Barristers, Solicitors & Notaries since 1861

TERMS OF ENGAGEMENT

These Terms of Engagement
These are our standard terms of engagement as your lawyers. They apply to all services we provide unless varied by written agreement. We will take your continued instructions as your acceptance of these terms so please ask us if you have any questions about them. Please keep this copy for your records.

General scope and quality of our work
At all times we will act to the best of our ability on your behalf, within the scope of your instructions and in accordance with the ***Lawyers and Conveyancers Act (Lawyers; Conduct and Client Care*) rules 2008** which govern the practice of law. All advice we give to you will be based on our best professional judgment and legal knowledge but should not be taken as a guarantee of any particular outcome, as, among other things, we will be relying on the completeness of your instructions, the accuracy of the information provided to us, and the actions taken by any other parties involved.

Our duty of care is owed solely to you, the client named in our letter of engagement and not any other person unless we expressly agree otherwise in writing before any other person may rely on our advice, we must expressly agree to this. If, during our engagement we provide services to entities related to or associated with you, then, such services will be provided on the same terms as these standard terms.

Letter of Engagement
For each new matter we undertake on your behalf, we will provide a "letter of engagement" setting out:

- The service we will provide.
- The person primarily responsible for the matter.
- Any specific terms applying to that matter; and
- our estimate of fees where applicable

How you can help us
We will always do our best to be available and responsive to you, and to provide services which are technically accurate, innovative, and timely and based on sound common sense. You can help us to do this by:

- Giving us clear instructions, preferably in writing.
- Telling us if you have any important time limits.
- Telling us if you have a fixed budget limit.
- Making sure we have understood each other and asking us if you are not sure about anything.
- Dealing with any important questions we have promptly.
- Keeping in regular touch with us – please ask us for a progress report if you are concerned about anything or do not hear from us when you expect to.
- Telling us if you have changed your address or contact details.

Privacy and Confidentiality
We will keep confidential all information concerning you or your affairs that we obtain while acting for you. We will not disclose this information except:

- Where disclosure is necessary or desirable to carry out your instructions
- Where required or permitted by law, including the Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Rules 2008.
- To our Trust Account Auditors, Professional Indemnity Insurers, or other professional advisers where reasonably required for compliance, auditing, insurance, or risk management purposes; or
- Where you have otherwise authorised us to do so.

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

FACTCA and CRS Reporting
Where applicable, if we hold funds on your behalf in our Trust Account (including settlement funds, sales proceeds, judgment sums, or other monies), you authorise us to:

- provide information relating to your United States Foreign Accounts Tax Compliance Act (FATCA) or Common Reporting Standard (CRS) status, or any related reporting regime, to Inland Revenue, our banking providers, or any other person as required to comply with applicable legal or regulatory obligations; and
- where you do not provide information reasonably requested for FATCA or CRS purposes, disclose your non-response, identity and any reportable balance to Inland Revenue and/or our banking providers as required by law.

You agree to provide any information and documentation reasonably requested by us to enable compliance with these obligations.

Use of Generative Artificial Intelligence (AI)

- To assist in the delivery of legal services, we may use generative artificial intelligence (AI) and other technology-assisted service tools from time to time. These tools may be used for tasks such as legal research, document drafting, information analysis, workflow management and administrative support.
- We remain fully responsible for the quality and accuracy of our work. Any output generated using AI tools is subject to appropriate human review and oversight, and we will always exercise independent professional judgment in providing legal advice and services.
- We take reasonable steps to protect the confidentiality, privacy and security of client information when using AI and other technology providers. We will not intentionally disclose your confidential or legally privileged information to publicly accessible AI systems or permit such information to be used to train public AI models. Further information regarding how we handle personal information, is available in our Privacy Policy.
- From time to time, we may engage reputable third-party technology providers whose services incorporate AI functionality. We undertake appropriate due diligence when selecting such providers and require them to maintain appropriate standards of privacy, confidentiality and security.

If you prefer that we do not use AI tools in relation to your matter, please tell us. We will discuss any practical implications, including any effect on cost, timing and service delivery.

Our fees
Our fees are calculated in accordance with the New Zealand Law Society Rules of Conduct and Client Care. They are based on several considerations, including the time spent attending to your instructions, the complexity of the job, its urgency and the degree of skill, knowledge and responsibility involved.

Cost estimates
We are happy to give you an estimate of the costs you are likely to incur for any work we do for you. Because we cannot predict exactly what will be involved, any estimate we give of our fee will normally be a range between a minimum and a maximum figure. We reserve the right to update our estimate if unforeseen events occur and, as the matter progresses, if more accurate estimates are possible. Any cost estimate will

normally be for our fee plus the expenses and disbursements we incur on your behalf, and unless specifically stated otherwise, will exclude GST.

Fixed quotes
For some well-defined services we may be able to give you a fixed quote. This will normally be expressed as a fixed fee plus expenses, disbursements and will clearly show where GST has been applied. When we give a fixed quote, we will always record it in a letter, which will set out the fee, state clearly that it is a fixed quote, describe the services included within the fixed quote and set out any conditions.

