



Letter of Engagement

We will be pleased to act for you in matters in which we receive instructions to act and we enclose some material which sets out:

- 1) Information for clients which lawyers are required by the Rules of Conduct and Client Care for Lawyers to provide to clients; and
- 2) Our standard terms of engagement.

Services to be provided

The legal services we expect to be providing to you initially relate solely advising on and preparing a terms of engagement for use with clients and a contract for services template for use with contractors providing services to clients.

Fees

The basis upon which fees are payable by you to us are set out in our Standard Terms of Engagement and are in part based on the hourly rate of the director who undertakes your legal work, together with the other factors we refer to in our Terms of Engagement. Where an estimate of legal fees has been provided to you we will endeavour to charge you the amount estimated. Should the scope of our attendances be in excess of what we estimated to you, we may increase our legal fees to reflect those unanticipated attendances which shall be charged at the applicable hourly rate. Andrew Orr's hourly rate is \$400.00 plus GST.

Responsibility for Services

Andrew Orr, will have overall responsibility for the services we provide to you.

If the information in this letter and the accompanying material is acceptable, please sign the attached copy of this letter where indicated and return it to us. If you orally advise your acceptance or instruct us to proceed, you will in any event be bound by these terms.

Limitation of Liability

By engaging us to provide any services you agree that our liability shall be limited to an amount equal to the amount which is specified from time to time by the New Zealand

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Law Society as the minimum amount of professional indemnity insurance which is required to be held.

We look forward to working with you.

Yours faithfully



Andrew Orr
Director

TO: **AJO Legal Limited**

The above terms are accepted and you are requested to act in this matter.

Signature

Date

STANDARD 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 Services

- 1.1 The services we are to provide for you are outlined in our engagement letter.

2 Financial

2.1 Fees:

- a The fees we will charge or the manner in which they will be arrived at, are set out in our engagement letter.
- b If the engagement letter 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 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.
- c Where our fees are calculated on an hourly basis, the hourly rates are set out in our engagement letter. Time spent is recorded in 6 minute units, with time rounded up to the next unit of 6 minutes.
- d Other factors which may influence the fee charged to you will include:
 - Skill and specialist knowledge;
 - The importance of the matter to you and the result achieved;
 - Urgency and the time constraints you may ask of us;
 - The degree of risk assumed by us;
 - Complexity, or the novelty of the matter you instruct us on;
 - Market charges for legal services.

- 2.2 **Office Service Charge:** We charge a further legal fee of 5% plus GST of the fee charged to you which is to compensate us for office services incurred by us in providing legal advice to you. Any fee estimate or hourly rate quoted to you does not include provision for office services and this amount shall be added to any fee or rate indicated to you. The charges include all usual costs and expenses such as courier charges, facsimile costs and photocopying, but exclude international courier costs and toll charges which may be added to the office service charge.

- 2.3 **Disbursements and expenses:** 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 when the expense is incurred. We may require an advance payment for the disbursements or expenses which we will be incurring on your behalf.
- 2.4 **GST (if any):** Is payable by you on our fees and charges.
- 2.5 **Invoices:** 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.
- 2.6 **Payment:** Invoices are payable within 14 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 5.00% above our firm's main trading bank's 90-day bank bill buy rate as at the close of business on the date payment became due.
- 2.7 **Security:** 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.
- 2.8 **Third Parties:** 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.
- 2.9 **Related Parties to You:** In the event that a letter of engagement is addressed to you as a director of a company or a trustee of a trust you will be personally liable to make payment of our fees and disbursements (including all amounts payable under these terms) unless you and we agree in writing otherwise. In the event that you are bound by these Terms as a trustee, and have no ability to benefit from that trust, your liability will be limited to the assets of that trust. If the letter of engagement is sent to more than one person, the persons in receipt of that letter will be jointly and severally liable to pay our fees and disbursements

3 Confidentiality

- 3.1 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.
- 3.2 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.
- 3.3 We will of course, not disclose to you confidential information which we have in relation to any other client.

4 Termination

- 4.1 You may terminate our retainer at any time.
- 4.2 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
- 4.3 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.

5 Retention of files and documents

- 5.1 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.

6 Conflicts of Interest

- 6.1 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.

7 Duty of Care

- 7.1 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.

8 Trust Account

- 8.1 We maintain a trust account for all funds which we receive from client (except monies received for payment of our invoices). If we are holding significant funds on your behalf we will normally lodge those funds on interest bearing deposit with ASB Bank Limited. In that case we will charge an administration fee of 10.00% of the interest derived.

9 General

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

INFORMATION FOR CLIENTS

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

- 1) Fees:** 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 in our Standard Terms of Engagement.

We may deduct from any funds held on your behalf in our trust account any fees, expenses or disbursements for which we have provided an invoice.

- 2) 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.

- 3) 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.

- 4) Complaints:** We maintain a procedure for handling any complaints by clients, designed to ensure that a complaint is dealt with promptly and fairly.

- a) 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.
- b) He/she may be contacted as follows:
 - i) by letter;
 - ii) by email at andrew@ajolegal.co.nz
 - iii) by telephoning him/her at 09 302 1977
- c) 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.

5) 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 our letter of engagement.

6) Client Care and Service:

- a) The Law Society client care and service information is set out below.
- b) Whatever legal services your lawyer is providing, he or she must:
 - i) *Act competently, in a timely way, and in accordance with instructions received and arrangements made.*

- ii) *Protect and promote your interests and act for you free from compromising influences or loyalties.*
 - iii) *Discuss with you your objectives and how they should best be achieved.*
 - iv) *Provide you with information about the work to be done, who will do it and the way the services will be provided.*
 - v) *Charge you a fee that is fair and reasonable and let you know how and when you will be billed.*
 - vi) *Give you clear information and advice.*
 - vii) *Protect your privacy and ensure appropriate confidentiality.*
 - viii) *Treat you fairly, respectfully and without discrimination.*
 - ix) *Keep you informed about the work being done and advise you when it is completed.*
 - x) *Let you know how to make a complaint and deal with any complaint promptly and fairly.*
- c) 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.
- d) If you have any questions, please visit www.lawsociety.org.nz or call **0800 261 801**.

7) Limitations on extent of our Obligations or Liability: 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.