# Terms of Engagement

## 1. Terms

These are the standard terms (***Terms***) on which Base Law provides legal and related services to clients. These Terms apply to any current engagement and any future engagement, whether or not we send you another copy of them. If you have any questions about these Terms please contact the person from Base Law who is assisting you. Your continued instructions to us confirms your acceptance of these Terms.

We are entitled to change these Terms from time to time, in which case we will send you amended Terms. Our relationship with you is governed by New Zealand law and New Zealand courts have exclusive jurisdiction.

## 2. Services and Personnel

The services we are to provide you are outlined in our engagement letter or email (***Services***), together with the name(s) and status of the person(s) who will take prime responsibility for the Services and provide day-to-day assistance.

## 3. How you can help us

We will always do our best to be available to you, and to provide quality services promptly and in an economical manner. You can help us to do this by:

- Giving us clear instructions in writing wherever possible.
- Answering all our questions promptly.
- Telling us if you have any important time limits.
- Asking if you are not sure about anything, for example our fees.
- Keeping in regular communications with us – please ask us for a progress report if you are concerned about anything.
- Telling us if you have changed your email address or contact phone numbers.

## 4. Fees

The basis upon which we will charge our fee is set out in our engagement letter/email. Our fees will be fair and reasonable based on a combination of factors including time and result achieved, experience, skill, specialised knowledge, urgency, complexity, responsibility and risk involved.

We reserve our right to charge sundry expenses to cover our out-of-pocket costs which are not included in our fee and which are not recorded as disbursements. These include administration and sundry office costs such as our time opening files, completing AML (as detailed in clause 14 of these Terms), printing, photocopying and filing.

Fee estimates are available on request. An estimate is not a quote. Unless specified, an estimate excludes GST, disbursements and administration expenses.

We may send interim invoices to you, and on completion of the matter, or termination of our engagement.

## 5. Disbursements

In providing the Services we may incur disbursements, which are payments we make to third parties on your behalf. These will be included in our invoice to you and itemised as disbursements.

## 6. Payment in Advance

We may ask you to pre-pay amounts to us, or to provide security for our fees and disbursements prior to starting work. We may do this, on reasonable notice, at any time.

## 7. Authority to Deduct

When we are holding money on your behalf in our trust account, provided our invoice is in accordance with our engagement letter/email, we may draw on that money for our fees, office expenses and disbursements once we have provided you with an invoice.

You authorise us to deduct our fees, sundries and disbursements from any property settlement, judgement, bank loan or other money received by us on your behalf.

## 8. Payment

Except where funds are authorised to be taken by deduction (as per clause 7 above), invoices are payable within 7 days of the date of the invoice, unless alternative arrangements have been made with us. We do not accept cash, cheques, or payment by credit card.

You are responsible for payment of our invoices notwithstanding any agreement you may have with a third party for reimbursement. You remain responsible when our invoices have been sent to a third party at your request or approval.

## 9. Delay or Difficulty in Payment

If you are, or anticipate having difficulty in paying an invoice, please contact us promptly so that we can discuss payment arrangements.

Otherwise, if your account is overdue, we may:

- Require interest to be paid on any amount which is more than 14 days overdue, calculated at a rate of 3% above the overdraft rate that our firm's trading bank charges us for the period that the invoice is outstanding;
- Stop work on any matters in respect of which we are providing Services to you;
- Require an additional payment of fees in advance or other security before recommencing work;
- Forward your account to a collection agency; and
- Recover from you in full all the costs we incur in seeking to recover the amounts from you, including our own fees and the fees of any collection agency.

## 10. Trust Account

We operate a trust account. All money received from you or on your behalf (including in your capacity as director, trustee or executor) will be held to your credit in our trust account.

Unless it is not reasonable or practicable, if we are holding significant funds on your behalf, and the funds are to be held for an extended time, we will normally lodge those funds on an interest-bearing deposit.

Interest earned (less withholding tax and a 5% administration fee of the gross interest earned) will be credited to you.

Please verify our trust bank account number by phone before sending funds. We are not responsible for losses caused by payment to a fraudulent account.

## 11. Residential Land Withholding Tax

If applicable under the Income Tax Act 2007, we may be legally required to deduct Residential Land Withholding Tax (***RLWT***) from residential property sale proceeds and remit to the Inland Revenue Department.

You must provide full information as requested. We are not liable for amounts withheld in compliance with the law.

## 12. Confidentiality

We will hold in confidence all information concerning you or your affairs that we acquire during the course of acting for you. We will not disclose any of this information to any other person except:

- To the extent necessary or desirable to enable us to carry out your instructions; or
- As expressly or impliedly agreed by you; or
- As necessary to protect our interests in respect of any complaint or dispute; or
- To the extent required or permitted by law.

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.

**13. Personal Information**

In our dealings with you we will collect and hold personal information about you.

We will use that information to carry out the Services. Provision of personal information is voluntary but if you do not provide full information this may impact on our ability to provide the Services.

Subject to clause 12 of these Terms, you authorise us to disclose, in the normal course of performing our services, such personal information to third parties for the purpose of providing the Services and any other purposes set out in these Terms.

