

TERMS OF ENGAGEMENT

Mortlock McCormack Law is a commercial law firm engaged in the provision of quality, cost effective legal, business and personal solutions for our clients. We are proud of the work we produce and the partnerships we enjoy in our community and throughout New Zealand.

We place a high value on people and will do our utmost to protect our relationship with you. We are a socially responsible business, pursuing sustainable business practices and having regard for the environment.

The following are our terms of business and what you can expect from us. Any work you instruct us to carry out will be carried out based on these terms being agreed as between us. Your continued instructions indicate your acceptance of these terms.

1. **Scope**

This document takes effect from 1 August 2008 or the date it is received (whichever is the latter) and supersedes any previous Terms of Engagement in place. Our terms and conditions of business are set out below and these, together with our letter of engagement, will apply to all work we undertake on your behalf.

2. **Services**

The services that we are to provide for you are outlined in our letter of engagement.

3. **Financial**

3.1. Fees

- a) The fees that we will charge you or the manner in which they will be arrived at, are set out in our letter of engagement.
- b) If the letter of engagement specifies a fixed fee, we will charge this for the agreed scope of our services. Work that falls outside that scope will be based on the range of factors applied by the NZ Law Society including time, expertise, importance, urgency and results achieved. We will advise you as soon as reasonably practicable if it becomes necessary for us to provide services outside the agreed scope and give you an estimate of the likely amount of the further costs.

3.2. 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 that we incur on your behalf.

3.3. GST

GST is payable by you on our fees, disbursements and expenses.

3.4. Invoices

We will send interim invoices to you, usually monthly and on completion of the transaction, or on termination of our engagement. We may also send you an invoice when we incur a significant expense.

3.5. Payment

Invoices are payable by the 18th day of the month following the date of the invoice, unless alternative arrangements have been made with us. We charge interest on any amount that is overdue. Interest will be calculated at the rate of 1.5% per month.

3.6. Security

We may ask you to prepay 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.

3.7. 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, you remain responsible for payment of these where a third party fails to pay us.

4. **Confidentiality**

- 4.1. 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.
- 4.2. Confidential information concerning you will as far as practicable be made available only to those within our firm who are providing services for you.
- 4.3. We will not disclose to you confidential information that we have in relation to any other client.

5. Termination

- 5.1. You may terminate our engagement at any time. We may terminate our engagement for good cause and after giving reasonable notice to you specifying the grounds for termination. Good cause includes:
- a) Instructions that require us to breach any professional obligation
 - b) Inability or failure by you to pay our reasonable fee at an appropriate time
 - c) You misleading or deceiving us in a material respect
 - d) You failing to provide instructions to us in a sufficiently timely way
 - e) You adopting, against our advice, a course of action that we believe is highly imprudent and may be inconsistent with our fundamental obligations
- 5.2. If our engagement is terminated you must pay us all fees due up to the date of termination and all disbursements and expenses incurred up to that date.
- 5.3. Any charges incurred in the retrieval of files or documents from storage will be payable by you

6. Retention of files and documents

You authorise us (without further reference to you) to destroy all files and documents for any matter (other than any documents that we hold in safe custody for you) ten years after our engagement on that particular transaction ends, or earlier if we have converted those files and documents to an electronic format.

7. 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 thereafter follow the requirements and procedures set out in the Law Society's Rules of Conduct and Client Care for Lawyers.

8. 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.

9. Trust Account

We maintain a Trust Account for all funds that we receive from clients. If we are holding significant funds on your behalf we will normally lodge those funds on interest bearing deposit with our bank. In that case we will charge an administration fee of 5% of the interest earned.

10. General

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

10.1. Electronic Communications

If you ask us to transmit any document or communication to you or any other party electronically, you agree to indemnify us in respect of any claim you may have as a result of any unauthorised copying, recording, reading or interface with that document after transmission, for any delay or non-delivery of any document and for any damage caused to your system or any files by the transmission (including by a computer virus).

11. Settlement Moneys

For property and financing transaction where payment of moneys is due by you, we require cleared and non-reversible funds for the correct amount to be deposited with us no later than the morning of settlement.

12. Our Commitment

We value our relationship with you and we are committed to you to attending to your affairs diligently and providing you with an efficient, effective and professional service.