

Standard Terms of Engagement

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1. AGREEMENT

- 1.1 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. In circumstances where you do not sign any formal documentation, your acceptance of our Letter of Engagement (LOE) and these Terms will apply if you continue to engage us.

2. SERVICES

- 2.1 Subject to clause 2.2 below, the services which we are to provide for you are outlined in our LOE.
- 2.2 Whilst we are a full-service firm, there are certain specialist areas in which we do not practice (for example, tax law and advice on quality of investment). Our services will therefore not include legal advice on these issues.

3. FINANCIAL

Fees:

- 3.1 Our fees will reflect the time we spend working on your matter and Reasonable Fee Factors identified in the Client Information Sheet, charged at our current hourly rates, and may be adjusted where appropriate. Time spent is recorded in 6 minute units, with time rounded up to the next unit of 6 minutes.
- 3.2 If our LOE specifies a fixed fee, we will charge this for the agreed scope of our services. Work which falls outside that scope will be charged on the basis that it is fair and reasonable in accordance with the factors set out in the Lawyers and Conveyancers Act 2008. 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 You authorise us 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.

Disbursements and expenses:

- 3.4 In providing services we may incur disbursements or make payments to third parties on your behalf. These will be included in our invoice to you when the expense is incurred. We may require an advance payment for the disbursements or expenses which we will be incurring on your behalf.
- 3.5 GST (if any) is payable by you on our fees and charges.

Invoices:

- 3.6 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.
- 3.7 Our invoices will include an office service charge to cover the costs of routine copying, printing, binding and telephone calls. Our office service charge is 3.25% of our invoiced fee or \$50 whichever is the greater.

Payment:

- 3.8 Invoices are payable within 7 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 16% per annum. We reserve the right to recover from you the costs incurred by us (including solicitor/client costs) in recovery of any money owed by you to us. If payment of our invoice is overdue, we may, at our discretion, cease taking instructions and stop doing further work until all unpaid amounts you owe us are paid in full without deduction or set off.
- 3.9 We may allow paying invoices by credit card – please contact us if this would be of interest. If you pay by credit card, a transaction fee equivalent to what we are charged (typically 3% of the total amount) is added when processing the payment.

Standard Terms of Engagement

cdl law

Security:

- 3.10 We may ask you to pre-pay amounts to us, or to provide security for our fees and expenses. You authorise us to:

- (a) debit against amounts pre-paid by you; and
- (b) deduct from any funds held on your behalf in our trust account,

any fees, expenses or disbursements for which we have provided an invoice.

Third parties:

- 3.11 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, you remain responsible for payment to us if the third party fails to pay us.

Consultants / Barristers:

- 3.12 You are directly responsible for the payment of costs of any consultants or barristers that are engaged by us on your behalf.

4. RETAINER FUNDS

- 4.1 We may request a retainer from you prior to work commencing. We will hold the retainer in our trust account until the conclusion of our engagement. Until then, you agree to pay all our invoices on their respective due date. Upon completion of the matter for which we are engaged, the retainer will be applied against our final invoice with any balance being refunded to or payable by you (as applicable).
- 4.2 If you want your retainer to earn interest while we hold it, then please see our self-certification requirements set out in clause 12 below. We cannot place retainer funds on interest bearing deposit unless these requirements are met.

5. CONFIDENTIALITY

- 5.1 We will hold in confidence all information concerning you or your affairs that we acquire while 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.

- 5.2 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.

- 5.3 We will not disclose to you confidential information which we have in relation to any other client.

6. ANTI MONEY LAUNDERING AND COUNTERING FINANCING OF TERRORISM

- 6.1 We must comply with duties imposed by the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 and its associated regulations (AML/CFT Law).

- 6.2 As part of our compliance obligations, we may need to obtain and verify information about you. This process is known as "customer due diligence" and we cannot commence any work for you unless and until this process has been completed to our satisfaction. This will involve, at a minimum, obtaining and verifying details of your name and date of birth and address. We may not be able to act for you or continue acting for you if this information is not provided.

- 6.3 You agree to keep us updated if important details provided to us in accordance with AML/CFT Law changes, such as an address or a name. Any such change will mean that the applicable part of our verification process may need to be repeated.

- 6.4 You agree that if we believe that we require further information in accordance with AML/CFT law, or any other regulatory purposes, you will provide it on request.

Standard Terms of Engagement

cdl law

You agree that if you do not provide this further information, we may at our discretion terminate our retainer and immediately cease acting for you.

- 6.5 Any information we collect may be disclosed to third parties to meet our obligations under AML/CFT Law. We may pass on to you our costs for complying with our obligations under AML/CFT Law.

7. PERSONAL INFORMATION

- 7.1 During our engagement, we may need to collect, use, hold and disclose information about certain individuals including our clients and/or their personnel.

- 7.2 In some circumstances, we may need to verify this information through third parties. For example, to meet our compliance obligations under AML/CFT Law we may conduct electronic verification of names, dates of birth and addresses. We may pass on to you our costs for carrying out electronic verification.

- 7.3 We will deal with personal information in accordance with our [privacy policy](#), which can be viewed on our website at www.cdllaw.co.nz.

- 7.4 By accepting our LOE and these Terms, you authorise us at any time to deal with personal information (both yours and third parties') in accordance with the above. Where you provide us with information about other individuals, you confirm you are authorised to do so.

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.
- 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) 7 years after our engagement ends, or earlier if we have converted those files and documents to an electronic format.

- 9.2 At our discretion you will reimburse us for any copying or transfer costs we incur upon uplift of your file.

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 in writing.
- 11.2 Unless required by law, you may not provide our advice to any third party without our permission in writing.
- 11.3 Our advice relates solely to the matters we were instructed on and shall not be implied to extend to other matters.

12. TRUST ACCOUNT

- 12.1 We may maintain a trust account for all funds which we receive from clients (except monies received for payment of our invoices).
- 12.2 Funds we hold on trust do not ordinarily earn interest. However, we have the ability to hold funds on trust in an interest-bearing deposit account, where net interest accrued on your behalf will be credited to you in our trust account. Before we can place any funds on deposit, we are required by law to obtain from you (and, if the client is a trust,

Standard Terms of Engagement

cdl law

company or other entity, any persons who have effective control) certain self-certification forms concerning tax residency in New Zealand and any other country. You agree to contact us if you want funds held by us on your account (including retainer funds) to earn interest.

- 12.3 We charge commission of 12.5% of the interest derived before deducting all applicable taxes including Resident Withholding Tax and account service fees. We may also charge an account management fee. All remaining interest will be credited to your trust account.

13. LIMITATION ON OUR OBLIGATIONS AND LIABILITY

- 13.1 The liability of CDL Law Limited and its directors and employees to you arising from any aspect of our involvement in any matter (whether in contract, equity, negligence, tort or otherwise) is limited in aggregate to the lower of \$50,000.00 or 5 times the legal fees you have paid CDL Law Limited in respect of that matter.
- 13.2 CDL Law Limited and its directors and employees have no liability to you arising from us relying on third parties such experts, witnesses, other professional advisers, government agencies or registers who provide inaccurate or incomplete information.

14. GUARANTORS

- 14.1 Any guarantors named in our LOE agree to personally guarantee to us the due and punctual payment of all amounts payable by you including for any incidental or additional matters referred to in our LOE or these Terms. If there is more than one Guarantor, the liability is joint and several (i.e., all Guarantors are liable for the full amount). The consideration for any guarantee is entering into this LOE with us.
- 14.2 Although between you and the Guarantor the Guarantor may be a guarantor only, the Guarantor is liable directly to us as a principal jointly and severally with you. We do not need to proceed against you

first before proceeding against the Guarantor.

- 14.3 No release, delay or other indulgence, or any variation of the agreement comprised in the LOE or these Terms which would have released the Guarantor had the Guarantor been a surety only will release or affect the liability of the Guarantor.

15. GENERAL

- 15.1 These Terms apply to any current engagement and to any future engagement, whether we send you another copy of them.
- 15.2 We are entitled to change these Terms from time to time, in which case we will send you amended Terms.
- 15.3 Our relationship with you is governed by New Zealand law and New Zealand courts have non-exclusive jurisdiction.
- 15.4 You acknowledge that we are only qualified to advise on New Zealand law. We will not assist you in respect of matters governed by foreign law. If we do so, we do not accept any responsibility in relation to your legal position under that foreign law.
- 15.5 Our LOE and these Terms supersede all previous arrangements (whether written, oral or both) and unless we agree otherwise, apply to all future additional instructions you give us.
- 15.6 Our LOE and these Terms constitute a commercial contract between you and any Guarantor and us and we are therefore unable to give you or any guarantor legal advice as to their effect. Any legal advice you or any Guarantor require will be taken independently.