

Letter of Engagement

[#date]

XYZ Limited
[#Address]
AUCKLAND

Attention: [attention]

LETTER OF ENGAGEMENT – [#Your Legal Transaction/ Issue]

Thank you for the instructions given [#in your email/in our telephone conversation/at our meeting of] [#date]. We will be pleased to act for you.

Identity of Client

We understand that XYZ Limited (**you**) is our client in this matter. Please advise if this is incorrect.

Services to be Provided

The following is a summary of the legal services we expect to be providing you:

1. [#Description of instructions]; and
2. Any legal matters incidental to the above and any additional matters you instruct us to attend to.

Unless we specifically agree otherwise, we are not responsible for advising you on the following aspects of these matters, namely financial, commercial, taxation, your internal governance, relationship property issues, or the effect on agreements with third parties (including banking arrangements).

Responsibility for Services

[#Name], a Director in our firm will have the overall responsibility for the services we provide for you.

Fees

We will charge you a fee which is fair and reasonable for the services we provide.

Our fees are calculated on the time expended by us, charged out at our then hourly rates, and may be adjusted by us having regard to the factors to be taken into account in determining the reasonableness of a fee set out in the *Lawyers: Conduct and Client Care Rules*.

The current hourly rates of the professional staff we anticipate will or might be engaged on this matter are as follows (plus Goods & Services Tax if applicable):

[#Relevant professionals and their hourly rates]

As provided in our Terms of Engagement, these rates may be adjusted from time to time. As the matter develops it may be that other professionals become involved.

We charge for sundry office services, and for expenses and disbursements incurred on your behalf. Disbursements may include fees of agents conducting customer due diligence on our behalf as required by the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (*AML/CFT Act*).

We can supply more information about the hourly charging rates of anyone dealing with your matter, or about how a fee has been calculated, if you ask.

If you wish to dispute one of our invoices, the disputes process in clause 10 of our Terms of Engagement will apply.

Retainer [Note: Depending on the nature of your transaction a retainer may be required]

A retainer of \$ [#] is required prior to work commencing. We will place the retainer in our trust account to be held until the conclusion of our engagement on this matter. Until then all our monthly invoices are to be paid by you on due date. The retainer will then be applied against the final account with any balance being refunded to or payable by you (as applicable).

We can place the retainer on interest bearing deposit through our trust account, interest to your account (less withholding tax). However, please note that placing the retainer on interest bearing deposit will require compliance with the United States Foreign Account Tax Compliance Act. If you would like to place the retainer on interest bearing deposit please let us know.

Customer Due Diligence

Please note that lawyers must comply with the AML/CFT Act. The AML/CFT Act imposes obligations on us when we conduct certain activities, such as managing client funds (**Captured Activities**). This letter and our Terms of Engagement therefore do not extend to any Captured Activity that otherwise is or might be covered by them unless and until we have conducted and satisfied ourselves in our sole discretion with any customer due diligence that is required of us under the AML/CFT Act (noting that such customer due diligence may be completed by us and/or by an agent on our behalf).

Professional Indemnity Insurance - Liability

We hold professional indemnity insurance that meets or exceeds the minimum standards specified by the New Zealand Law Society.

To the extent allowed by law, our aggregate liability to you or any other person for any claim against us in relation to our engagement (whether in contract, tort, including negligence, or otherwise) will not exceed the amount which we actually receive as indemnification from our professional indemnity insurers for the claim (plus any excess payable by us in relation to the claim under our professional indemnity insurance cover). This is agreed to be a reasonable restriction on our liability.

Please note that additional limits and exclusions on our liability and obligations are set out in our Terms of Engagement.

Client Care and Service Information

We **attach** the following material concerning the principal aspects of our client service that we are required to provide you as your lawyers under the Lawyers and Conveyancers Act 2006:

1. Information for clients under the Lawyers: Conduct and Client Care Rules; and
2. Our standard Terms of Engagement.

Please read them carefully. These documents are also available on our website www.lowndeslaw.com.

Guarantor [Note: Where one is required]

The guarantor[s] named below (**Guarantor**) personally guarantees to us the due and punctual payment of all amounts payable by you to us, including for any incidental or additional matters referred to above. If there is more than one Guarantor, the liability is joint and several (i.e. all Guarantors are liable for the full amount).

Although between you and the Guarantor, the Guarantor may be a guarantor only, the Guarantor is liable directly to us as a principal jointly and severally with you. We do not need to proceed against you first before proceeding against the Guarantor.

No release, delay or other indulgence, or any variation of this agreement which would have released the Guarantor had the Guarantor been a surety only, will release or affect the liability of the Guarantor.

Independent Advice

This letter and our Terms of Engagement constitute a commercial contract between you, [#the Guarantor] and us and we are therefore unable to give you [#or the Guarantor] legal advice as to its effect. Any legal advice you require will need to be taken independently, [#and the Guarantor should consider taking separate advice].

Acceptance

The relationship between you, [#the Guarantor], and us is governed by this letter of engagement and our Terms of Engagement. If they are acceptable, please sign a copy of the

letter where indicated and return it to us. Alternatively you can advise of acceptance by email.

In any event, the terms set out in this letter and our Terms of Engagement will apply if, after receipt of this letter, you continue to instruct us to act for you on the current instruction or any further instruction.

This letter and the Terms of Engagement supersede all previous arrangements (whether written, oral or both), and unless we agree otherwise, apply to all future additional instructions you give us.

Again, thank you for your instructions. We look forward to working with you on this matter.

You (**the Client**) accept the terms of this Letter and the Terms of Engagement:

..... Date
XYZ Limited

The persons named below (**the Guarantor**), agree to be Guarantor on the terms of this Letter and the Terms of Engagement:

..... Date
[#Name of Guarantor]

..... Date
[#Name of Guarantor]