

Terms of Engagement

Welcome to Ross Holmes Virtual Lawyers Limited, also known as Ross Holmes Lawyers ("RHL").

This document helps you understand how we'll go about delivering the services you've asked us to take care of. The 'Terms of Engagement', or simply 'Terms', guide all the services we offer you, unless we agree on something different in writing. It's our way to ensure transparency and efficiency as we work together on your legal needs.

Representation by RHL

In these Terms, references to "we", "our" or "us" are to Ross Holmes Virtual Lawyers Limited (also known as Ross Holmes Lawyers or "RHL"). Your legal relationship will be exclusively with RHL. As such, RHL alone bears the legal responsibility for any work carried out for you and for any actions or omissions that occur during the execution of that work.

Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT)

Starting July 1, 2018, all law firms, including conveyancers, are reporting entities as per the AML/CFT Act 2009.

To comply with AML/CFT guidelines, we are obliged to:

1. Conduct thorough customer due diligence (CDD) to validate clients' identities, and when required, ascertain the sources of their wealth or funding for a transaction. This also includes continuous monitoring of client accounts.
2. Report any suspicious activities to the Police's Financial Intelligence Unit (FIU) by submitting a Suspicious Activity Report (SAR).
3. Present an annual report to the Department of Internal Affairs (DIA), the AML/CFT supervising authority for legal practitioners.
4. Organise a bi-annual independent audit of RHL's AML/CFT compliance program.
5. Maintain a comprehensive record-keeping system.

Overview of services

Agreed Services:

We will provide the services outlined in the attached fees chart (where there is one) or in our communications, which we have agreed upon.

Financial Services

RHL is not registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008. If during our engagement you require investment advice, we may need to refer you to an authorised professional. However, we may offer limited investment advice services related directly to the legal work we perform for you.

Copyright

We hold the copyright for all documents or works we create while carrying out legal services for you. We grant you a non-exclusive license to use and copy these documents for your personal use. However, you are not permitted to alter or adapt our documents (excluding template trust minutes, template company minutes, and trust memoranda of wishes) or allow a third party to copy, adapt, or use them without our written consent.

Finance Matters:

Fees:

Below, we detail how our fees are calculated.

For a fixed fee quote, this amount covers services as outlined in our fee charts for property law, trust-based estate and asset protection plans and will-based estate plans. Any service not included in these charts, like anti-money laundering measures or other unforeseen tasks, is billed hourly. If requested, we'll provide an estimated cost for these extra services, but please note this may change as some tasks are unpredictable.

Our hourly fees vary depending on the experience and specialisation of our staff, and are charged in 6-minute increments. These rates may change over time, and if they do, we'll update our Terms of Engagement.

Our regular hourly rates (plus GST) are as follows:

	Discounted fees (if paid within 7 days of invoice)	Normal fees
Ross Holmes:	\$600.00	\$750.00
Neena Bartlett:	\$450.00	\$562.50
Kirsty Hourigan:	\$350.00	\$437.50
Janet Holmes:	\$350.00	\$437.50
Legal Secretaries:	\$200.00	\$240.00

Estates and Trusts

We charge a fixed Executor Acceptance fee of \$2,750 plus GST for accepting appointment as an executor to administer an estate. This fee includes Will retrieval and review, initial meetings with family and establishment of an Estate Management Plan. During this process we will work with relevant family members to establish the manner in which the estate will be administered and what to expect through the administration process. Thereafter our charges are at our hourly rates.

Trusts

We charge a fixed annual Trustee fee of \$1,000 plus GST for acting as a Trustee of a Trust or as a director of a Trustee of a Trust. In addition our charges for attendances are at our hourly rates.

Rates are reviewed periodically.

We reserve the right to adjust our charges to ensure they reflect the complexity,

risk, and importance of the work undertaken, as well as any time constraints or unique issues involved.

Disbursements and Expenses:

We add an office service recovery charge to invoices to cover routine expenses like copying, phone calls, etc. This charge equals 5% of our fee (GST included, disbursements excluded).

Identity verification is required for all clients and costs \$40.00 plus GST per person. A minimum fee of \$100.00 plus GST applies for Anti-Money Laundering (AML) tasks.

We may need to cover costs or pay third parties during our services. These expenses will be added to your invoice. For any upcoming expenses, we require prepayment. Without prepayment, a 10% plus GST surcharge is added.

Our disbursement costs for Land Titles Office searches include our service charges.

Travel:

Should a team member need to travel for your case, we'll charge travel and parking expenses, which will be itemised on your invoice.

GST:

You'll also need to pay GST on our fees and charges. Our GST registration number is 102-946-103.

Invoices:

If we quote a fee, payment details will be outlined in the quote. If no fee is quoted or extra services are required, we'll send interim invoices, typically monthly, and upon completion or termination of our engagement. Major expenses will be invoiced as they occur.

