

TERMS OF ENGAGEMENT

KT Law Limited is a highly qualified, culturally diverse team of legal professionals. We specialise in providing practical legal advice and support for every aspect of your life's journey, from buying your first home, making a business move to planning a secure retirement.

We are guided by the values that form the cornerstone of our approach to work, and how we treat our clients and one another.

We offer a wider perspective on the needs and challenges of Canterbury's increasingly diverse community and offer sound advice across all of life's legal experiences. Whether you are 18 or 80, we provide legal service in plain English – or in one of the other languages we speak.

"We Speak Your Language"

2/575 Wairakei Road, Christchurch 8053
PO Box 13964, Christchurch 8140, New Zealand

Telephone: +64 3 377 4421 or +64 3 365 1595

Email: email@ktlaw.co.nz or office@fmlegal.co.nz

www.ktlaw.co.nz

www.fmlegal.co.nz

Our terms of business and what you can expect from us are set out below. Any work you instruct us to carry out will be on these terms. Your continued instructions indicate your acceptance of these terms.

1. EFFECTIVE DATE

These terms of engagement are effective from 15 June 2024 and supersede any previous editions. Together with our letter of engagement these terms will apply to the services we undertake on your behalf.

2. SERVICES

The services we will provide are outlined in our letter of engagement. We will not provide you with advice in respect of tax issues or quality or value of any investment you wish to make. You must consult an accountant or authorised financial advisor should you require taxation, financial or investment advice.

3. FINANCIAL

3.1. FEES

- (i) The fees we will charge, or the calculation of our fees, is set out in our letter of engagement, these Terms of Engagement and the Information About Working with Us.
- (ii) If the letter of engagement specifies a fixed fee, we will charge this for the agreed scope of our services. Fees for work that falls outside that scope will be calculated based on the range of factors applied by the New Zealand Law Society including time, expertise, importance, urgency, and results achieved. If it becomes necessary to provide services outside the agreed scope, we will advise you as soon as reasonably practicable, and provide an estimate of the further costs (if required).
- (iii) If the letter of engagement specifies an estimate, we will do our best to charge no more than the amount estimated for the agreed scope of our services. When it becomes apparent that the costs are likely to exceed the estimate by more than 10%, we will advise you as soon as reasonably practicable, and provide an estimate of the further costs (if requested).
- (iv) If the letter of engagement specifies the hourly rates for the people who will be undertaking work on your behalf, we will calculate our fees for the agreed scope of our services based on the range of factors applied by the New Zealand Law Society including time, expertise, importance, urgency, and results achieved. If you require our estimate of the likely cost of undertaking the agreed scope of our services, please contact the principal responsible for your matter. Hourly rates are subject to change without advice, during an engagement.

3.2. OFFICE SERVICE FEE

We may charge a separate office service fee to cover the costs incurred in operating our office, including but not limited to printing, photocopying, online.

storage, computer licences and communication charges.

3.3. DISBURSEMENTS

While providing services to you, we may have to pay third party costs on your behalf, including but not limited to; Court fees, Council rates, barristers' fees, courier costs, travel costs, search and registration fees, LIM charges, forms and precedents that incur a charge. We call these costs "disbursements." We charge disbursements to you when the cost is incurred. Sometimes disbursements will be the most significant portion of our invoice, depending on your transaction. Our invoice will show the disbursements. We will notify you if any fees or disbursements need to be paid for by you in advance.

Any charges incurred in the retrieval of files or documents from storage will be payable by you.

3.4. GST

Unless an exemption in the GST Act applies, GST is payable by you on our fees and disbursements.

3.5. INVOICES

We will invoice you:

- (i) monthly by way of interim invoices for ongoing work (unless some other arrangement has been reached)
- (ii) at the completion of a transaction
- (iii) upon termination of our engagement
- (iv) if we incur (or will incur) a significant disbursement

3.6. PAYMENT

Unless otherwise specified invoices are payable by you on the day the invoice is received. We may, at our option at any time, charge interest on any amount that is overdue. Interest will be calculated at the rate of 1.5% per month.

3.7. SECURITY/PREPAYMENT

We may ask you to prepay amounts to us or to provide security for our fees and disbursements. You authorise us to:

- (i) debit against amounts pre-paid by you; and
- (ii) deduct any fees, disbursements and other costs incurred, for which we have provided an invoice.

3.8. THIRD PARTIES

We may at your request or with your approval invoice a third party. If that third party fails to pay you will be responsible for payment.

3.9. TRUST ACCOUNT

We maintain a Trust Account for all funds received from clients.

