

Terms of Engagement

1. Client's Instructions

- Short & Partners (the Firm) will act in the Client's best interests to carry out the Client's instructions.
- The Firm reserves the right to cease to act where the Client cannot or will not provide instructions, or where the Firm is of the opinion that the Client has misled or deceived the Firm in any material way.
- The Firm will take reasonable steps to keep the Client informed of the steps taken to carry out the Client's instructions.
- By instructing the Firm the Client accepts liability to pay the accounts that the Firm will render for work done together with all outlays incurred in respect of the Client's instructions.
- The Firm does not provide advice in relation to the quality of any investment directly or indirectly associated with the scope of service in the Client's instructions including but without limitation when the Client's instructions are connected with conveying or transferring property of any description.

2. What are the Firm's Obligations to the Client?

The Rules of Conduct and Client Care for Lawyers of the New Zealand Law Society require that in all events, subject to the duties of the Firm and its members to the Courts and to the justice system, the firm and each of its lawyers must:

- act competently, in a timely way, and in accordance with any arrangements made between the Client and the Firm;
- protect and promote the Client's interests and act for the Client free from compromising influences or loyalties;
- discuss the Client's objectives and how they should best be achieved;
- provide the Client with information about the work to be done, who will do it and the way in which the Firm's services will be provided;
- charge the Client a fee that is fair and reasonable, and let the Client know when the Client will be billed;
- give the Client clear information and advice;
- protect the Client's privacy and ensure appropriate confidentiality;
- treat the Client fairly, respectfully, and without discrimination;
- keep the Client informed about the work being done and advise when it is completed;
- let the Client know if the instructions are of the sort where the Client may be eligible for legal aid, and if so whether the Firm is prepared to undertake the work in the instructions if paid by legal aid.
- let the Client know how to make a complaint, and deal with any complaint promptly and fairly.

3. How does the Firm charge?

- The Firm's fees are charged in accordance with guidelines laid down by the Rules of Conduct and Client Care of the New Zealand Law Society. In fixing the fee the Firm is entitled to take account of considerations such as;
- the time and labour spent;
- the skill, specialized knowledge and responsibility required;
- the importance of the matter to the Client and the results achieved;
- the urgency and circumstances in which the work is undertaken and any time limits, including time limits imposed by the Client;
- the degree of risk assumed by the Firm in undertaking the services including the amount or value of any property involved;
- the complexity of the matter and the difficulty or novelty of the questions involved;
- the experience, reputation, and ability of the personnel carrying out the work;
- the possibility that the acceptance of the instructions will preclude employment of the Firm by other clients;
- the reasonable costs of running a law practice.

4. Estimate of Costs

- Any costs estimate will be the Firm's "best guess" as to what the fees and other costs are likely to be. If the work does not proceed as the Firm had expected due to unexpected complications, or if the work proves more complicated than originally anticipated, the Firm will charge for all additional work. If it appears that the estimate will be exceeded, the Firm will advise the Client of the reasons and obtain further instructions from the Client.

5. Credit Policy

The Client may be allocated a credit limit which will be:

- confidential between the Client and the Firm (any persons such as barristers and expert witnesses instructed by the Firm with the consent of the Client);
- the total amount that the Firm will allow to be owed or due to it by the Client at any time;
- able to be increased or decreased or withdrawn by the Firm at any time.
- the Firm has the right to make reasonable and confidential credit enquiries from an appropriate information provider.
- the Firm may stop doing work (and instruct others to stop doing work) for the Client if the Client's credit limit is exceeded or if payment is not received by the Firm within 14 days of issue of the Firm's invoice. The Firm will have no liability for any loss suffered by the Client when work is stopped for this reason.

6. When will the Client be billed?

- Generally property matters may be billed at the time of settlement or on completion of the work. The Firm may require the Client to make a payment or payments to it for the provision of legal services under this agreement prior to final billing of any matter.
- For other matters the Firm may bill the Client on a regular basis.

7. What about out-of pocket payments the Client has to make?

- Payments may have to be made to other people for work to be done, for example filing fees, search fees, agency fees and similar payments (called outlays). The Firm is not required to pay these amounts for the Client unless the Firm receives payment from the Client first. The Firm has the right to ask for these specific amounts or for an approximate amount to cover these expenses to be paid in advance to ensure that the Firm is not out of pocket.
- If the Firm instructs any other person (including Counsel or another lawyer) the Firm has the right to require payment of that person's estimated fees into the Firm's trust account beforehand. By instructing that person, the Firm undertakes an obligation to pay that person's fees and accordingly requires to be protected for them. The Firm may require the Client to enter a payment arrangement directly with that person.

8. When does the Client have to pay?

- The Firm's accounts are all due within 14 days of issue of the Firm's invoice. If the Firm is holding any money for the Client or any entity controlled by or associated with the Client, the Firm may deduct the account from that money after having provided the Client with a statement.

9. Joint and Several Liability

- If there is more than one person comprising the Client then each person is jointly and severally liable for payment in due time of all the Firm's accounts and other charges such as those under clause 10.

10. What if the Client cannot pay on time?

- If the Client anticipates difficulty in the payment of any account, the Client must contact the Firm immediately and discuss arrangements for payment. The provisions of clause 5 may apply.
- Interest is payable on any account more than 14 days overdue. Interest shall be calculated on a daily basis at the rate of 14% per annum from the date payment became due and shall be capitalised monthly at the discretion of the firm.
- If the Firm has to take steps to recover any unpaid account, the costs of recovery (including debt collectors' charges) are all payable by the Client.

11. Lien

- Where work has been done by the Firm but the Firm has not been paid by the Client, then the Firm has the right to retain the original documents and the correspondence on the Client's files until such time as all outstanding fees, disbursements and other expenses have been paid. This is known as a lien. This will be particularly important in circumstances where the Client decides for whatever reason to instruct another law firm. The Client must pay all outstanding fees, disbursements and other expenses before the Firm releases the Client's files to the Client's new Solicitors. Alternatively that other law firm may be obliged to give an undertaking to the Firm to pay all outstanding fees and disbursements before the Client's file is released.

12. Retention of Records

- Files and documents will be retained by the Firm for a period of 7 years after which they will be destroyed.
- Subject to the lien in paragraph 11 and if the client wishes to inspect these or requires copies to be made, a charge may be made for this.

13. Confidentiality

- The Firm will hold all information concerning the business and affairs of the client in strict confidence, and will not divulge such information except where required or permitted to do so by law or the client expressly or impliedly authorizes the Firm to make such disclosure.

14. Disclosure

- Short & Partners has Professional Indemnity Insurance which exceeds the minimum requirements which are specified to the profession by the Law Society. If you are entrusting Short & Partners with money you are protected by the Lawyers' Fidelity Fund. If the money or property is taken by theft by the firm or any of its employees or agents, claims on the funds are limited to \$20,000.00 for any one theft.
- In the event that you might be dissatisfied with the work undertaken then the complaints should initially be made to the person with whom you dealt. If the outcome is unsatisfactory or you do not wish to do this then a written complaint may be made to New Zealand Law Society's Complaints Service.

Appendix

Short & Partners

Disclosure Statement

Money handling procedure

The following statement is required by the Securities Markets Act 1988 which requires persons receiving investment money as defined in that Act to disclose their money-handling procedures. This statement was prepared as of 1 August 2008.

Procedures for dealing with investment money

Monies that you have paid or that have been paid on your behalf to Short & Partners that are not required to satisfy the payment of outstanding invoices, will be held on trust in the Short & Partners trust account. Short & Partners' trust account is held at the Auckland branch of the ASB Bank under account no. 12 3011 0390618 02. Payments may be made by way of cheque, electronic transfer or telegraphic transfer. Funds will be held until an authorised person instructs Short & Partners to distribute or disburse the funds or until they are applied in payment of fees in accordance with Regulation 9 of the Lawyers and Conveyancers Act (Trust Account) Regulations 2008 ("Regulation 9").

Funds in the trust account may be placed on deposit and earn interest at ASB Bank term deposit wholesale rates, which change from time to time. Short & Partners deducts commission at 5% of the gross interest earned.

Computerised records are kept of the amounts and dates of all deposits and withdrawals and the nett balance, and the interest earned and commission deducted. You will be entitled to a statement of that information on request.

The receipt, holding and disbursement of monies in the trust account may be audited from time to time at the request of the New Zealand Law Society by an auditor nominated by the Society and also by our own auditors.

We will not use any monies held in our trust account for our own or any other person's purposes except upon an authorised person's instructions or in payment of our fees upon the issue of an invoice in accordance with Regulation 9.