

## **FINANCIAL POLICY**

### **FOR BARNASCHONE INC. t/a BARNASCHONE ATTORNEYS DATE OF ACCEPTANCE 1 OCTOBER 2020.**

#### **1. NEW CLIENTS**

- 1.1 All new clients will be expected to complete the new client form and provide Barnaschone Attorneys with the requisite FICA registration documentation before any file will be opened and before work will commence on a matter. In engaging us, you agree to furnish us with whatever documentation we may require to comply with the Financial Intelligence Centre Act 38 of 2001 (FICA) upon request therefor.
- 1.2 On receipt of the above information and after an initial consultation new clients will be required to place a deposit into Barnaschone Attorneys trust account. The deposit amount will be determined in relation to a fee estimate which will be provided to client in respect of the matter. This fee estimate will be adjusted over the course of the matter, whilst it is ongoing and the deposit amount will be required to be adjusted in accordance with updated fee estimates;
- 1.3 Fee estimates will only be a guideline and subject to review;
- 1.4 Clients must sign the mandate form and pay the deposit into Barnaschone Attorneys Trust account before work can commence on any matter.

#### **2. DEPOSITS**

- 2.1 The initial deposit will be utilized against invoices raised on the matter until such time as the work in the foreseeable future will exceed this deposit amount. A deposit will be required to be intact throughout the matter and as the deposit balance is utilized against invoices for work done the deposit will need to be reinstated to enable work on the matter to continue. The deposit value may be required to increase dependent on revised fee estimates throughout the duration of the matter.
- 2.2 If there are amounts outstanding for more than 30 days and the total account balance (i.e. current plus >30 day portion of the debt) exceeds the value of the deposit then an Acknowledgement of Debt (AOD) will need to be signed. If an AOD cannot be obtained then work on the matter should be halted until

such time as overdue invoices are paid in full (with the initial deposit balance remaining in-tact);

- 2.3 Interest will be charged on all amounts which have been outstanding for longer than 30 days. Interest will be levied at 2% per month and can only be waived at the discretion of one of the directors in writing;
- 2.4 Should monies owing for Disbursements be outstanding for more than 30 days, work on the matter will cease. This may only be overridden at the discretion of one of the directors in writing;
- 2.5 If the client does not honour the payment plan within 30 days from signature of the AOD, a judgement will be sought against the client for the full amount due and owing.

### **3. BILLING**

- 3.1 We will send a bill at the end of each month for the services performed during the month. The bill will also include out-of-pocket expenses (which we call "disbursements"). These are described in paragraph 4 below.
- 3.2 We want our clients to be fully satisfied with both the quality and cost of our services. We therefore encourage our clients to discuss with us any questions relating to fees for our services. We have made every effort to provide bills in a format which is user-friendly – including statements which contain a hyperlink to enable clients to access/ download the invoices list at any time.
- 3.3 In certain matters, e.g. conveyancing matters, a pro forma statement of account is rendered as soon as possible after we receive instructions, and payment must be made upon receipt thereof, in order to avoid delays in registration of the matter in the relevant Deeds Office.
- 3.4 Our fees are based primarily on the time devoted to the assignment given us and include consultations, correspondence, meetings, telephone calls, negotiations, factual investigations, legal research, document preparation and travel away from the office on the client's behalf. In certain cases, we may also take into account other appropriate factors, including the novelty or complexity of the issues raised, the legal skill necessary to obtain a particular result, the results obtained, efficiencies we achieved through our particular expertise, the amount of money involved or at risk, and any unusual time constraints or other special demands imposed by the engagement.

- 3.5 The time we will devote to a particular assignment is difficult to estimate. It is dependent upon the novelty and difficulty of the issues and problems involved. Short timetables set by the client also tend to increase, rather than decrease the time spent on a matter because of our inability to schedule work in an orderly way. However, we are sensitive to the cost of legal services and part of our responsibility is to be sure that we give you the kind of quality legal services that we provide all of our clients, in the least amount of time.
- 3.6 Our guideline relating to the hourly rates for lawyers and other professionals is determined by considering the ability, experience, and reputation of the person performing the service. The rates for professional time are revised periodically to account for augmentation of a particular professional's ability, experience, and reputation, and to take into consideration increases in the costs of delivering our services.
- 3.7 In certain matters, e.g. conveyancing and deceased estates, fees are charged according to tariffs prescribed by statute or regulation from time to time or according to guidelines set by the Legal Practice Council.

