

Terms of Engagement

1. APPLICATION

These terms apply to our relationship with you. However, if these terms are inconsistent with any other agreement we have made with you (whether generally or in respect of a specific instruction) then that other agreement prevails over these terms.

2. AUTHORITY

We have the usual authority of a lawyer to act on your behalf in relation to each instruction we accept. This includes your authority, where reasonable, to incur expenses; engage law firms in other regions or jurisdictions; and engage external barristers or experts.

3. CONFIDENTIAL INFORMATION

We will not disclose to any other person any confidential information which we obtain as your lawyers except to the extent allowed or required by law or the NZLS Rules. Possession of confidential information will not preclude us acting for any other person.

You are not entitled to any confidential information we have or obtain in relation to any other client or prospective client.

4. CONFLICTS

We will comply with the NZLS Rules in respect of conflicts of interest.

Our acting for you will not restrict us from acting for another client in relation to any separate matter, even if that other client's interests may be adverse to yours. We will not be required to obtain any further consent from you to act for that other client.

If you believe a conflict of interest has arisen or may arise, please inform us immediately.

5. ADVICE AND SERVICES

5.1 Any advice given by us is:

- (a) solely for your benefit. It may not be relied on by any other person unless we agree to that in writing;

- (b) not to be disclosed, referred to or used other than for the purpose for which it was sought;

- (c) not to be made public or published;

- (d) limited to the matters stated in it;

- (e) limited to and governed by New Zealand law; and

- (f) subject to changes in the law after the date it is given.

5.2 We are not responsible for advising you as to taxation issues unless you specifically request us to do so.

5.3 Our name and advice may not be used in connection with any offering document, financial statement, report, or other public document without our written consent.

5.4 When our instructions on a matter are completed, our representation of you will end. We are not obliged to notify you of any subsequent change of law, or to provide any further services related to that matter.

6. FINANCIAL

6.1 Professional fees

Our fees are charged on the basis of the NZLS Rules which require that fees be fair and reasonable for the services provided.

We may change our rates for fees and services from time to time. At regular periods (usually monthly) we will provide you with our invoice and, if applicable, a statement of funds which we have handled on your behalf.

We can provide fee estimates or quotes. Special fee arrangements can be made to meet the particular requirements of any transaction. These can include success fees, fixed fees and capped fees.

We recommend that you discuss with us the exact nature of the work and the manner in which it is to be undertaken. Sometimes an acceptance by you of transaction risks could reduce legal costs involved.

6.2 Office services and disbursements

Our fees for professional services incorporate the overhead cost of secretarial, word processing and other assistance provided to our lawyers. We may charge extra for word processing overtime.

Disbursements (such as courier costs, Ministry of Justice, Ministry of Business, Innovation and Employment and Land Information NZ search and registration fees) and other external costs (such as experts, overseas lawyers and barristers) are charged separately from our fees and itemised on our invoices. If we are required to expend significant amounts on disbursements or other external costs, we may request you pay these in advance.

Alternatively, we may render a disbursement invoice to you when the expense is incurred.

Our charges for office services (photocopying, faxing, phone calls and the like) are generally established by reference to a scale of charges based on the fee value of the invoice.

6.3 Travel arrangements

Travel and accommodation will usually be booked through our travel agency, who will bill us. You must reimburse to us the amount billed.

6.4 GST additional

Our fees and charges are plus GST (if any), which is payable by you.

6.5 Invoices

We normally issue invoices monthly. We also issue an invoice on completion of your matter.

6.6 Payment

Our invoices are to be paid by you within 14 days of invoice unless otherwise arranged with us.

6.7 Security

We may ask you to pre-pay amounts to us, or to provide security for expenses and our fees. We will have your authority to draw on the amounts paid towards our fees and expenses, as they become due.

6.8 Trust Account

Our firm maintains separate trust accounts for all funds which it receives from clients (except for funds which are for payment of our invoices).

