



TERMS AND CONDITIONS OF ENGAGEMENT

These Terms and Conditions of Engagement (“Terms”) apply in respect of all work carried out by Vodanovich Law Limited for the client (“you”), except to the extent that Vodanovich Law Limited otherwise agrees with you in writing.

1. Services

- 1.1 The services Vodanovich Law Limited are to provide for you are outlined in Vodanovich Law Limited’s engagement letter.
- 1.2 Vodanovich Law Limited will only act on your clear instructions. Where you cannot or will not provide such instructions Vodanovich Law Limited will cease work until these are received and cannot accept any liability in such circumstances.
- 1.3 By instructing Vodanovich Law Limited you accept liability to pay the account that Vodanovich Law Limited will render for work done and all agency and disbursement costs incurred in respect of such instructions.
- 1.4 If Vodanovich Law Limited provides professional services to you for the purposes of a business, or in relation to your business, you acknowledge that, pursuant to Section 43 of the Consumer Guarantees Act 1993 (“the Act”), the provisions of the Act shall not apply with respect to such professional services.

2 Financial

2.1 Fees:

- a) When Vodanovich Law Limited opens a file Vodanovich Law Limited does not know how significant the work involved will be. It is therefore usually impossible to give a fixed quote.
- b) The fees Vodanovich Law Limited will charge, or the manner in which they will be arrived at, are set out in Vodanovich Law Limited’s engagement letter.
- c) Where possible, Vodanovich Law Limited will give you an estimate. The estimate will be Vodanovich Law Limited’s “best guess” as to what the fee is likely to be. If, however, the work does not proceed as Vodanovich Law Limited had expected due to unexpected complications, or if the work proves more complicated than originally anticipated, Vodanovich Law Limited reserves the right to charge for all additional work done. This will be based on Vodanovich Law Limited’s usual hourly rate as advised to you.
- d) If the engagement letter specifies a fixed fee, Vodanovich Law Limited will charge this for the agreed scope of Vodanovich Law Limited’s services. Work which falls outside that scope will be charged on an hourly rate basis. Vodanovich Law Limited will advise you as soon as reasonably practicable if it becomes necessary for Vodanovich Law Limited to provide services outside the agreed scope and, if requested, give you an

estimate of the likely amount of the further costs.

- e) Where fees are calculated on an hourly basis, the hourly rates are available upon request. The difference in those rates reflect the experience and specialisation of Vodanovich Law Limited’s professional staff. Time spent is recorded in 6 minute units, with time rounded up to the next unit of 6 minutes.

2.2 Disbursements and expenses:

In providing services Vodanovich Law Limited may incur disbursements or have to make payments to third parties on your behalf. These will be included in Vodanovich Law Limited’s invoice to you when the expense is incurred. Vodanovich Law Limited may require an advance payment for the disbursements or expenses which Vodanovich Law Limited will be incurred on your behalf.

2.3 GST:

Is payable by you on Vodanovich Law Limited’s fees and charges.

2.4 When will you be billed?

If the work is going to extend over a longer period of time Vodanovich Law Limited will bill you on a monthly basis. This will help you by spreading the payments over time. It will also enable you to keep track of how much the work is costing. Where files are billed monthly your account will usually be calculated purely on the basis of the time spent. When a final bill is rendered an adjustment may be made to allow for those factors mentioned above.

2.5 Credit Policy:

You may be allocated a credit limit. Which will be:

- a) Confidential between you and Vodanovich Law Limited;
- b) The total amount that Vodanovich Law Limited will allow to be owed or due to it by you at any time; and
- c) Able to be increased or decreased or withdrawn by Vodanovich Law Limited at any time.

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

2.6 When do you have to pay?

- a) Vodanovich Law Limited’s accounts are all due within seven days of Vodanovich Law Limited rendering an invoice. If Vodanovich Law Limited is holding

money for you (for example from the sale of your house) Vodanovich Law Limited will deduct the account from that money and give you a full statement.

- b) In certain circumstances Vodanovich Law Limited may agree to fees being paid by way of automatic payment authority. Vodanovich Law Limited is not obliged to agree to such a proposal and the provisions of clause 2.11 may apply to such an agreement.

- c) Vodanovich Law Limited reserves the right to cease work until accounts are paid up to date.