Office Administration Fees and disbursements
Administrative expenses may include, (but are not limited to) such items as photocopying, printing, faxing, tolls, postage, and stationery. Our office administration expense recovery charge is calculated by applying a flat percentage rate to each invoice issued of 5% up to a maximum charge of $375.00

Disbursements are dealt with separately to administration expenses and are on-charged to you at the same rate that we are charged to access these services on your behalf (including GST as applicable). These are itemised in detail on your invoice. Disbursements examples can include (but are not limited to) fees relating to Land Information New Zealand, PPSR Register, Companies Office or other separately listed items such as court document filing and external agency fees as applicable.

We may sometimes need the necessary funds from you in advance to pay the disbursements we incur on your behalf. This money will be held in your name in our trust account until we pay the disbursements incurred. If the total disbursements incurred are less than that, the balance will be recorded as a credit on our final invoice to you and will be refunded.

Timing of our invoices
It is our practice to interim bill on a monthly, two monthly, or three monthly, depending on the nature and extent of the work. This helps you monitor your legal costs and disbursements.

Invoices may include an amount for anticipated future disbursements incurring on your behalf. Each invoice is separate, and subsequent invoices will not usually include unpaid amounts from earlier invoices. from any earlier invoice.

In some circumstances we may require payment before continuing work or commencing a new matter. A final invoice will be issued you're your matter is completed. If we held funds on your behalf, we will also provide a trust account statement.

Payment of our invoices
Unless otherwise agreed, or where the work replates to a conveyancing transaction (which is payable on settlement) **invoices are payable in full within 14 days of the invoice date**.

Payment may be made by cash, (to PRLaw Trust Account), EFTPOS, bank transfer or credit card (VISA or Bankcard. Credit card payments incur a 2% handling fee.

If there is more than one client (for example, business partners or spouses), each client is jointly and individually responsible for payment of our fees.

Where we hold funds on your behalf, you authorise us to deduct our invoiced fees and disbursements from those funds, including any money received on your behalf (in line with New Zealand Law Society rules), unless you instruct us otherwise.

Delay or difficulty in paying our invoices
If you expect difficulty paying an invoice by the due date, please contact the Director, Associate or Solicitor responsible for your matter, or our Credit Control Manager as soon as possible

Unless otherwise agreed, **we reserve the right to charge interest** on overdue invoices at 18% per annum from the due date. We may also suspend work, retain your file and documents until payment is received, and deduct any unpaid fees, disbursements, expenses, and accrued interest from funds we hold on your behalf.

Third Party
If you expect a third party to pay or reimburse our fees and expenses, we may, at your request or with your approval, issue our invoice to that third party. However, you remain responsible for payment of our fees and disbursements if the third party does not pay or does not pay in full.

Money handling procedures
All funds we receive will be held in a trust account in your name (except funds received for payment of accounts).

If we are holding significant funds on your behalf, we would normally lodge those funds on interest bearing deposit with a bank. You acknowledge that we cannot place your funds in an interest-bearing deposit if you have not provided us with any information, we request relating to your FATCA and CRS status. We are not responsible for obtaining the best interest rate available or for any loss of interest you suffer because of our failure or delay in placing your funds in an interest-bearing deposit.

We will charge an administration fee of 7.5% of the gross interest earned on funds held in an interest-bearing deposit.

Withholding tax will be deducted and paid to the Inland Revenue Department on the interest you earn. If we have your IRD number, you can select to have withholding tax deducted at 19.5%, 33% or 39%. If we do not have your IRD number, it will be deducted at 39%, as required by the Inland Revenue Department.

Where you transfer funds to our trust account in a foreign currency, those funds will be converted into New Zealand dollars at the exchange rate offered by our bank at the time of conversion. We are not responsible for obtaining or seeking a more favourable exchange rate than that offered by our bank.

Any property (such as security certificates) to be delivered to us on your behalf should be hand-delivered, posted by registered mail, or couriered to the Director responsible for your legal affairs.

Any property we receive will be stored in a secure place until disbursed in accordance with your instructions or these terms of engagement.

Financial Assurance Scheme
The receipt, holding and disbursement of funds on our clients' behalf are subject to inspection pursuant to the New Zealand Law Society Financial Assurance Scheme which operates under the provisions of the Lawyers and Conveyancers Act 2006 and the Trust Account Regulations.

Professional Indemnity Insurance
We hold professional indemnity insurance that exceeds the minimum standards specified by the New Zealand Law Society.

Lawyers Fidelity
The New Zealand Law Society maintains the Lawyers' Fidelity Fund for the purposes 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.

Conflicts of interest
Sometimes a conflict of interest may arise. Where this occurs, we will always contact you so that we can discuss and resolve the matter in accordance with our obligations under the ***Rules of Conduct and Client Care for Lawyers***.

Information about you
We collect use and store personal information about you to provide legal services, communicate with you, mange our relationship with you, comply with our legal and professional obligations, identify and manage conflicts of interest, and where appropriate, keep you informed about our services, egal updates and events.