Payments:

It's our practice to ask for prepayments for charges and expenses. You give us permission to:

1. Deduct from any prepayments you've made.
2. Use any funds in our trust account on your behalf to cover any invoiced fees, expenses, or disbursements.

Due date for invoices:

Invoices must be paid within 7 days of issue, unless we've agreed to something else in writing.

Credit card surcharge:

If you pay by credit card we charge a credit card surcharge which is currently 3%.

Interest:

Any overdue payments will incur interest at a rate of 1.5% per month compounded monthly.

Debt collection agency costs:

If we need to involve a debt collection agency, any costs and legal fees associated with this process, plus interest, will be added to your account.

Cash:

We do not accept cash payments. If you deposit cash directly into our bank, we will charge you any bank fees and additional checks we have to carry out to confirm the source of the funds. We also have a duty to report such transactions to the New Zealand Police Financial Transactions Unit.

We make payments to New Zealand bank accounts:

Any payments we need to make to you will be transferred to a New Zealand bank account. These will not be made in cash or to a third party. Please be aware that there is a minimum fee of \$700.00 plus bank fees for transfers to an overseas bank account due to reporting requirements to the New Zealand Police Financial Intelligence Unit.

Resident Land Withholding Tax:

If you're selling residential property and are considered an offshore person as per the Income Tax Act 2007, we may be required to calculate and deduct Resident Land Withholding Tax (RLWT) from the sale proceeds and remit this to the Inland Revenue Department.

Third Parties:

If a third party is expected to reimburse you for our fees and expenses, and our invoices are sent to them upon your request or approval, you remain liable for payment if the third party doesn't pay.

Looking After Your Money:

We take care of your funds by putting them in our trust account. If you have a significant amount of money with us, we can put it in an interest-bearing deposit with ANZ Bank. Before we do this, we'll need you to sign a few forms from ANZ. There'll be an admin fee for this, which is either 5% of the earned interest or \$100 per financial year, whichever is greater.

Your Legal Team:

We've given you the names of our team members who'll be handling your case. If for any reason your principal contact isn't available, don't worry, another of our capable team will step in. They'll be supported by a legal executive/secretary who'll handle the routine matters. They might contact you from time to time about these.

Client Care and Service:

Our commitment to you is that we'll:

1. Work competently and promptly, following your instructions.
2. Protect your interests and act without any conflicting loyalties.
3. Discuss your objectives and how best to achieve them.
4. Keep you informed about the work being done and who's doing it.
5. Charge a fair and reasonable fee, with billing details shared upfront.
6. Provide clear information and advice.
7. Protect your privacy and maintain confidentiality. Treat you with fairness and respect.
8. Inform you when work is completed.
9. Listen to your complaints and address them promptly and fairly.

Please note, though, that we can't be held responsible for errors if you've given us

incorrect information.

Our Legal Obligations and Conflict of Interest:

Our legal responsibilities are detailed in the Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Rules 2008, which you can read on <http://www.legislation.govt.nz/regulation/public/2008/0214/latest/DLM1437806.html>. 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.

Navigating Potential Conflicts of Interest

Our compact New Zealand market occasionally creates situations where we're approached by clients whose commercial or legal interests might clash. However, we're well-prepared to manage these instances responsibly.

Commercial Conflicts: If potential or current clients from similar or competing industries approach us, we may consider working with them, but only if the task doesn't involve using any confidential information you've shared with us.

Legal Conflicts: If any situation arises where your interests and another client's interests conflict in a matter you've assigned us, we'll notify you at the earliest.

Nonexclusive Engagement: When you choose to engage us non-exclusively, we'll establish a solid "information barrier" around your service team to ensure confidentiality. Similarly, we won't share any information with you that we've obtained while representing other clients.

Client Disputes: In case any disagreements or contentious issues crop up between you and another party while we're representing you, we'll inform you immediately. Our response will align with the Law Society's Rules of Conduct and Client Care for Lawyers.

Representation: Should we stop acting on your behalf or if you haven't commissioned us for a specific task, we may represent other clients, even if their interests conflict with yours. However, this would only be possible if:

1. We don't hold any confidential information from you relevant to the matter.
2. We have implemented steps to preserve the confidentiality of your relevant information. Similar to the nonexclusive engagement, this would entail setting up an "information barrier".

Your Privacy and Safety:

We take both very seriously. We have measures in place to protect your information and we comply with the Privacy Act 2020. Additionally, we're proactive in following COVID-19 precautions. Our entire team is vaccinated.

Confidentiality:

We hold all your information in strict confidence. It will be shared only if it's needed to carry out your instructions or required by law.

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.

After-Service Care:

Even after our service is completed, we'd love to stay in touch. We'll send you information that we think you'd find interesting, including our newsletters. If you'd rather not receive these, you can easily unsubscribe.

Please note, any free information we provide you after our service has been completed (like newsletters or website content) is general and doesn't carry any legal liability. We recommend you get further advice for your specific circumstances.

