

TERMS OF ENGAGEMENT

1 Our Fees

- 1.1 The Fees we will charge you are based on the amount of time spent attending to your instructions by our staff and the other factors set out in paragraph 1.3, plus expenses incurred on your behalf in the course of that work. The rates at which Director and staff time is charged may be altered from time to time and is available to you on request. Please note however that we do not undertake formal time recording so that time spent on the file is not recorded to last minute.
- 1.2 The fees we will charge you will be fair and reasonable for the services provided having regard to your interests and to our interests.
- 1.3 In addition to a charge for time spent. We are also entitled, in appropriate circumstances to charge additional fees based on a number of factors including:
 - 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 of the 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 the property involved.
 - The complexity of the matter and the difficulty or novelty of the questions involved.
 - The experience, reputation and ability of the members of our firm working on your matter.
 - Any fee arrangement entered into between you and us.
- 1.4 Unless otherwise stated all fees are exclusive of GST.
- 1.5 Expenses such as search and registration fees, administration costs, valuation fees, tolls, faxes and photocopying will be charged in addition to our fee. Those charges may include a factor to recover the capital costs of some equipment and the cost of administering systems.
- 1.6 We will provide you with a written estimate on request. If that estimate is likely to be exceeded we shall let you know.
- 1.7 All work done by us is charged on a fees basis.
- 1.8 It is rarely possible to give firm quotes for the cost of legal work. Fee estimates given by us are not firm quotes unless they are in writing and clearly marked as a quote.
- 1.9 We do not undertake work paid for by legal aid. If you are eligible for legal aid then we can assist you to find a lawyer who works on that basis.

2 Payment of Fees and Expenses

- 2.1 Our fees and expenses are to be paid within 7 days of our account being sent except on conveyancing matter where fees are payable immediately prior to settlement.
- 2.2 Our final account will be sent to you shortly after we have completed your matter.
- 2.3 We will issue interim accounts on a regular basis for ongoing matter where that is appropriate.
- 2.4 You authorise us to deduct our fees and expenses from funds held in our trust account on your behalf upon our issuing an invoice.
- 2.5 We may ask you to pay fees and/or expenses in advance, but in those instances your payment will be held in our trust account and only paid to us by deduction when an invoice is issued.
- 2.6 Interest will accrue on unpaid accounts at the rates of 2.0% per month as from the due date until payment is received in full. Other action to recover unpaid fees may also be taken and all costs, expenses and charged including legal costs (on a solicitors and client basis) incurred by the firm in recovering any money owing to it will be added to the account due by you.

3 Files and Documents

When your instructions have been completed we shall keep your file for period of 7 years from completion and then destroy it. You may uplift your file and documents provided that all fees and expenses have been paid. We may wish to photocopy your file before releasing the original to you. If so the photocopy charges will be payable by you.

4 Limitations on extent of our Obligations or Liability

- 4.1 Where we have acted for your in respect of the registration of a security interest on the Personal Property Securities Register ("PPSR") under the Personal Property Securities Act 1999 and a financing statement is due to expire we will contact you using the contact details on our file, however, (a) if we are unable to contact you as you have not provided us with your current address and contact details; or (b) we no longer act for you, Lunn & Associates Limited disclaims any liability whatsoever for non-renewal of any such financing statement.
- 4.2 Any other limitations on the extent of our obligations to your or any limitation or exclusion of liability are set out in our Letter of Engagement.

5 Privacy Act 1993

- 5.1 You authorise us to:
- (a) Collect, retain and use any information about you, for the purpose of assessing your creditworthiness or marketing services to you; and
 - (b) Disclose your information about you, whether collected by us from you or obtained by us from any other source, to any other credit provider or any credit reporting agency for the purposes of providing or obtaining a credit reference, debt collection or notifying a default by you.
- 5.2 Where you are an individual the authorities above are authorities or consents for the purposes of the Privacy Act 1993.
- 5.3 You shall have the right to request a copy of the information retained by us about you and the right to request us to correct any incorrect information about you held by us.

