

INFORMATION FOR CLIENTS

Set out below is the information required by the Rules of Conduct and Client Care for Lawyers of the New Zealand Law Society ("Law Society").

- 1 **Fees:** The basis on which fees will be charged is set out in our letter of engagement and billing policy. We may deduct from any funds held on your behalf in our trust account any fees, expenses or disbursements for which we have provided an invoice.
- 2 **Professional Indemnity Insurance:** We hold professional indemnity insurance which meets or exceeds the minimum standards specified by the Law Society. We will provide you with particulars of the minimum standards upon request.
- 3 **Lawyers Fidelity Fund:** The Law Society maintains the Lawyers Fidelity Fund to provide clients of lawyers with protection against financial loss due to theft by lawyers. The maximum amount payable by the Fidelity Fund to compensate a claimant is limited to \$100,000. Generally the Fidelity Fund does not cover a client for any loss relating to money which a lawyer is instructed to invest on behalf of the client.
- 4 **Complaints:** Our client complaint procedure is designed to ensure that a complaint is dealt with promptly and fairly. You may refer a complaint to the person in our firm who has overall responsibility for your work, or if you are not satisfied with that person's response you may refer your complaint to either partner. Sue Wooldridge (09) 407-0174 or sjw@mcleods.co.nz, or Graeme McLelland (09) 407-0179 or glm@mcleods.co.nz.

The Law Society also maintains a complaints service. You may make a complaint to that service. The contact details for the New Zealand Law Society are: PO Box 5041, Lambton Quay, Wellington Phone: (04) 472 7837 or Fax: (04) 473 7909 or Email: inquiries@lawyers.org.nz.

- 5 **Persons Responsible for the Work:** The names and status of the person or persons who will have the overall responsibility for the services we provide to you are set out in our letter of engagement.
- 6 **Client Care and Service:** 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.

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

- 7 **Limitations on extent of our Obligations or Liability** Any limitations on the extent of our obligations to you or any limitation or exclusion of liability are set out in our letter of engagement.

TERMS OF ENGAGEMENT

These standard terms of engagement ("terms") apply to all work carried out by us for you, except to the extent that we otherwise agree with you.

1 Services

- 1.1 The services which we are to provide for you are outlined in our engagement letter. It is important you keep us fully informed so we can complete this work for you and achieve the best outcome.

2 Financial

2.1 Fees:

- a. The fees which we will charge or the manner in which they will be arrived at, are set out in our engagement letter and the attached billing policy.
- b. If the engagement letter 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.

3 Confidentiality

- 3.1 We will hold in confidence all information concerning you or your affairs and which we acquire while 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*.
- 3.2 Confidential information concerning you will as far as practicable be made available only to those within our firm who are providing legal services to you.
- 3.3 We will not disclose to you confidential information which we have in relation to any other client.

4 Termination

- 4.1 You may stop instructing us at any time.
- 4.2 We may stop acting for you if you cannot or will not provide proper instructions or do not pay our bill.
- 4.3 In either case, you must pay us all fees due up to the date of termination and all expenses incurred up to that date.

5 Retention of files and documents

- 5.1 You authorise us (without further reference to you) to destroy all files and documents for this work (other than any documents we hold in safe custody for you) 7 years after the work is completed, or earlier if we have converted those files and documents to an electronic format.

6 Conflicts of Interest

- 6.1 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*.

7 Duty of Care

- 7.1 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.

8 Trust Account

- 8.1 We maintain a trust account for all funds which we receive from clients (except moneys 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 earned.

9 General

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

McLeods Lawyers

Billing Policy

1. How do we charge?

Our fees are charged in accordance with guidelines set by the New Zealand Law Society. In setting the fee we are required to take account of:

- the time spent;
- the skill, knowledge and responsibility required;
- the value of property involved;
- the complexity, novelty and importance of the matter;
- the importance to the client;
- the urgency or other circumstances;
- the number and importance of any documents involved;
- the result;
- the reasonable costs of running a practice.

2. Cost estimate

Where possible we will give you an estimate. The estimate will be our "best guess" as to what the fee is likely to be based on what we know about the proposed work at the time. However, if the work does not proceed as we expect due to complications, we will charge for all work done. If it appears the estimate will be exceeded we will, where possible, tell you in advance. GST is payable on all fees.

3. Credit policy

You may be allocated a credit limit which will be:

- confidential between you and us;
- the total amount we will allow to be owed by you at any time;
- able to be increased or decreased or withdrawn by us at any time.

We reserve the right to make confidential credit enquiries from appropriate sources.

The firm may stop doing work (and instruct others to stop doing work) for you if your credit limit is exceeded and payment is not received by us when invoiced.

4. When will you be billed?

Generally, property transactions will be billed at completion of the work. For other matters, we will bill you monthly. This will help you by spreading the payments over time and help you keep track of how much the work is costing.

5. What about cash payments you have to make?

We may pay other people for work done for you, for example, government charges and title search fees. We may require these payments to be made in advance and will provide an itemised statement of these costs.

If we instruct any other person, we reserve the right to require payment of that person's estimated

professional fees to our trust account beforehand or to enter a payment arrangement directly with that person. By instructing that person we undertake an obligation to pay that person's fees.

6. When do you have to pay?

All accounts are due within seven days of invoicing. If we hold money for you (for example, from the sale of your house) you authorise us to deduct the account from that money and give you a full statement.

7. What if you can't pay on time?

If you have difficulty in paying our account, please contact us to discuss arrangements for payment. The credit limit in clause 3 may apply. Interest will be payable on any account more than seven days overdue at 5% above our current bank overdraft rate. Until all fees are paid we may keep all files and documents.

8. What about legal aid?

In some litigation matters you may be entitled to legal aid. If you need more information about that, please ask us.

9. Companies, trusts and third parties

If you are instructing us in your capacity as a director or shareholder of a company or as a settlor or trustee of a trust then your instructions are accepted on the basis that you remain personally liable (along with the company or trust) to pay our fees and disbursements. If your fee is payable by a third party, you remain liable to pay if the third party does not do so.

10. How can you keep your legal fees as low as possible?

Usually one of the main factors in a legal bill is the amount of time spent. You can help us to keep the time to a minimum by:

- preparing for meetings in advance and, if necessary, making a list of things which you want to discuss;
- responding promptly if we need something from you – if we have to keep reminding you, that will add to the time and the expense;
- not leaving things to the last minute – if a matter has to be dealt with urgently then our fee will be higher;
- avoiding potential problems by seeing us **before** you sign documents.

11. We will store your file for not less than 7 years, after which it may be destroyed. The cost is \$15.00 including GST. Where appropriate we will store important documents at a further cost of \$15.00 including GST.