2.7 Security:

Vodanovich Law Limited may ask you to pre-pay amounts to Vodanovich Law Limited, or to provide security for Vodanovich Law Limited’s fees and expenses. You authorise Vodanovich Law Limited:

- a) To debit against amounts pre-paid by you; and
- b) To deduct from any funds held on your behalf in Vodanovich Law Limited’s trust account any fees, expenses or disbursements for which Vodanovich Law Limited has provided an invoice.

2.8 Third Parties:

- a) Although you may expect to be reimbursed by a third party for Vodanovich Law Limited’s fees and expenses, and although Vodanovich Law Limited’s invoices may at your request or with your approval be directed to a third party, nevertheless you remain responsible for payment to Vodanovich Law Limited if the third party fails to pay Vodanovich Law Limited.

- b) If we are acting for you in your capacity as a landlord in terms of a lease under which the tenant is required to pay your costs and legal expenses, then if the tenant has not paid your costs, we reserve the right, three months after we have submitted the bill to the tenant, to look to you for payment of those costs. You will be aware in terms of your lease you have a right to take action against the tenant for recovery of those fees. We, on the other hand, have no such right as we have no contract with the tenant, our contract being with you as our client.

2.9 Instructing Counsel:

If Counsel is to be instructed Vodanovich Law Limited reserves the right to require payment of Counsel’s estimated fees into Vodanovich Law Limited’s trust account beforehand. By

instructing Counsel Vodanovich Law Limited undertakes an obligation to pay Counsel's fees and accordingly requires to be protected for these. Vodanovich Law Limited may require you to enter a payment arrangement directly with Counsel.

2.10 Credit checks:

You authorise any person or company to provide Vodanovich Law Limited with such information as Vodanovich Law Limited may require in response to Vodanovich Law Limited credit enquiries.

2.11 What if you can't pay on time?

- a) If you anticipate difficulty in the payment of any account you must contact Vodanovich Law Limited at the first available opportunity and discuss arrangements for payment. The provisions of clause 2.5 may apply. Interest is payable at the rate of 18% per annum (calculated on a monthly basis) on any account more than 30 days overdue. If Vodanovich Law Limited incurs costs in obtaining payment you will be liable for those costs.
- b) All recovery costs incurred by Vodanovich Law Limited arising out of your failure to pay by due date including full legal costs and all disbursements shall be payable by you on demand.

2.12 Companies and Trusts

If you are instructing Vodanovich Law Limited in your capacity as a director or shareholder of a company or as a settlor or trustee of a trust or executor or administrator of an estate, then your instructions are accepted on the basis that you remain at all times personally liable (along with the company, trust or estate) to pay Vodanovich Law Limited's fees and disbursements.

2.13 Lien:

When work has been done by Vodanovich Law Limited but Vodanovich Law Limited has not been paid by you then as a general rule Vodanovich Law Limited has the right to retain certain original documents and correspondence on your file 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 you decide for whatever reason to instruct another firm. That firm may be obliged to give an undertaking to pay all outstanding fees and disbursements before your file is released to it.

2.14 Agreement to mortgage:

In consideration of the provision by Vodanovich Law Limited of professional legal services and extending credit to you pursuant to the terms of this agreement, you agree to mortgage all your estate and interest in all real estate owned by you from time to time. Pursuant to this agreement to mortgage you hereby irrevocably grant to Vodanovich Law Limited a power of attorney to execute on behalf of you a registrable mortgage in the form customarily employed by solicitors practising in the Auckland District to secure unpaid fees and disbursements.

3 Confidentiality

- 3.1 Vodanovich Law Limited will hold in confidence all information concerning you or your affairs that Vodanovich Law Limited acquires 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 Vodanovich Law Limited 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 for you.

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

4 Termination

- 4.1 You may terminate Vodanovich Law Limited's retainer at any time.
- 4.2 Vodanovich Law Limited may terminate its retainer in any of the circumstances set out in the law Society's Rules of Conduct and Client Care for Lawyers.
- 4.3 If Vodanovich Law Limited's retainer is terminated you must pay Vodanovich Law Limited 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 Vodanovich Law Limited (without further reference to you) to destroy all files and documents seven years after our engagement ends, or earlier if Vodanovich Law Limited has converted those file and documents to an electronic format.
- 5.2 Vodanovich Law Limited will hold certain deeds and documents in safe custody for you. Vodanovich Law Limited periodically audits the deeds and documents held and in the event that Vodanovich Law Limited believes that certain deeds and documents have expired then you will be notified at your last known address to uplift the deed or document. If Vodanovich Law Limited does not receive any response from you, you authorise us to destroy the deed or document.

