurring on your behalf. On request, you must immediately pay us for all Disbursements and Expenses – usually we would require an amount of \$500.00 on account at the beginning of any matter. This amount may change depending on the type of matter on which we are acting.

BILLING ARRANGEMENTS

To help you budget we will issue interim accounts, usually monthly, while work is in progress, with a final bill on completion. Payment terms are set out on invoices and, unless otherwise stated, are due for payment on date of issue. We may deduct from funds held on your behalf any fees, disbursements or expenses for which we have provided an invoice.

If payment is not made on time, we reserve the right to charge interest on the outstanding amount at 12% per annum until payment is made and charge you collection costs and legal costs in respect of recovery and cease our work for you immediately. Should you require an arrangement to pay your account and this exceeds 2 months, you will be required to pay an administration fee in the sum of \$34.50 per month for each month the invoice remains outstanding.

If payment is not received within 28 days of the date of the invoice, and no arrangement is agreed, your account will be passed to Baycorp Debt Collection and their additional fees will be at your expense.

PROFESSIONAL INDEMNITY INSURANCE & FIDELITY FUND

We hold professional indemnity insurance that meets or exceeds standards specified by the Law Society. 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 \$100,000.00. 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 a client.

WHAT CLIENT CHECKS WILL BE DONE?

We are required to comply with all laws binding on us in all applicable jurisdictions, including:

- The Anti-Money Laundering and Countering Financing and Terrorism Act 2009 [AML/CFT Act]; and
- The United States Foreign Account Tax Compliance Act, the intergovernmental agreement between the United States and New Zealand relating to it, and relevant provisions of the Tax Administration Act 1994 [together, FATCA].

We will perform client due diligence and account monitoring, keep records, and report any unusual or suspicious transactions where required by the AML/CFT Act, FATCA, or any other law.

We may also be required to assist any bank or other entity with whom we transact as your agent, or with whom we deposit money on trust for you, to comply with that entity's legal obligations in any jurisdiction.

We will periodically advise you what information and documents are required for these purposes. These may relate to you, any other relevant person [e.g. any beneficial owner], the source of funds, the transaction, the ownership structure, tax identification details, and any other relevant matter. Please provide the information and documents promptly. We may retain the information and documents, provide them to a bank or other entity [where applicable] to deal with in accordance with their terms, and disclose them to any law enforcement or regulatory agency or court as required by law.

We or the bank or other entity [as the case may be] may:

- Suspend, terminate, or refuse to enter into a business relationship;
- Delay, block, or refuse to process a transaction [including by refusing to handle and deposit money on trust for you]; and
- Report a transaction,

Without notice if:

- The required information or documents are not provided; or
- It is suspected that the business relationship is unusual, may breach any applicable law, or may otherwise relate to conduct that is illegal or unlawful in any country.

CONFIDENTIALITY

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

TERMINATION

1. You may terminate our retainer at any time.
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
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.

FILES/SAVER COSTS DISCLOSURE

Retention of your documents [If Applicable] – we will, on completion of the work, retain any papers to which you are entitled, but leave in our possession (except documents deposited in safe custody) for no more than seven (7) years and on the undertaking that we have your authority to destroy the file seven (7) years after the date of the final bill rendered by us in this matter. To ensure the files' security, we have outsourced the custody of all client files following completion, at a cost of \$60.10 per matter.

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.

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.

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 will consider lodging those funds on interest bearing deposit with a bank if the interest earned is sufficient to cover the cost of setting up the deposit and handling the funds when maturity occurs or they are required prior. In that case we will charge the greater of an administration fee of 5% of the interest derived or a \$100 fee. Typically, when interest rates are particularly low there is no appreciable benefit from depositing funds in a term deposit as compared to the costs of doing so, meaning your funds may remain in our trust account without any income from interest.

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 Chris Fernando – Director.

Chris can be contacted as follows:

- by letter to PO Box 16583 Christchurch 8441;
- by email to chris@fernlaw.co.nz or
- by telephoning on (03) 365 1013.

The Law Society operates the Lawyers Complaints Service and, if you feel that your complaint with Fern Law Limited has not been resolved to your satisfaction through our internal complaint's procedures, you are able to make a complaint to that service. To do so, you can also contact the NZ Law Society's Lawyers' Complaints Service, at 26 Waring Taylor Street, PO Box 5041, Wellington 6145, Tel (04) 472 7837 or (0800) 261 801, Fax (04) 473 7909.

GENERAL

1. These Terms apply to any current engagement and also to any future engagement, whether or not we send you another copy of them.
2. We are entitled to change these Terms from time to time, in which case we will send you amended Terms.
3. Our relationship with you is governed by New Zealand law and New Zealand courts have non-exclusive jurisdiction.

COMPLETION

When this matter is completed, we will advise you accordingly and provide a brief summary of the work undertaken if we have not already done so. Where appropriate we will also identify any necessary future action that may be required.

CONCLUSION

We value your instructions in this matter and look forward to their successful completion. We also look forward to an ongoing relationship with you, so please retain this letter as the core basis of our relationship and our commitment to you to attend to your affairs diligently, with an efficient, effective and professional service.