

Charging Policy

(Please read carefully)

The basis on which our fees are charged will be set out in our Letter of Engagement to you with our Terms of Business.

The guidelines for the manner in which lawyers charge clients is set out under the New Zealand Law Society's Rules of Conduct and Client Care made under the Lawyers and Conveyancers Act 2006. Those provide (in part):

Charges by a lawyer for professional work must be fair and reasonable for the services provided, having regard to the interests of both client and lawyer and also to the factors set out below:

- (a) The time and labour expended.*
- (b) The skill, specialised knowledge, and responsibility required.*
- (c) The importance of the matter to the client and the results achieved.*
- (d) The urgency and the circumstances in which the business is transacted.*
- (e) The value or amount of any property and money and degree of risk.*
- (f) The complexity of the matter and the difficulty or novelty of the questions involved.*
- (g) The experience, reputation and ability of the person doing the work.*
- (h) The possibility that the acceptance of the particular work will preclude engagement of the lawyer by other clients.*
- (i) Whether the fee is fixed or conditional (whether in litigation or otherwise).*
- (j) Any quote or estimate of fees given.*
- (k) Any fee agreement (including a conditional fee agreement) entered into between lawyer and client.*
- (l) The reasonable costs of running the lawyers' practice.*
- (m) The fee customarily charged in the market and locality for similar legal services.*

In some cases legal work can be accurately and fairly charged with reference to the amount of time spent by the lawyer or the lawyers' staff multiplied by that particular person's appropriate hourly charge out rate.

Lawyers are legally required to consider all those other factors listed above. An assessment of those factors may result in a charge greater or lesser than simply a figure achieved by multiplying the hourly rate by the amount of time spent on the matter.

At the end of the day, the overriding concern of both the lawyer and client is to ensure that the client is charged a fair and reasonable fee for the best service that is value for money for the advice provided.

Estimates:

The most accurate estimate of our fees can be provided when the client lets us know the outcome they are seeking.

For some kinds of legal work it is relatively straight forward to estimate the likely cost. For other kinds of work it can be more difficult to assess the costs at the outset, particularly where there are a lot of variables or where an unforeseeable problem arises. Nonetheless, we recognise that we have a responsibility to make every reasonable effort at the outset of an engagement to make our clients aware of the likely costs involved.

Any estimate is given on the basis of the information available to us at that date and is given in good faith based on our previous experience in such matters. This will be our best *estimate* as to what the fee is likely to be.

If however, the work does not proceed as you or we had expected due to unforeseen circumstances or if the work proves more complicated than originally anticipated, then we will advise you of a new estimate to complete the work.

The uncertain nature of legal work means that an estimate of our costs cannot be considered a "quote" unless we specifically state that we are providing a quote or "fixed fee".

Charge out rates:

Although time and hourly charge out rates are only two of the factors the New Zealand Law Society's Rules require us to take into account when fixing a fee, it may be helpful for you to know what our charge out rates cover.

These rates cover not only the time spent by the particular professional who is working with you, but also our support staff, office systems, and infrastructure.

The charge out rates vary for different staff. These hourly charge out rates reflect varying seniority, training and experience of the staff within our firm.

How to keep costs down:

There are many things you can do to help keep your costs down, these include:

- Contact us before signing or agreeing to anything (*it will usually save you time and money in the long run*)
- Make sure you give us all relevant information, papers and instructions.
- On litigation files provide a detailed time line (dates of when things happen) and copies of all documents.
- If you can avoid it, do not leave things to the last minute (*urgency will usually increase your costs*).
- Respond quickly to requests for further information or to do something to help us (*if we have to chase you up, it takes extra time, which you are paying for*).

- Indicate a willingness to do things we would otherwise have to undertake personally at your costs; e.g. instructing Valuers, liaising with Banks. Please check with us first, though, so we can co-ordinate our respective efforts to produce the best result.

We will also try to keep your costs down by delegating some aspects to appropriate staff with lower charge out rates. If you have any concerns in this regard please discuss it with us.

Disbursements costs

A set file administration charge will be made to cover the opening, subsequent administration, closure, and storage of your file. This fee also covers facsimile charges, postage and similar expenses. Some expenses may be charged separately (such as photocopying).

We will also pass on to you any disbursements incurred by us on your behalf including, but not limited to, any court filing fees and registration fees, search fees, Council LIM charges, travel and experts' fees, where applicable. We have a financial interest in some of the entities that provide services to us on your behalf.

Property transactions will also incur a disbursement charge in relation to our communication reporting software.

A commission charge will be made on all funds placed on interest-bearing deposit through our trust account.

Payment Terms:

A copy of our "Credit policy" will be made available to you. Generally, property and similar transactional matters will be billed at the time of settlement or on completion of the work and fees paid by deduction. For other matters, interim fees may be rendered on a regular basis and a final account forwarded promptly on completion of the instructions. This will help you by spreading your fee payments over time. It will also enable you to keep track of how much the work is costing.

For some litigation and employment matters, payment in advance is required. This is due to the ongoing nature of some court work.

At the outset of a transaction we may ask you for payment to cover disbursement items which we have to immediately pay out on your behalf, such as Court filing fees and LIM costs.

Clients, from time to time, may find themselves in a position where it will not be possible to comply with our normal payment terms. If you think that there may be a difficulty in paying on time please discuss this with us at the time when you instruct us or as soon as you are aware that you may have a difficulty.

Credit enquiries:

We reserve the right, as set out in our Terms of Business, to make reasonable and confidential credit enquiries from an appropriate information provider.

We believe that:

- **good communication, and**
 - **an understanding of each other's requirements**
- are the keys to a successful professional relationship.**

We welcome feedback or questions at any time.