

Suburban Law

Terms of Business

These Terms of Business (the "Terms") apply to all work carried out for the clients ("you, your") by Suburban Law ("we, us, our") and are to be read in conjunction with all correspondence with you. If there is a conflict between such correspondence and the Terms, the Terms will prevail. Your continuing instructions will amount to your acceptance of these Terms.

1.0 WORK COVERED

- 1.1 We will exercise due skill, care and diligence in carrying out the work identified in your instructions and agreed by us as part of our brief as outlined in our engagement letter.
- 1.2 We will only advise you as to the detailed taxation aspects of any proposed course of action where specifically instructed in writing. Otherwise we expect and advise you to obtain your own accountants advice.
- 1.3 Our advice is that you should obtain advice from a financial advisor and accountant as to the financial aspects of any work we may do for you. We can obtain such independent advice for you if you so instruct.

2.0 FEE STRUCTURE

- 2.1 Subject to paragraph 2.2 below, charges will be calculated on a time basis. This means all time spent on your matter will be recorded in units of one tenth of an hour and will then be charged to you at the relevant hourly rate. Time spent on your matter will include meetings with you, considering, preparing and working on papers, correspondence and telephone calls. In most cases routine letters sent and routine telephone calls made and received are charged for in units of one tenth of an hour. The hourly rates will be advised to you in writing at the outset of the work to be undertaken and are subject to revision on the 1st June each year. You will be advised of any changes in rates as soon as practicable.
- 2.2 In addition to the above, in some instances fees may also be calculated and invoiced by reference to what is fair and reasonable for the work in question in all the circumstances of a particular case. In certain property and other transactions, for example, the value of the property or the price payable may be the dominant factor in assessing the fee. In addition, a number of other factors are recognised by the New Zealand Law Society, including, but not limited to the urgency and speed of action required, the complexity of the transaction, novelty, the responsibility undertaken by the Firm, the place where the work is carried out, the value or importance of the work to you, the reasonable costs of running a practice, the results and the skill and knowledge and responsibility required.
- 2.3 Unless fees are clearly stated in writing to be a fixed sum any indication of likely costs is an estimate only, exclusive of GST and disbursements, and subject to change as matters progress and the full amount of the work becomes apparent. The level of fees will be periodically advised to you as matters progress or if the original estimate is likely to be substantially inaccurate (unless this is clearly apparent from the circumstances).
- 2.4 If you wish, you may set an upper limit on your fees.
- 2.5 Fees estimated or quoted will not cover work outside the original brief, for which an additional charge – based on the principles referred to above – will be made.
- 2.6 Expenses or disbursements incurred in carrying out the work may also be added to the bill including, for example photocopying, travelling expenses, courier fees, court fees and other similar items. We may require an advance payment for disbursements and expenses, which we will be incurring on your behalf. In particular the following will be added:
 - 2.6.1 Office Services to cover postage, telephone charges and file opening.
 - 2.6.2 \$10 (no GST) being the fee charged by our bank in respect of any interbank transfer of funds made on your behalf
 - 2.6.3 Any additional expense incurred by us in making any such transfer of funds
 - 2.6.4 Fees for file archive and storage as a one off payment
- 2.7 Taxes payable (such as withholding tax) and fees incurred on your behalf, including those of Counsel, process servers and the Court, are also payable by you. As we are directly responsible for such fees, payment of these in full will usually be required in advance.
- 2.8 Our fees are payable as set out above even if the proposed transaction is not completed.
- 2.9 We do not carry out any contentious work on the basis that the payment of fees is contingent or conditional on a particular outcome unless specifically agreed in writing.

- 2.10 GST will be charged where applicable on all fees and disbursements at the appropriate rate.
- 2.11 You authorise us:-
(i) to debit against amounts prepaid by you, and;
(ii) to deduct from any funds held on your behalf in our Trust Account any fees and expenses or disbursements for which we have provided an invoice.
- 3.0 PAYMENT OF FEES
- 3.1 Our bill is payable on delivery.
- 3.2 In property matters and other capital transactions, unless previously agreed the following will apply:
- 3.2.1 Fully cleared funds (including fees, GST and disbursements) will be required in our account before completion of a transaction. This normally means your cheque will need to be paid to us at least 7 clear banking days before the completion date.. You may direct credit our account – in such cases this will need to take place the day before the funds are due unless your bank works in real time.
- 3.2.2 Fees, GST, disbursements and any other amounts due to us on any bill will be deducted from any funds held by us on your behalf.
- 3.3 We may invoice you for fees and disbursements periodically even though the work is not completed.
- 3.4 In most cases, especially litigation matters, a payment on account of anticipated costs and disbursements (including Counsel's and other fees) will be required before any work is undertaken or during the course of the matter.
- 3.5 If any request for payment on account or settlement of an interim bill is not met on time, we are entitled to cease further work on that matter and any other matter being handled by us for you. In such circumstances we accept no liability for the effects of delays or loss suffered by you as a consequence.
- 3.6 We may charge interest at 4% per annum over ASB Bank Base Rate (as varied from time to time) or 2% per month (at our option) on any amounts unpaid after 14 days from the delivery of the bill or request for disbursements (if earlier). Any unpaid accounts may be referred to a collection agency such as Baycorp and all collection charges and costs will be added to the balance owing and collected by the collection agency.
- 3.7 Subject to paragraph 3.8 below, our bill is payable by the person or persons to whom it is addressed and the liability for payment shall not be the responsibility of any third party unless this has been expressly agreed by us in writing and the bill contains wording making this clear.
- 3.8 Where work has been carried out for a limited company then responsibility shall, in the first instance, be that of the company. However, if payment is not made within 28 days of the bill being delivered then we reserve the right to charge each and all of the company's directors jointly and severally.
- 4.0 CONTENTIOUS MATTERS
- 4.1 In contentious matters involving court proceedings you will be responsible for payment of our fees in full regardless of any order for costs made against any opponent.
- 4.2 If a court case is lost by you the probability is that you will have to pay your opponent's costs as well as your own.
- 4.3 Even if you are successful the opponent may not be ordered to pay the full amount of your fees and may not be capable of paying what they have been ordered to pay.
- 4.4 If an opponent is publicly funded you may not recover your costs even if successful, but you will still be liable for our fee.
- 4.5 If you are publicly funded and it later transpires you are not entitled to public funding, you will be liable for our fee.
- 5.0 FILES AND DOCUMENTS
- 5.1 After completing the work we will normally keep your file for no more than 8 years, subject to guidance of the New Zealand Law Society. However, any documents, which you ask us to store in safe custody, will not be destroyed. We charge for the archiving and storage of the file.
- 5.2 We do not normally make a charge for retrieving stored papers or deeds in response to continuing or new instructions to act for you, but reserve the right to do so.
- 5.3 The copyright in all original documents prepared by us and in our publications is and shall remain the property of us.
- 5.4 Details about you (e.g. name, address, date of birth) may be retained by us indefinitely and, unless you inform us in writing to the contrary, we may, from time to time, use these details to send you information which we think might be of interest to you and for other marketing purposes.

