

STANDARD TERMS OF ENGAGEMENT

The purpose of these Terms of Engagement is to set out our professional relationship with you when we accept and act on your instructions.

1. OUR AGREEMENT

These standard terms will apply whenever you engage Fencible Law Limited to act for you, subject to any different or additional terms agreed to in writing. You accept and agree to these standard terms by continuing to engage us. You also acknowledge that in accepting these terms, you agree that these terms shall apply to all related entities in which you have an interest and for whom we accept instructions.

2. SERVICES

We will provide you with the legal services as outlined in our Letter of Engagement, unless a conflict of interest or other factors prevent us from doing so. If this is the case we will contact you immediately. Our duty of care is to you, and only you. Our advice may only be relied on by you as our client, and we accept no liability to any third party for advice given to you.

3. WHO MAY GIVE US INSTRUCTIONS

Unless you notify us in writing:

- Where there's more than one of you, we may take instructions from any one of you;
- If you are a company, society or charitable organisation, we may take instructions from any person who acts as though he/she has authority to give us instructions.

4. PERSONAL GUARANTEE

If you are instructing us in the capacity of director or shareholder of a company, as settlor or trustee of a trust or executor/administrator of an estate then you will be personally and primarily liable to us for our fees and other costs, that is, whilst the company, trust or estate will also be liable for our fees and other costs we may require you to attend to payment in the first instance.

5. FINANCIAL

FEES AND OFFICE SERVICES FEE

The fees Fencible Law Limited will charge or the manner in which they will be arrived at, are set out in our Letter of Engagement. If the Letter of Engagement 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.

We will also take into account the principles of charging as established by the New Zealand Law Society which are:

- the skill, specialised knowledge and responsibility required to perform the work properly;
- the complexity of the work and the difficulty or novelty of the questions involved;
- our experience, reputation and ability
- the urgency and circumstances in which the matter is undertaken and any time limitations imposed, including those imposed by you;
- the importance of the matter to you and the results achieved;
- the degree of risk assumed by us in undertaking the work including the amount or value of any property involved;
- the fee customarily charged in the market and locality for similar legal services;
- the possibility that the acceptance of the particular retainer will preclude engagement of the lawyer by other clients;
- whether the fee is fixed or conditional;
- any quote or estimate of fees given by the lawyer;
- any fee agreement entered into between the lawyer and the client;
- our reasonable costs in running our practice and
- our time and labour expended.

You should therefore note, that time taken is only one factor taken into account when invoicing a client.

Where our fees are calculated on an hourly basis, the hourly rates are set out in our Letter of

Engagement. Time spent is recorded in 6 minute units, with time rounded up to the next unit of 6 minutes.

We also charge an Office Services fee which covers office and administration expenses incurred.

When we act for a client purchasing a property or business, we will require our tax invoice, which will list our fee, office services fee, GST and disbursements, to be paid on or before the day of settlement.

DISBURSEMENTS AND EXPENSES:

In providing services to you, 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. Invoices for disbursements can be provided upon request.

KEYTRACK:

Fencible Law uses a web-based communication tool called KeyTrack to keep its clients updated on their residential property transactions. Richard Galbraith is a director and shareholder of KeyTrack.

GST

Is payable by you on our fees and charges.

INVOICES

We will send you an invoice for our fees, office services fees, GST, disbursements and expenses either;

- monthly while the work is in progress (interim invoice); and/or
- when the work is completed

We may also send you an invoice when we incur a significant expense.

PAYMENT OF INVOICES

Invoices are payable within 14 days of the date of the invoice, unless alternative arrangements have been made with us. When we have funds held in our Trust Account on your behalf, you authorise us to pay our accounts by deduction from those funds.

INTEREST AND COSTS

We may charge interest on overdue invoices at a rate equal to that charged on ASB Visa cards from time to time per annum, calculated monthly. You will also be liable for any legal and debt collection

costs that we incur in recovering, or attempting to recover, any overdue account from you.

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.

SETTLEMENT MONIES

For property and financing transactions where payment of monies is due by you, we require cleared funds for the full amount to be deposited with us no later than the morning of settlement.

DISSATISFACTION WITH OUR INVOICES

If you are dissatisfied with our account you should follow the complaints procedure outlined in the Client Care Information.

6. OUR MONITORING OBLIGATIONS (AML/CFT ACT)

We are required to comply with all laws binding on us in all applicable jurisdictions, including (but not limited to):

- AML/CFT – the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

We are deemed a Reporting Entity under the AML/CFT Act and therefore bound by the Act's regulations.