Professional Indemnity Insurance

We are insured under a professional indemnity insurance policy, providing coverage up to NZ\$3,000,000 per claim with a total annual limit of NZ\$6,000,000.

Limitations on the extent of our Obligations or Liability

Limitation of Liability

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

- a. An amount available to be paid out for that liability under any relevant insurance we hold, up to a maximum of NZ\$3,000,000 (including interest or costs); or
- b. An amount equal to three times the fees paid to us (excluding service charges, disbursements, and GST).
- c. This limit applies to liability of any kind, whether in contract, tort (including any degree of negligence), equity, under statute, or otherwise.

In the event that any service we provide to you fails to comply with guarantees set out in sections 28 to 30 of the Consumer Guarantees Act 1993, and the failure can be remedied, you agree to give us a reasonable time to remedy the failure.

Liability of RHL's Directors, Partners, Consultants, and Employees

Any individual acting on our behalf does so in their capacity as a director, partner, consultant, or employee of ours, not personally. Except as provided in the Lawyers and Conveyancers Act 2006, no director, partner, consultant, or employee of RHL will bear any personal legal liability for their work.

Foreign Law

RHL does not provide advice on matters governed by foreign law.

Taxation Advice

RHL does not provide advice on taxation, GST, or the completion of any Residential Land withholding tax declaration form (IR1101). You are solely responsible for such matters and should seek professional advice from a taxation expert.

External Information and Public Records

We may provide or rely on information obtained from third parties, which may not always be accurate or complete. We are not responsible for any errors or omissions in such information.

Electronic Communications

We communicate electronically at times, which can be subject to interference, interception, or corruption. We are not responsible for any damage or loss arising from the corruption of an electronic communication.

Client Obligations

As our client, you must:

1. Provide us with clear, timely, and accurate instructions and information. We are not responsible for errors resulting from incorrect information supplied by you.
2. Submit all required documentation promptly.
3. Seek clarification from us if you are unsure or concerned about anything, including these Terms.
4. Inform us if you need printed copies of this or future documents.
5. Pay our fees by the due date(s). If fees are not paid on time, we reserve the right to terminate our services.

Proof of Identity

You must provide us with proof of your identity as soon as possible. As per legal requirements, we need to verify our clients' identities to prevent potential involvement in money laundering schemes.

Destruction of files and documents

You authorize us to destroy all files and documents related to your matter once they have been digitized. This does not include any documents we've agreed to hold in safe custody for you.

We will retain electronic copies of all files and documents for 7 years.

If you require us to provide you or others with copies of any documents after completion of our services, charges will apply as follows:

1. Printed copies: our current hourly rates plus a photocopying fee of \$0.35 per page and postage/courier fees.
2. Electronic copies: our current hourly rates plus postage/courier fees and the cost of any CD or memory stick required.

Referrals

As per the Secret Commissions Act 1910, we disclose that we (or associated parties) may receive referral income if we refer you to mortgage brokers, banks, lenders, investment advisors, or insurance advisors. You consent to us receiving such income. We will not make any referrals without your consent.

Termination

You reserve the right to terminate our retainer at any time.

We can terminate our retainer under any circumstances outlined in the Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Rules 2008.

If our retainer is terminated, you are required to pay all fees and expenses incurred up to the date of termination.

For trust-based estate and asset protection plans and will-based estate plans with a fixed fee, once you accept our quotation, we will complete all necessary documents. The full fixed fee quoted is due upon acceptance, excluding disbursements not yet incurred.

Complaints

We have a procedure for addressing complaints from clients, designed to ensure prompt and fair resolution.

If you have a complaint about our services or charges, you may direct it to the individual responsible for your work.

If you do not want to address your complaint to that person or are unsatisfied with their response, you can direct your complaint to our Managing Director, Ross Holmes. He can be reached as follows:

- i. By letter: P.O. Box 33-009, Takapuna 0740, Auckland, New Zealand
- ii. By email: rossholmes@rossholmes.co.nz
- iii. By phone: +64 9 4150099.

The New Zealand Law Society also maintains a complaints service. To lodge a complaint, you can contact the NZLS Lawyers Complaints Service at:

Email: complaints@lawsociety.org.nz

Postal: P O Box 5041, Lambton Quay, Wellington 6145

Phone: 0800 261 801.

General

These Terms apply to the current engagement and any future engagements, regardless of whether we send you another copy.

Our relationship with you is governed by New Zealand law.

Courts nearest to our place of business in New Zealand have exclusive jurisdiction.

Your Acceptance

If you agree with these Terms, please sign below and return a copy to us or email us your confirmation. You will be bound by these Terms if, after receiving them, you verbally confirm your acceptance or instruct us to proceed with our services.

Ross Holmes Virtual Lawyers Limited

per:


Ross Holmes
Managing Director

The above terms of engagement are accepted and you are requested to act in this matter.

Client signature:

Date: