

General Terms and Conditions of Engagement – Prudentia Law

The following sets out the General Terms and Conditions which will apply to these instructions and any additional instructions you may give us:

1. INSTRUCTIONS: We will only act on your instructions. By instructing us you accept liability to pay our account for our professional services that we may render in respect of such instructions.

If you instruct us on behalf of another individual/party you are personally liable to pay our account unless other arrangements have been agreed in writing. If you are instructing us as a director or officer of a company, then you are personally liable for our account in the event of the company failing to pay. If you have engaged us to undertake work in your personal capacity, and later instruct us to issue our invoices to an entity different to you personally, then you are personally liable for our account in the event of that invoiced party failing to pay. Details of this personal guarantee when you have instructed us on behalf of another party are detailed below in section 3.

2. HOW WE CHARGE:

1. Fees: Unless otherwise agreed our fee is based on our hourly rates which may be adjusted by factors including urgency and difficulty in accordance with New Zealand Law Society costing criteria. In addition to actual hours spent on your matter the fee may also reflect the nature of the work and the intellectual property of Prudentia Law which may be a part of providing the service.

Our current hourly rates are:

Principal	\$600.00 plus GST per hour
Associate	\$300.00 plus GST per hour (and above)
Law Clerk/Solicitor	\$120.00 plus GST per hour to \$280.00 plus GST per hour
Legal Executive	\$250.00 plus GST per hour (and above)
Support Staff	\$50 plus GST per hour

Please note that these rates are subject to change.

2. External Expenses: In providing the services we may incur expenses and payments to third parties on your behalf. You authorise us to incur these expenses (which may include such items as search fees, LINZ fees, court filing fees, registrations fees, ADLS webform charges, company incorporation charges etc) which are reasonably necessary to provide the services. We will pay for these directly out of our law firm's business account, and then on-charge them to you in your invoice and they will be itemised individually by expense type when the invoice is raised (or in advance when we know we will be incurring them on your behalf). Where we refer to "disbursements" in these Terms & Conditions of Engagement and our cost estimate correspondence, this includes these expenses listed above.

3. Office Service Charge (Administrative Expenses): In addition to the expenses in 2.2 our Office Service Charge is charged at 5% of the legal fee charged to you. This charge generally covers stationery, copying and printing, postage (excluding couriers), telephones, internet and IT services/licenses.

4. GST: Our services will usually attract the Goods and Services Tax (GST). If this is the case, GST is payable by you on our fees and charges. For the avoidance of doubt, the Office Service Charge in 2.3 above is inclusive of GST as are the external expenses in 2.2 above.

WE MAY ALSO CHARGE A TRAVEL CHARGE OF \$100.00 + GST if you require our attendances at premises away from our offices in Newmarket. This is charged on a discretionary basis depending on the circumstances.

3. PERSONAL GUARANTEE: If, under these terms and conditions of engagement you have provided a personal guarantee, the following shall apply to such guarantee:

- (a) Each person named as providing a personal guarantee under these terms and conditions of engagement ("the Guarantor") guarantees the due payment to Prudentia Law of all amounts owing at any time by the party invoiced under these terms and conditions of engagement.
- (b) The Guarantee granted under these terms and conditions of engagement by the Guarantor:
 - (i) is a continuing guarantee for the payment of any liability of the party invoiced under these terms and conditions of engagement;
 - (ii) is irrevocable and unconditional;

- (iii) will operate irrespective of any intervening payment, settlement of account or other matter or thing whatever;
 - (iv) is joint and several, where two or more parties have been named as Guarantors; and
 - (v) despite anything in these terms and conditions of engagement, is a continuing obligation, separate and independent from each Guarantor's other obligations under these terms and conditions of engagement and survives payment of any proportionate amount.
- (c) Each Guarantor will indemnify (and will pay upon demand all amounts payable in relation to that indemnity including legal expenses on a full indemnity basis, including GST) Prudentia Law for all costs, losses, expenses and liabilities incurred by Prudentia Law in relation to these terms and conditions of engagement and in exercising any right in respect of the recovery of any money under these terms and conditions of engagement.

4. ESTIMATE OF COSTS: Where possible we will provide an estimate of legal costs, as above. Please note that this is not a quote and may be subject to changes if the scope of the work you request changes over the period of engagement. Our work is not only charged on time but also on the complexity, urgency and experience required and therefore the time recorded directly on your matter may not necessarily correspond to the final fee invoiced.

5. HOW TO PAY FOR WORK UNDERTAKEN:

1. **Payment by deduction from settlement** – For all conveyancing matters (i.e., purchase/sale/refinance) and any matters where there is a financial settlement (i.e., business sales and purchases/relationship property settlements/estate distributions) we require payment of the fee by deduction from settlement proceeds. For this we require sufficient funds to be available on the day of settlement to enable this to happen. Any additional amount required in excess of the settlement funds received as part of the transactional process will be detailed in a statement that will be provided to you prior to settlement. Our expectation is that you will provide us with the excess amount prior to settlement. We reserve the right to delay actioning settlement until sufficient funds are received.
2. **Payment on receipt of invoice** – For matters where you are paying at the completion of the work and on receipt of our invoice, our account is payable upon issue, and you irrevocably authorise us to pay our account by deduction from any money that we may be holding on your behalf or on behalf of associated entities. Payment of an invoice is

either by direct credit to our trust account (12-3069-0308736-02) or by completion of a VISA/MasterCard/AMEX form (available on request). We reserve the right to charge market merchant fees on any credit card payments.

3. **Retainer** - If a retainer is requested, we require the amount to either be direct credited to our trust account (12-3069-0308736-02) or by completion of a VISA/MasterCard/AMEX form for the amount of the retainer (available on request). We reserve the right to charge market merchant fees on any credit card payments.
4. **A Barrister or other professional instructed to act on your behalf** - If we instruct a Barrister or other professional to act on your behalf you also agree to pay the fees of the Barrister or the other professional, as applicable. This will often be required as an upfront retainer (as per above).
5. **Agency Costs** – We utilise online portals for searching registers, titles, and similar public documents. One of these portals includes InfoTrack which charges an agency fee to us per search. These will be identified in our initial terms of engagement/estimate correspondence.
6. **Interim billing policy** - It is our firm's policy to also invoice on an interim basis for work that spans over a number of weeks, and our billing cycle is the last working day of each month for this type of work. At our discretion, we may invoice you for attendances during a month and the above payment requirements are to be adhered to, unless other payment alternatives have been arranged with us in advance.
7. **Billing disputes** – If you have been invoiced and dispute the details, validity, or amount of such invoice you must advise us within five (5) working days of receipt of invoice.
8. **Late payment fee & our debt collection process** - If you do not pay within fourteen (14) days of us issuing the invoice we may:
 - Charge you an additional 10% of the total invoice issued to you as a late payment fee. The original invoice and the additional amount must then be paid within five (5) working days and if it is not paid then the matter will be referred to our debt collection agency. Our debt collection service provider is EC Credit Control, and you can obtain details of their charges by contacting them on 09 267 8999.

- You agree that we may charge you the cost of recovery or attempted recovery of any outstanding debt owed to us, including our time incurred in re-issuing bills or sending statements of account.
- If we are required to apply to the Disputes Tribunal to recover any amount owing by you, our costs for doing this will reflect a \$1,200.00 fee for preparation of the claim and attendances at the Tribunal. You agree to pay these costs on top of any outstanding fees or interest if we are successful with such claim.
- We may also stop doing further legal work for you, or any of your related/associated entities, until all outstanding amounts are paid.

6. OUR RESPONSIBILITY: We will keep you informed of the work we are carrying out for you and will carry that work out to a proper and professional standard. We also confirm that 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. If at any time you do not feel we are providing appropriate service to you, please contact the solicitor acting for you immediately. If you do however have a complaint that cannot be resolved by talking to that solicitor, please review the complaint process information at the NZ Law Society's website: www.lawsociety.org.nz

The Law Society client care and service information is set out below.