6 Security

The party signing the attached Letter of Engagement agrees that where the contracting party ("the Contracting Party") arising from the Letter of Engagement is a company, trust, partnership or other entity ("an Entity") then in the event that such an Entity does not meet payment of fees arising from our engagement then:

- (a) the individual(s) signing the Letter of Engagement for and on behalf of such Entity agrees to meet those fees personally and irrevocably guarantees the due and punctual payment of those fees and all monies owing by the Contracting Party to Lunn & Associates Limited (such guarantee enforceable on demand); and
- (b) The Contracting Party and each individual signing the Letter of Engagement for and on behalf of any Entity acknowledge and agree that Lunn & Associates Limited is entitled to take security by way of PPSR registration or, where appropriate, mortgage as security for any outstanding fees or monies and each hereby authorises Lunn & Associates to attend to and register any such security interest.

7 Suspension of Service

We reserve the right to stop work on your retainer if interim accounts or expenses are not paid on time or a request for information or action remains unsatisfied.

INFORMATION TO CLIENTS

8 Our Service to You

We will meet our obligations pursuant to the “Rules of Conduct and Client Care for Lawyers” and made in accordance with the Lawyers and Conveyancers Act 2006. These obligations are to:

- Act competently, in a timely way, and in accordance with instructions received and arrangements made.
- Protect and promote your interest and act for you free of compromising influenced or loyalties.
- Discuss with you your objective 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.

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.lawyers.org.nz.

9 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.

10 Lawyers Fidelity Fund

The Law Society maintains the Lawyers Fidelity Fund for the purposes 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 & 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.

11 Rights to Terminate your Retainer

You are entitled to terminate your instructions to us upon giving us reasonable notice. We may terminate your retainer if there is good cause, such as you not providing us with instructions in a sufficiently timely way, your inability or failure to pay our fee or expenses on the agreed basis, your adopting against our advice a course of action which we believe is imprudent, or if we find we are in a position of conflict of interest, or being asked to act in a manner that may be inconsistent with our fundamental obligations as lawyers.

If we terminate the retainer we will give you reasonable notice so that you can arrange alternative representation and we shall give you reasonable assistance to find another lawyer.

Our fees and services reasonably and properly provided to you prior to the termination of retainer shall be paid by you prior to uplifting your records and we may retain copies of your documents and records.

12 If you have a Complaint

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 any Director.

The Director may be contacted as follows:

- by letter;
- by email at steve@lunns.co.nz or chris@lunns.co.nz ;
- by telephoning 06 834 1488

Any complaint or dispute regarding our charges must be brought to the firm's attention, in writing, as soon as practicable and in any event within 7 days of the date of the invoice.

The Law Society also maintains a complaints service and you are able to make a complaint to that service. To do so you should contact the Law Society:

Street Address: 26 Waring Taylor Street
 Postal Address: PO Box 5041, Lambton Quay, Wellington 6145 (DX SP20202)
 Telephone: (+64) (4) 472 7837
 Fax: (+64) (4) 473 7909
 General Enquiries: inquiries@lawyers.org.nz

13 Persons responsible for your Work

The names and status of the person or persons who will have the general care of our overall responsibility for the services we provide are set out in our Letter of Engagement.

14 Money Handling Procedures

- 14.1 We maintain Trust Accounts for all funds we hold on behalf of clients
- 14.2 If Lunn & Associates holds funds on your behalf, we may deposit them in an interest-bearing account with Westpac Bank Ltd where this is reasonable. Lunn & Associates is not responsible for finding the best interest rate or for any loss of interest due to delay or broken fixed term deposits.
- 14.3 Lunn & Associates charges a 5% administration fee on gross interest for funds held on your behalf in an interest-bearing account.
- 14.4 Withholding Tax will be deducted on the interest earned at the source.
- 14.5 Where funds are credited to or debited from our Trust Account in foreign currency, the funds will be converted to New Zealand Dollars at the exchange rate at the time unless we are specifically instructed otherwise. In this event we may not be able to receive the funds. For any avoidance of doubt, Lunn & Associates is in no way responsible for seeking or obtaining a more favourable exchange rate or for fees incurred to recipients.