We will undertake customer due diligence, account monitoring and keep records and liaise with banks and other entities as required to comply with such laws. We will periodically request information and documents from you to ensure our compliance. These may relate to you, any other relevant person (e.g. any beneficial owner), the source of wealth, source of funds and any other relevant information.

We are required to and will report to the NZ Police Financial Intelligence Unit (FIU) in relation to all your matters on the following:

- All suspicious activities or transactions – Suspicious Activity Report;
- All international wire transfers / electronic transfer of funds equal or above NZ\$1,000.00 paid into or paid out of our trust account to/from a bank or financial institution outside of New Zealand – Prescribed Transaction Report (PTR).

If we are required to file a PTR you will provide us with all information requested of you and we will charge you a \$150 administration fee for each PTR we are required to file.

If you cannot or will not provide us with all information requested or your activity is considered suspicious, we may, without notice, refuse to enter into a business relationship with you, terminate our business relationship with you, delay or refuse to process a transaction and report you to the relevant authorities.

7. FATCA AND AEOI/CRS

We are required to comply with all laws binding on us in all applicable jurisdictions, including (but not limited to):

- FATCA – the United States Foreign Account Tax Compliance Act, which is an intergovernmental agreement between the United States and New Zealand; and
- AEOI/CRS – Automatic Exchange of Information and Common Reporting Standard

If we are holding significant funds on your behalf you acknowledge that it is only reasonable and practicable for us to lodge those funds on an interest-bearing deposit if we comply with FATCA and AEOI/CRS requirements. To enable us to place these funds on interest bearing deposit, you must first complete, sign and return a self-certification form or forms to us to enable us to comply with our FATCA/CRS obligations.

8. CONFIDENTIALITY

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:

- to the extent necessary or desirable to enable us to carry out your instructions; or
- to the extent required by law or by the Law Society's Rules of Conduct and Client Care for Lawyers.

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.

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

9. RETENTION AND DESTRUCTION OF DOCUMENTS

We are entitled to retain your papers and documents while there is money owing to us for our fees, office services fees, disbursements and expenses. 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.

10. 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.

11. TRUST ACCOUNT

We maintain a trust account for all funds which we receive from clients. We will not accept cash in excess of \$1,000.00. If you wish to make payment in excess of this amount via cash then you will need to do this yourself by a deposit into our trust account at any ASB Branch.

12. INTEREST BEARING DEPOSITS

If you wish or expect us to place funds which we hold in our trust account on your behalf on interest bearing deposit *please refer to note 7* regarding our FATCA/CRS obligations. Should you comply with these obligations and we put funds on interest bearing deposit for you, we will charge a Term Deposit Handling Fee. The bank will deduct resident withholding tax on interest earned at the default rate unless you provide us with an IRD number.

13. TERMINATION

You may terminate this agreement in writing at any time. If you do so, you will pay our fees, office services fees, disbursements and expenses that have been incurred up to the time of termination.

We may terminate our agreement if:

- you cannot or will not provide us with full instructions or information requested;

- you do not pay our accounts on the due date;
- you do not accept an offer of settlement which we think is reasonable;
- you do not accept advice we , or a barrister, gives you;
- we, on reasonable grounds, believe that we may have a conflict of interest.

You will be required to pay our fees for work done and for disbursements and expenses incurred, up to the date of termination.

14. TAXATION AND ACCOUNTING ADVICE

We recommend that you seek accounting and taxation advice from other professionals to complement our legal services.

15. EMAIL COMMUNICATIONS

We will usually communicate with you and others by email regarding the legal matter we are handling for you, unless you instruct us not to.

Our incoming email messages are scanned for content and viruses and are cleared by our email security. On rare occasions a legitimate email may

be treated as suspicious and quarantined before its intended recipient at our firm reads it.

Electronic communications are not always secure and may be intercepted or corrupted (e.g. by means of a virus). However, we will take all reasonable precautions to ensure that those services and forms of communication are accurate, reliable, complete, confidential and secure but cannot warrant or guarantee that this is the case. We do not accept responsibility and will not be liable for any loss or damage caused in connection with, or as a consequence of, the corruption of an electronic service or communication.

We are entitled to reply upon the authenticity of electronic communications ostensible received from you.

16. GENERAL

These Terms apply to any current engagement and also to any future engagement, 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.

Should you require any further information or clarification please feel free to contact us on 09 533 3539.