

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 is 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, AML CDD FEE, AND OFFICE SERVICES FEE

The fees Fencible Law Limited will charge or the way 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 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 considered 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. Where a file does not proceed to completion for any reason, we will charge you for the work undertaken and costs incurred up to the time of termination.

We further charge an AML CDD fee for collection of documents required for us to verify your identity and meet our compliance obligations under the AML/CFT Act. The CDD expense is \$50.00 plus GST per individual. The CDD for a company, trust, or other entity is \$100.00 plus GST, together with the relevant individual charges. This fee may be charged more than once, depending on our obligations under the AMLCFT Act. Should we need to further investigate the documents provided, this time will be charged at the author's hourly rate.

We also charge an Office Services fee per invoice to cover office and other administration costs that we incur when providing our services to you including stationery, file opening fee, telephone charges, scanning, photocopying, and printing, and file storage.

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 must 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.

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; and/or
- on termination of our engagement.

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

PAYMENT OF INVOICES

Invoices are payable in full within 14 days following receipt of the invoice unless alternative arrangements have been made with us. When we are holding funds in our Trust Account on your behalf, regardless of whether it is from any property

settlement, judgement, bank loan or other money, you authorise us to deduct our fees, expenses, and disbursements once we have provided you with the invoice.

INTEREST AND COSTS

We reserve the right to charge interest on overdue invoices. The interest will be calculated at the ASB base rate for lending plus 5% per annum, calculated monthly from the date the invoice was payable. 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 into our Trust Account no later than 24 hours prior to the day 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. PERSONAL INFORMATION AND CONFIDENTIALITY

We will hold, in confidence, all information concerning you or your affairs that we acquire during the course of acting for you.

You authorise us to collect, use, and disclose any information, including your personal information, 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.

We will sometimes need to collect, store, use, and disclose personal information about other identifiable individuals, such as your directors, shareholders, trustees, or other people associated with you or your transactions, including any principals or beneficiaries for who or whose benefit you are acting.

We may need to disclose personal information to our agents, and other organisations, but only to carry out your instructions, to fulfil our professional duties or to comply with a legal requirement.

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. PRIVACY POLICY

You can find our full Privacy Policy on our website, www.fenciblelaw.co.nz, under:

- Client Information
- Terms

10. 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.

11. 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.

12. TRUST ACCOUNT

We maintain a trust account for all funds which we hold on behalf of clients (except monies received for payment of our invoices). A full record of our trust account is kept at all times. A statement of trust

transactions detailing funds received, and payments made on your behalf will be provided periodically, including on the conclusion of a matter, or at any time upon your request.

13. 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 may charge a Term Deposit Handling Fee. We are not responsible for obtaining the best interest rate available from any bank at the time your funds are placed on interest bearing deposit, or for any loss of interest that you may suffer as a result of any delay in placing our funds on interest bearing deposit. The bank will deduct resident withholding tax on interest earned at the default rate unless you provide us with an IRD number.

14. 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.

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

15. TAXATION AND ACCOUNTING ADVICE

We do not provide taxation or accounting advice and recommend that you seek this advice from other professionals to complement our legal services.

16. 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.

17. GENERAL

These Terms apply to any current engagement and 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.