If it is necessary for us to hold significant amounts on your behalf, we may lodge those funds on interest earning deposit with a registered bank.

We may charge an administration fee of 5% of the net interest earned. If we deposit funds on your behalf, we will need either your IRD number or a copy of your interest withholding tax exemption certificate.

We may deduct from funds held on your behalf in our trust account any fees, costs or disbursements for which we have provided an invoice.

6.9 Unpaid invoices

If payment of our invoice by you is overdue, we may:

- (a) not perform any further work for you until all unpaid invoices are paid in full;
- (b) retain custody of any of your property (including documents or files) until all unpaid invoices are paid in full;
- (c) charge interest on any amount overdue at a rate of no more than 5% p.a. above the prevailing Indicator Lending Rate of the firm's bankers.

6.10 Third parties

You must pay our invoices whether or not:

- (a) you have a right of indemnity or recovery from a third party;
- (b) any third party seeks assessment of any of our invoices; or
- (c) you receive any amount from a third party.

7. TERMINATION

You may terminate this agreement at any time. We may terminate this agreement in the circumstances permitted by the NZLS Rules.

You must pay us for what we provide, and all expenses we have incurred, up to the date of termination.

8. RETENTION OF YOUR DOCUMENTS

You may leave documents in our possession after conclusion of your matter. However, we usually destroy our files 7 years after a matter is completed. If you do not retrieve your documents within that period, we have your authority to destroy them.

If this agreement is terminated, we may retain copies of documents or records which we deliver to you or to another lawyer. If we do this, we will pay the cost of producing copies.

9. INTELLECTUAL PROPERTY

We retain all ownership rights in all intellectual property of any kind created by us for you. You may not reproduce our intellectual property or provide it to a third party without our express consent.

10. ELECTRONIC COMMUNICATIONS

We may communicate with you and others at times by electronic means. These communications can be subject to interference or interception or contain viruses or other defects ("corruption"). We do not accept responsibility for, and will not be liable for any damage or loss caused in connection with, or as a consequence of, the corruption of an electronic communication.

11. ANTI-MONEY LAUNDERING AND COUNTERING FINANCING OF TERRORISM

We are a reporting entity under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

Under our compliance programme we may conduct customer due diligence on you, your beneficial owners (including persons with effective control of you), and any persons acting on your behalf. We will let you know what information and documentation we need you to provide. We may not be able to begin acting for you until we complete this process. Further, we must ensure this

information and documentation remains current throughout the life of your retainer with us so we may ask you to update the information you have provided.

In certain circumstances we may be required to provide information about you, your beneficial owners and/or persons acting on your behalf, to government agencies. We will not be permitted to tell you or such persons that we have done that.

12. SANCTIONS

We understand that neither you, nor any of your shareholders, directors, officers or subsidiaries, are, nor have ever been the target, or threatened target, of any economic or financial sanctions. You must inform us immediately if this is not the case.

13. LIMITATION OF LIABILITY

To the extent permitted by law, our total aggregate liability to you (or any other persons) in connection with any matter (or series of related matters) on which you engage us, is limited to the greater of:

- the amount available to be paid out for that liability under any relevant insurance held by us, up to a maximum of NZ\$20,000,000 (including interest or costs); or
- NZ\$2,000,000 or (if greater) the amount of five times our applicable fee (excluding our service charge, disbursements and GST).

This limitation applies to liability of all kinds, whether in contract, tort (including negligence), equity or otherwise.

14. GOVERNING LAW – CHANGES

14.1 New Zealand law governs our relationship and New Zealand Courts have non-exclusive jurisdiction.

14.2 We may change these terms at any time, and will publish the changed terms on our website. The change will bind you in respect of any matters on which we accept instructions after publication of the change.

15. INDEPENDENT ADVICE

These terms modify some of the duties owed by lawyers to their clients. We recommend that you seek independent legal advice before accepting them.