Whatever legal services your lawyer is providing, he or she must:

- *Act competently, in a timely way, and in accordance with instructions received and arrangements made.*
- *Protect and promote your interests and act for you free from compromising influences or loyalties.*
- *Discuss with you your objectives 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.*

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.

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 \$100,000.00. 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.

If you have any questions, please visit www.lawsociety.org.nz or call **0800 261 801**.

7. INFORMATION WE NEED TO KNOW: You agree to provide us, and irrevocably authorise us to collect from third parties, any information that we may reasonably require to carry out your instructions and to meet our statutory obligations. You are responsible for the accuracy of any information provided to us by you and have the right to access and correct your personal information.

As part of the AML/CFT requirements prior to us acting for you we are required to undertake certain background checks. You will be asked to complete our Individual Identity Verification form and return the completed form along with copies of your I.D and confirmation of your address such as a recent bank statement or utility bill. Our preferred I.D is your passport. If you are seeing us about company or trust business, we will need information about the company or trust including the people associated with it (such as directors and shareholders, trustees and beneficiaries).

We will also need to ask you about the nature and purpose of the proposed work you are asking us to do for you. Information confirming the source of funds for a transaction may also be necessary to meet the legal requirements.

For more information about AML/CFT requirements please visit our website www.prudentia.co.nz/aml-cft-law

Please note that we charge for the AML/CFT on-boarding processes. Charges are as follows:

For new clients to our firm, we charge the following:

- Individual on-boarding \$100
- Couple on-boarding \$200
- Trust on-boarding \$300
- Company on-boarding from \$200 to \$300

If we are required to update your information following this initial on-boarding, we will charge on a time-engaged basis.

Your failure to supply information may affect our ability to carry out your instructions or to start work for you.

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:

- (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.

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 OF FILES AND DOCUMENTS: 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. 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.

12. TRUST ACCOUNT: We operate a trust account. All money received from you or on your behalf will be held to your credit in our trust account:

1. Payments out of the trust account will be made either to you or to others with your authority. Written authorisation from you (and if we are acting for more than one of you, from all of you) will be required when payment is to be made to a third party. Before making a payment to another account we may require verification of the account details by provision of (for example) a copy of a deposit slip or bank statement showing the account number, a signed authority from you including the bank account details, or a signed letter from the relevant financial institution providing bank account details.
2. The exceptions to the above (12.1) are where Prudentia Law has provided undertakings to third parties as part of settlement obligations. These include settlement amounts, rates, water rates, body corporate levies and the like. You irrevocably authorise Prudentia Law to make such payments we have provided undertakings to pay.
3. If we are holding funds for you and there are invoice(s) that have been issued to you by us or a related-party client, you authorise us to pay those invoices outstanding from the funds held, which will include journalling funds from one matter to another.
4. A full record of our trust account is kept at all times. A statement of trust account transactions detailing funds received, and payments made on your behalf will be provided to you periodically and at any time upon your request. If we are holding significant funds on your behalf, we will normally lodge those funds on an interest bearing deposit (IBD) account with our bank ASB. In that case we will charge an administration fee on a percentage basis of the interest derived. With regards to any monies held by us on your behalf, we will only place this money on IBD if it is for future settlements, retainers & retentions. Any money that is remaining after a settlement will be paid directly back to you once we have signed verification of your bank details. If any money is placed on IBD, ASB does require your IRD number which we will provide

to ASB at the time of depositing your money. This is now a requirement of ASB for our system to report all transactions relating to interest payments and withholding tax (including RWT, non-resident withholding tax and AIL) to Inland Revenue on a monthly basis.

13. DURATION OF THESE TERMS: These Terms and Conditions apply to any work that you request us to complete but may be amended by us from time to time, with such amendments agreed to in writing. Such work includes the current matter related to these terms and future attendances you may instruct us to attend to.

14. ACCEPTANCE OF THESE TERMS AND CONDITIONS: You agree to accept the above Terms and Conditions by instructing us to act for you after having received notice of this document.

These terms were last updated as at 16 November 2023.

Signed: _____

Date: _____