We may collect personal information directly from you or from other sources where necessary to provide our services. You have the right to access and request correction of the information we hold about you.

We will keep your personal information confidential and will only use or disclose it as permitted by law or by the Law Society's "Rules of Conduct and Client Care for Lawyers", to carry out your instructions, to comply with our professional obligations, or as otherwise set out in our Privacy Policy.

Further information about how we collect, use, store, disclose and protect personal information is set out in our Privacy Policy, which available on request and on our website.

Record of Communications
In limited circumstances, we may record telephone conversations for purposes including confirming instructions, maintaining accurate file records, training, quality assurance, compliance, or evidential purposes. Recording calls can also improve efficiency by reducing the time required to prepare detailed file notes, helping keep legal costs to a minimum. Any recordings will be managed in accordance with our Privacy Policy and information management obligations.

If you prefer that your telephone conversations are not recorded, please let us know. In that case, we will record your instructions by way of written file notes instead.

Verifying your identity, source of funds and credit checks
We are required by law to verify your identity and in some circumstances, the source of funds for a transaction. We may also wish to carry out reasonable credit checks on you from time to time depending on the matters being dealt with.

- You authorise us to collect information about you (including customer due diligence information and credit reports), to obtain, exchange, hold, and use such information, and to make any other enquiries we consider as appropriate to:
- Confirm that information provided to us about you is true.
- Undertake initial and on-going customer due diligence and monitoring in accordance with the Anti-Money Laundering and Countering Financing of Terrorism Act (AML/CFT Act).
- Enforce debt and legal obligations (including recovery of money owed to us).
- Comply with other legal obligations we may have.

You authorise any person (including credit reporters) to disclose information (including credit information) to us in response to such enquiries.

You accept that we may use customer due diligence services (including electronic based services from a third party) to verify your identity and conduct other customer due diligence or monitoring required under the AML/CFT Act, and that we may use credit reporting services to credit check you, and that when we use such services:

- The other third party or credit reporter (each a Service Provider) will exchange information about you for that purpose and the Service Provider may hold information on its system and use it to provide their customer due diligence service or credit reporting service (as the case may be) to their other customers.
- We may use the Service Provider's services in the future for any authorised purpose (including in relation to ongoing customer due diligence or the provision of credit). This may include using the Service Provider's monitoring services to receive updates if information held about you changes.
- If you default in your payment obligations to us, information about that default may be shared with credit agencies.

Storing records of legal work and trust account transactions
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) seven (7) years after our engagement ends.

If we have converted those files and documents to an electronic format the paper copies may be destroyed earlier. Records of all investment money and investment property will be kept in accordance with the Lawyers and Conveyancers Act (Trust Account) Regulations 2008 and the Privacy Act 2020. Records of your transactions through our trust account are stored in computerised form. You may have access to all records relating solely to your investment money and investment property without charge during normal business hours. Any investment money or investment property we receive on your behalf cannot be used for the benefit of anyone other than you unless you have accounts outstanding, in which case we may deduct the amount due from investment money we hold for you.

Termination
You may terminate our relationship at any time. We may terminate our engagement with you in any of the circumstances set out in the Law Society's Rules of Conduct and Client Care for Lawyers". If our relationship is terminated, you must settle all fees due, and expenses incurred up to the date of termination.

Limitations of Liability
We do not provide any financial or taxation advice to our clients. Any other limitations on the extent of our obligations to you or any limitation or exclusion of liability are set out in our letter of engagement.

Questions and Complaints
We maintain a procedure for handling any complaints by clients, designed to ensure that complaints are dealt with promptly and fairly. If you have a question about any invoice you have received from us, or if you are unhappy with any other aspect of our service to you, please tell us about it straight away. You should in the first instance discuss the matter with the Director responsible for the work we do for you. However, if you wish to speak to someone else, you are most welcome to contact our General Manger as follows:

- By letter addressed to General Manager, PRLaw P.O. Box 355 Invercargill 9840.
- By email at sue.boyle@prlaw.co.nz
- By telephoning her at 03 211 0080

Our General Manager will investigate the issues you have raised and will contact you to discuss it. This will be at no additional cost to you. Misunderstandings can arise; generally, these can be resolved with little inconvenience or formality. And of course, we need to know when we do not get things quite right so that we can get them right the next time.

You are also able to make a complaint to the New Zealand Law Society Lawyers Complaints Service. To do so, phone 0800 261 801 and you will be connected to the nearest Complaints Service Office where you will be guided through the options available to you.

Client Care and Service Information

Below is a copy of the client care and service information set out in the ***Rules of Conduct and Client Care for Lawyers***:

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 have 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.lawsociety.org.nz or call 0800 261 800.

General

We may change these terms of engagement from time to time, in which case we will send you amended terms.

Our obligations under these terms of engagement and our duties of care are owed to you and not to any other person.

As always, we greatly value your custom. If you have any questions about these Terms of Engagement, please ask, we will do our very best to help you.

TOE 07072026