3.10. FUNDS ON DEPOSIT

If we hold funds on your behalf, those funds will not be placed on interest earning deposit if, in our view, it is uneconomic to do so. We determine that it is uneconomic to do so if the gross interest expected to be earned while the funds are on deposit will be less than \$50.00. We will not be able to place any funds on interest bearing deposit (except in the case of estates, charitable trusts, or escrow purposes) without you first completing a Foreign Tax Residence Form as a requirement under the Automatic Exchange of Information/Common Reporting Standards (AEOI/CRS) regime. We will supply you with such forms when required. When we hold funds on deposit on your behalf, we will be required to pass on that information to the Inland Revenue Department or our bank under the AEOI/CRS regime. Funds placed on interest bearing deposit will incur an administration fee of 5% of the gross interest earned.

3.11. SETTLEMENT MONEYS

For transactions where payment of money is due by you, we require cleared and non-reversible funds for the correct amount to be deposited no later than the morning of settlement. Proof of deposit must be supplied.

3.12. DORMANT BALANCES

If we hold a dormant balance for you, we will make reasonable efforts to locate you to arrange for the dormant balance to be paid to you. We may deduct our reasonable costs of trying to locate you from the dormant balance. If the dormant balance is small and it is not economic for us to try to locate you, we may take that dormant balance by deduction.

3.13. FEE RECOVERY

If we are required to take any action to receive payment of our fees, disbursements, or expenses, we are authorised to use, only to the extent necessary to receive such payment, your private information (as that term is used in the Privacy Act 2020). You will also be liable to pay all costs including debt collectors and legal fees incurred in taking action.

4. ANTI-MONEY LAUNDERING POLICY

We are required to be compliant with all obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 ("the AML/CFT Law"). This means that any work we do for you will be subject to the AML/CFT Law and we may be requesting further information from you as part of our due diligence obligations. Part of our obligations under the AML/CFT Law will also involve reporting certain types of transactions to the Department of Internal Affairs and the New

Zealand Police. For further information please speak to us directly and/or visit the section on our website in relation to the AML/CFT Law. Any costs we incur conducting Customer Due Diligence on you will be payable by you. These costs may be our time, a set fee, and any third-party costs we incur.

5. RETENTION OF FILES AND DOCUMENTS

We store all file information for at least seven years. You authorise us (without further reference to you) to destroy all file information including electronic files/information (other than documents we hold in safe custody), at the end of the storage period.

6. CONFLICTS OF INTEREST

We have procedures in place to identify and respond to conflicts of interest. If a conflict of interest arises, we will advise you and thereafter follow the requirements and procedures set out in the New Zealand Law Society's Rules of Conduct and Client Care for Lawyers.

7. DUTY OF CARE

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. CONFIDENTIALITY

We will hold in confidence all information concerning you or your affairs acquired while acting for you. We will not disclose any of this information to any other person except:

- 8.1. To the extent necessary or desirable to enable us to carry out your instructions; or
- 8.2. To the extent required by law or by the New Zealand Law Society's Rules of Conduct and Client Care for Lawyers.

Confidential information will, as far as practicable only be made available to those persons within our firm who are providing services to you.

We will not disclose confidential information that we have in relation to any other client to you.

9. TERMINATION

- 9.1. You may terminate our engagement at any time. We may terminate our engagement for good cause after giving notice to you specifying the grounds for termination. Good cause includes:
 - (i) Instructions that require us to breach any professional obligation.
 - (ii) Inability or failure to pay our fees and disbursements.

- (iii) Misleading or deceiving us in a material respect.
 - (iv) Failing to provide instructions in a sufficiently timely way.
 - (v) Adopting, against our advice, a course of action that we believe is imprudent and may be inconsistent with our fundamental obligations.
 - (vi) Conduct towards any member of our staff that amounts to bullying, discrimination, harassment, threatening behaviour, or violence.
- 9.2. If our engagement is terminated, you must pay all fees, disbursements, and expenses due to the date of termination.

10. COMMUNICATIONS AND PRIVACY

In our dealings with you we will collect and hold personal information about you, including your contact details. We will use that information to carry out our services. You will advise us if any of your contact details change. You agree that we may provide you with information that may be relevant to you, from time to time, such as newsletters and bulletins. At any time, you may request that this not be sent to you. We will provide to you, on request, copies of all documents to which you are entitled under the Privacy Act 2020, or any other law. We may charge you our reasonable costs for doing this.

11. ELECTRONIC COMMUNICATIONS

If you ask us to transmit any document or communication to you or any other party electronically, you indemnify us in respect of any claim you may have as a result of any unauthorised copying, recording, reading or interface with that document after transmission, for any delay or non-delivery of any document and for any damage caused to your system or any files by the transmission (including by a computer virus).

12. KT LAW LIMITED

KT Law Limited trades as a company. A person referred to as a principal indicates the person is a leader in the business. Details of the directors of KT Law Limited can be found on the Companies Office website. Fleur McDonald Legal is a division of KTLaw Limited.

13. GENERAL

These terms apply to any transaction whether or not we send you another copy of them. We are entitled to change these terms from time to time, in which case we will display our amended terms on our website. New Zealand law governs our relationship with you and New Zealand courts have non-exclusive jurisdiction.