6 Conflicts of Interest

6.1 Vodanovich Law Limited have procedures in place to identify and respond to conflicts of interest. If a conflict of interest arises Vodanovich Law Limited 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 Vodanovich Law Limited's duty of care is to you and not to any other person. Before any other person may rely on Vodanovich Law Limited's advice, Vodanovich Law Limited must expressly agree to this.

8 Trust Account

8.1 Vodanovich Law Limited maintains a trust account for all funds which it receives from clients (except monies received for payment of our invoices). If Vodanovich Law Limited is holding significant funds on your behalf Vodanovich Law Limited will normally lodge those funds on interest bearing deposit with a bank. In that case Vodanovich Law Limited may charge an administration fee of 5% of the interest derived.

9 General

- 9.1 These Terms apply to any current engagement and also to any future engagement, whether or not Vodanovich Law Limited send you another copy of them.
- 9.2 Vodanovich Law Limited is entitled to change these Terms from time to time, in which case Vodanovich Law Limited will send you amended Terms.

9.3 Vodanovich Law Limited's relationship with you is governed by New Zealand law and New Zealand courts have non-exclusive jurisdiction.

10 Legal Aid

- 10.1 You may be eligible for legal aid. If you wish to apply for legal aid, it is your responsibility to ensure you provide all the information to the Ministry of Justice that is required.
- 10.2 In the event that legal aid is granted, you acknowledge that you have been advised by Vodanovich Law Limited a charge to repay the cost of legal services may be taken over any property you may own now or in the future or you may be required to repay from your income.
- 10.3 You acknowledge that in the event of legal aid not being granted or withdrawn, you shall be fully liable for payment of fees incurred.

11 Financial Advisers Act 2008 – What We Cannot Do For You

- 11.1 We are not financial advisers regulated by the Financial Advisers Act 2008.
- 11.2 We are not permitted to give you financial advice but may need to refer to or comment on your financial arrangements when this is incidental to the legal advice we are giving you.
- 11.3 If you need financial advice you must engage an authorised or registered financial adviser. We can assist you to identify the level of advice you need.

12 Anti-Money Laundering and Countering Financing of Terrorism Act 2009 ("AML/CFT Act")

- 12.1 Under the AML/CFT Act we are required to:
 - (a) Conduct ongoing due diligence investigations to verify your identity, the identity of any person acting on your behalf, or the identity of any shareholder, trustee or beneficiary (if you are a company or a trust).
 - (b) Report suspicious activities with the Financial Intelligence Unit.
- 12.2 Identity verification will include the collection of information and documents from you and reliable independent sources. The information required for identity verification includes full name, date of birth, address or registered office, company identifier, nature/purpose of business, and source of funds/wealth.
- 12.3 Under the AML/CFT Act we are not required to disclose any information to any other party that is a privileged communication. Communication is deemed not privileged if there is a prima facie case that it is made/received/compiled or prepared for a dishonest purpose or to enable or aid the commission of an offence, or if the information relates to financial transactions recorded in our trust account.

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. When payment of fees is to be made is set out in our Standard Terms of Engagement. 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 that 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 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. 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.
4. **Complaints:** We maintain a procedure for handling any complaints by clients, designed to ensure that a complaint is dealt with promptly and fairly. If you have a complaint about our services or charges, you may refer your complaint to the person in our firm who has overall responsibility for your work. If you do not wish to refer your complaint to that person, or you are not satisfied with that person's response to your complaint, you may refer your complaint to **Ivan Vodanovich, Director** or **Nicole Rennie, Practice Manager**. They may be contacted as follows:
 - by letter;
 - by email – ivan@vlaw.co.nz or nicole@vlaw.co.nz; or
 - by telephone – (09) 412 8000.The Law Society operates the Lawyers Complaints Service and you are able to make a complaint to that service. To do so, phone **0800 261 801** and you will be connected to the nearest Complaints Service Office, which can provide information and advice about making a complaint.
5. **Persons Responsible for the Work:** The names and status of the person or persons who will have the general carriage of or overall responsibility for the services we provide for 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.lawsociety.org.nz or call **0800 261 801**.