6.0 MONEY LAUNDERING

- 6.1 The Financial Transactions Reporting Act 1996 places us under an obligation to report any suspicion that funds derive from the profits of serious crime. It is an offence for anyone to prejudice an investigation by "tipping off" a person who is the subject of suspicion or any third party that the person is suspected of money laundering.
- 6.2 There are also regulations, which require us to verify the identity of all new clients. Thus it is a condition of us accepting new instructions that upon request clients provide evidence to verify their identity. This should be a photographic identity such as a passport or drivers licence. If you are not in a position to provide any such document you will need to contact us as a matter of urgency to make us aware so that we can make alternative arrangements as appropriate.
- 6.3 Under these regulations we have to keep our records for at least six years. If you wish to have your file or papers we have to keep copies for which a charge will be made.
- 6.4 Without the prior agreement of a partner we do not accept payments in cash of more than \$1000 or make payments in cash to any third parties.
- 6.5 We maintain a trust account for all funds which we receive from clients (except monies received for payment of our invoices). If we are holding significant funds on your behalf we will normally lodge those funds on interest bearing deposit with a bank. In that case we will charge an administration fee of 5% of the gross interest derived.

7.0 LIABILITY

- 7.1 We will be liable only to you and not to any third party.
- 7.2 We shall not be liable for advice given or documents prepared relating to particular circumstances or for a particular transaction if such advice or documents are used without our express consent in other circumstances or for another transaction.

8.0 CONFIDENTIALITY

- 8.1 Any correspondence or reports prepared on behalf of you are confidential as between us and you unless otherwise clearly agreed or implied by the circumstances.
- 8.2 It may be that at an annual audit of your file may be required by an external auditor. If you do not wish this to happen you should notify us in writing.

9.0 TERMINATION

- 9.1 You may terminate your instructions in writing at any time.
- 9.2 We are entitled to keep all your papers and documents while there is money owing in respect of any matter on which you have instructed us.
- 9.3 If a mortgage lender is involved in a transaction we normally expect to receive instructions from them to act on their behalf. If so, we will have to pass them information you provide that might be relevant to their decision whether to finance the purchase. If you tell us things that you do not want the lender to know and they are relevant to the lender, we may have to stop acting for the lender and possibly also for you. This may also apply where we are acting for both parties in a transaction following receipt of informed consent from both parties.
- 9.4 We will decide to stop acting for you only with good reason and if possible, on giving you reasonable notice or 4.2.
- 9.5 If you or we decide that we will no longer act for you, you will have to pay for any unbilled work and any other expenses as set out earlier up to the date of termination.

10.0 QUERIES OR CONCERNS

- 10.1 We are confident of providing a high quality service in all respects. If, however, you have any complaints, queries or concerns about our work, please raise them initially with the person carrying out your work or the person with overall responsibility for it who will respond within seven working days. If that does not resolve the problem to your satisfaction or you would prefer not to speak to the person or persons concerned, then please contact the Principal.
- 10.2 All firms of solicitors are obliged to attempt to resolve problems that clients may have with the service provided. It is therefore important that you raise any concerns at the first opportunity.
- 10.3 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.

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

11. PRIVACY

- 11.1 In your dealings with us we will collect and hold personal information about you. We will use that information to carry out the engagement and to make contact with you in the future about issues we believe will be of interest to you. Failure to provide information we request may prevent or hinder us from providing our services to our customary standards, or at all.
- 11.2 We may disclose your name and address to a credit agency to perform a credit reference check or to undertake credit management processes if we deem it necessary to do so.
- 11.3 Subject to our legal and ethical obligations to maintain client/lawyer confidentiality at all times you authorise us to disclose, in the normal course of performing the engagement, such personal information to third parties for the purposes mentioned in clauses (11.1) and (11.2) above as are appropriate.
- 11.4 The information we collect and hold about you will be kept at our offices and/or at secure file storage sites elsewhere in Christchurch. If you are an individual you have the right to access and correct this information. If you require access, please contact the Principal.