#### **4. DISBURSEMENTS**

- 4.1 We will bill for out-of-pocket disbursements for photocopying, travel, long distance telephone calls, messenger fees, computerized legal research, filing fees, court fees, expert fees, facsimile, complex document production, after normal business hours and weekend secretarial support, and other costs incurred on your behalf. Other expenses may include filing and service fees, recording fees, transcripts, and registration fees. If we believe that these disbursements will be substantial, we may ask you to pay them directly or in advance. These are billed at our cost; we do not add on any overhead or other charge. The disbursements are included in our bills and we make every effort to make sure that these bills are as complete as possible. However, some disbursements, such as telephone charges, are not available until after bills are sent out and they are billed for later.
- 4.2 If it becomes necessary to hire third parties to provide services for you or on your behalf, we may elect to pay the third party and include that charge as part of our bill to you. Alternatively, we may require that you pay the third party directly. In either event, you will have the final responsibility for third party costs.

4.3 Typical third-party expenses may include local counsel fees, expert witness fees, investigative fees, computerized litigation support, and charges of other professional service providers.

## **5. PAYMENT TERMS**

5.1 Our bills are payable on presentation. Should you, our client, be an incorporated person we agree to bills being payable 30 days after statement date. Any amounts not paid within 30 days will be subject to interest charged at 2% per month. In the event that a bill remains unpaid past the due date, work on the matter will cease. If we are representing you in pending litigation, we may seek to withdraw as your counsel. Whether or not we elect to discontinue representation, if collection activities become necessary, we will be entitled to seek reasonable attorneys' fees and costs of collection.

5.2 In the event of us collecting, receiving or in any other manner being in control of funds for you and on your behalf in any matter, we reserve the right, upon submission of a statement of account, to deduct any amount due to us in respect of fees and disbursements for any matter handled on your behalf, from such funds.

## **6. TERMINATION OF ENGAGEMENT**

6.1 You have the right to terminate our engagement at any time. However, this action will not relieve you of responsibility for legal fees or disbursements that have already accrued. We will have the same right to terminate the engagement and may discontinue providing legal services if you fail to pay our bills promptly, if you misrepresent or fail to disclose any material facts in the course of our representation, or if anything else occurs that in our judgment impairs an effective attorney-client relationship. Our engagement on a matter terminates automatically upon settlement of the final bill for services rendered for a matter.

6.2 If you discharge us as your legal representative, we reserve the right to charge you, and you agree to pay, for all out-of-pocket expenses we incur in assisting you in making a transition to new counsel, including time charges incurred and the costs relating to the duplication of file materials and the physical transfer of those materials to successor counsel. Upon any such discharge, all previously billed time charges will be immediately due and payable, along with any new bills for time already spent on the representation not billed as of the discharge.

6.3 An engagement does not impose on us any continuing obligation, after termination of the engagement, to provide advice concerning legal

developments that are related to or might have a bearing on the subject matter of any engagement.

- 6.4 Termination of our mandate entitles us to exercise a lien over the file and its contents until such time as our account is settled in full.

## **7. REPRESENTATION IN OTHER MATTERS**

- 7.1 We are hopeful that you will be satisfied with our services and will want to engage us in the future. Should we represent you in other matters in the future, the terms set forth in these Terms of Engagement shall apply unless we otherwise agree in writing.

## **8. COUNSEL AND EXPERTS**

- 8.1 You authorise and instruct us to retain, as may be reasonable or appropriate, the services of counsel (whether senior or junior counsel) and other professional persons. We will notify you of the name or names of such counsel or other professional persons (together with an estimate as near as may be of the charges of so retaining them) from time to time after they have been so retained.
- 8.2 If we instruct counsel on your behalf to provide a legal opinion, you agree that we have the right to store a copy (in hard copy and/or electronic form) of that opinion without time limit in such a way that it is accessible by Barnaschone Attorneys for the purpose of reference and legal research. If we store the opinion we will ensure that only partners and employees of Barnaschone Attorneys will be able to access it.

## **9. RIGHT TO ALLOCATE WORK AS APPROPRIATE**

- 9.1 We reserve the right at our absolute discretion to allocate and re-allocate work to such member(s) of staff as we deem appropriate due to the nature of the matter, business requirements or staff absences.

## **10. WAIVER**

- 10.1 Any delay in enforcing these terms of engagement will not affect or restrict any of the rights and powers arising hereunder. We will only be taken to have released our rights under these terms of engagement if we have confirmed such release in writing to you.