We may disclose your name and address to third parties such as credit agencies to perform a credit reference or to undertake credit management or collection processes if it is reasonable to do so.

As detailed further in clause 14 below, certain laws require us to collect from you and to retain information required to verify your identity. We may therefore ask you to show us documents verifying your identity (such as a passport or driver's licence). We may retain copies of these documents. We may perform such other customer verification checks as to your identity and checks as to the source of any funds associated with any transaction to which the Services relate as we consider to be required by law.

**14. Compliance**

We are obliged to comply with all laws applicable to us in all jurisdictions, including (but not limited to):

- Anti-money laundering (***AML***) and countering financing of terrorism laws; and
- Laws relating to tax and client reporting and withholdings.

We may be required to undertake customer due diligence on you, persons acting on your behalf and other relevant persons such as beneficial owners and controlling persons. We may not be able to begin acting, or to continue acting, for you, until that is completed.

To ensure our compliance and yours, we may be required to provide information about you, persons acting on your behalf or other relevant persons to third parties (such as government agencies). There may be circumstances where we are not able to tell you or such persons if we do provide information.

Please ensure that you and/or any of the persons described previously are aware of and consent to this. It is important to ensure that all information provided to us is accurate. If the information required is not provided, or considered by us to be potentially inaccurate, misleading, or in contravention of any law, we may terminate or refuse to enter into an engagement.

We use a third-party platform to assist with these requirements, and we will pass on costs incurred to you as a disbursement.

**15. Professional Indemnity Insurance**

We hold professional indemnity insurance that meets or exceeds the minimum standards specified by the New Zealand Law Society. We will provide you with particulars of the minimum standards upon request.

**16. Limitations on our Liability**

To the extent allowed by law, our aggregate liability to you (whether in contract, tort, equity or otherwise) in connection with our services is limited to the amount available to be payable under the Professional Indemnity Insurance held by the firm.

**17. Lawyers Fidelity Fund**

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. Except in certain circumstances specified in the Lawyers & 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.

**18. Duty of Care**

Our duty of care is to you and not to any other person. We owe no liability to any other person, including for example any directors, shareholders, employees or family members unless we expressly agree in writing. We do not accept any responsibility or liability whatsoever to any third parties who may be affected by our performance of the Services or who may rely on any advice we give, except as expressly agreed by us in writing.

Our advice is not to be referred to in connection with any prospectus, financial statement, or public document without our written consent.

Our advice is opinion only, based on the facts known to us and on our professional judgement, and is subject to any changes in the law after the date on which the advice is given. We are not liable for errors in, or omissions from, any information provided by third parties.

Our advice relates only to each particular matter in respect of which you engage us. Once that matter is at an end, we will not owe you any duty or liability in respect of any related or other matters unless you specifically engage us in respect of those related or other matters.

**19. Electronic Communications**

Unless otherwise agreed, we may communicate with you and with others by electronic means. We cannot guarantee that these communications will not be lost or affected for some reason beyond our reasonable control, and we will not be liable for any damage or loss caused thereby.

While we take reasonable steps to secure communications, we are not liable for:

- Interception, loss, or corruption of electronic messages;
- Delays or delivery failures; or
- Cyber fraud related to email bank detail changes.

**20. Artificial Intelligence Tools**

We may use secure generative artificial intelligence technology (***Generative AI***) tools to assist with tasks such as:

- Legal research;
- Drafting; and
- Document summarisation.

We acknowledge the limitations of Generative AI and will always:

- Apply human oversight;
- Exercise professional legal judgment; and
- Ensure compliance with client confidentiality obligations.

Generative AI will not replace lawyer review. Use is strictly as a tool for efficiency and not a substitute for legal advice.

**21. 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 of this and follow the requirements and procedures set out in the New Zealand Law Society's Rules of Conduct and Client Care for Lawyers (***Rules***).

**22. Termination**

You may terminate our engagement at any time.

We may terminate our retainer in any of the circumstances set out in the Rules including the existence of a conflict of interest, non-payment of fees, and failure to provide instructions.

If our engagement is terminated you must pay us all fees, disbursements and expenses incurred up to the date of termination.

**23. Retention of Files**

You agree that we may convert your file into an electronic format. 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) 7 years after our engagement ends, or earlier if we have converted those files and documents to an electronic format.

**24. Feedback and Complaints**

Client satisfaction is one of our primary objectives and feedback from clients is helpful to us. If you would like to comment on any aspects of the services provided by us, including how we can improve our service, please contact our General Manager, Anelize Usher.

If you have any concerns or complaints about our services, please raise them as soon as possible with the person in our firm who has overall responsibility for your work.

Alternatively, please raise them with our General Manager, Anelize Usher who will inquire into your complaint and endeavour in good faith to resolve the matter with you in a way that is fair to all concerned.

If you are not satisfied with the way we have dealt with your complaint the New Zealand Law Society has a complaints service to which you may refer the issue.

**25. Client Care and Service**

Whatever legal services we provide to you, we are required to:

- 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. 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.