

CREDIT CONTRACT & DISCLOSURE STATEMENT

Fico Finance Limited Financial Services Provider Registration Number is FSP8621



ZZZZZZZZ, XXXXXXXX YYYYYYYY
100 SSSSSS Street
Nelson

Loan Number	XX Sample
Effective date of Statement	1 January 2017

Phone:
Mobile: 021 123 4567
Email:

Account Name	ZZZZZZZZ, XXXXXXXX YYYYYYYY
Account Type	Consumer Credit Loan - 2016

IMPORTANT INFORMATION

Initial disclosure statement under section 17 of the Credit Contracts and Consumer Finance Act 2003

This document sets out the key information about your consumer credit contract. You should read it thoroughly. If you do not understand anything in this document, you should seek independent advice. You should keep this credit contract and disclosure statement in a safe place.

The law gives you a limited right to cancel the consumer credit contract. See the statement below for further details of your right to cancel the consumer credit contract. Note that strict time limits apply.

FULL NAME AND ADDRESS OF LENDER This is the company providing you the credit.

You may send notices to the creditor by: <ul style="list-style-type: none">• Writing to the creditor at its postal address; or• Sending an email to the address specified (if any).	Name:	Fico Finance Limited
	Address:	173 Hardy Street Nelson
	Postal Address:	PO Box 122 Nelson
	Phone:	NSN 03 548-9932
	Email:	info@fico.co.nz

FULL NAME AND ADDRESS OF BORROWER This is the person(s) responsible for repaying the loan.

Debtor	Mr XXXXXXXX YYYYYYYY ZZZZZZZZ 100 SSSSSS Street Nelson		DOB: 01-01-1990 Phone: Mobile: 021 123 4567 Email:
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This DEED is made on the day and year shown before the signatures below between Fico Finance Limited (“the lender” or “we”) AND the borrower(s) AND the guarantor(s) (together “you”) as listed above.

Fico Finance Limited
173 Hardy Street, Nelson 7010
PO Box 122, Nelson 7040, New Zealand
Ph: 03 548 9932 Fx: 03 548 9934
Email us: info@fico.co.nz

www.fico.co.nz

We have money to lend right now.

Initials: _____

CREDIT DETAILS

Initial unpaid balance

This is the amount you owe at the date of this statement (including any fees charged by the lender).

\$5,395.00 made up of:	Initial Loan Sum Advanced	\$5,000.00
	Establishment Fee - by Fico	\$395.00

The borrower(s) instruct Fico Finance Limited to pay out the above third party fees and services (if any) on their behalf.

Subsequent advance(s)

There are no subsequent advances

Total advances. This includes the initial loan sum advanced plus fees and disbursements detailed above and any subsequent advances.

\$5,395.00

PAYMENTS. You are required to make each payment in the amount specified and at the time specified.

Term of your loan	12 months. There will be 11 monthly payments of \$501.11 beginning on 1/02/2017 and 1 final residual payment on the final payment date of the loan. \$501.05 on 1/01/2018
Number of payments	11 monthly payments
Amount of each payment	\$501.11
Final residual payment on final payment date	\$501.05
Date of advance	The date the lender advances the cash price to the borrower (We suggest you record that date in the space provided ___/___/2015)
First payment date	1/02/2017
Final payment date	1/01/2018
Total loan payment amount	\$6,013.26

Method of Payment

Payments to be mailed or paid to the creditor at the creditor's address.

INTEREST

Annual interest rate:

16.9500% initially for the term of the loan, being 12 Months (but subject to any variation pursuant to General Terms and Conditions: Fico1001, paragraph 14)

Daily interest rate: 0.046438356164%

Total interest charges

This is the total amount of the interest charges payable under the contract

\$505.94

Method of charging interest

Interest charges are calculated by multiplying the unpaid balance at the end of the day by a daily interest rate. The daily interest rate is calculated by dividing the annual interest rate by 365. Interest is charged to your account at the end of each month.

CREDIT FEES AND CHARGES

The following credit fee(s) and charge(s) (which are not included in the initial unpaid balance) are, or may become, payable under, or in connection with, the credit contract. Your credit contract allows the lender to vary these fee(s) and charge(s).

1. \$9.36 per month management fee as long as there is an unpaid balance. This will appear as "Review Quarterly on your statement.
2. \$95 per hour staff fee if you wish to alter any security or terms of the agreement or if we have to deal with any third party about the loan or the security provided after the date of advance or if you ask for a settlement figure for a certain date and you do not pay on that date.
3. If we use a solicitor to prepare any documents(s) for this loan, the fees charged by that solicitor.
4. \$250 mortgage or caveat registration, discharge fee, chargeable for each distinct registration or discharge.
5. \$20 fee for registration, discharge or variation of any collateral on the Personal Property Securities Register.
6. Administration costs and fees payable on full prepayment are disclosed under the full prepayment heading.
7. The costs, expenses and other liabilities listed in the General Terms and Conditions: Fico1001, Paragraph 12d which may arise when you are not in default.

FULL PREPAYMENT

We do not charge a fee for our loss on full prepayment.

We will charge you an administrative fee of \$50 for our staff's work associated with receiving the request and processing the full prepayment. We will also charge you a fee to discharge or release any security (if applicable) as provided in the CREDIT FEES AND CHARGES section above. In addition, we may charge you a \$95 per hour staff fee if you request a full prepayment figure more than once.

CONTINUING DISCLOSURE

The lender is required to provide you with regular statements. The statements will give you information about your account. Statements will be provided to you every 6 months.

INSURANCE

The borrower(s) or guarantor(s) are required to keep the security for this loan insured to their full replacement value noting the lender's interest. For further details see General Terms and Conditions: Fico1001, paragraph 35.

Insurer: _____

Policy Number: _____

WHAT COULD HAPPEN IF YOU FAIL TO MEET YOUR COMMITMENTS

Security interest – Personal Property – Collateral

This is secured credit. The lender has an interest in the property listed below to secure performance of your obligations under the credit contract, or the payment of money payable under the credit contract, or both.

If you fail to meet your commitments under the credit contract, then the lender may be entitled to sell or repossess and sell the collateral. The extent the security interest in the collateral secures your obligations under this credit contract (or the guarantee as the case may be) is the value of the collateral, or the amount of the unpaid balance, whichever is lesser.

If the lender sells any of the collateral, and the net proceeds are not enough to fully repay the loan balance, the borrower(s) or guarantor(s) will owe the lender the difference. The lender may recover that amount from the borrower(s) or guarantor(s).

The lender may require that a GPS tracking device be installed to your collateral. If the lender requires a GPS tracking device to be installed to your collateral, then if you are in default, the lender may use that GPS tracking device to locate the collateral for the purpose of repossession and sale.

Motor Vehicle	Registration	: XXXXXX
together with any	Make & Model	: Ford RS 2000
replacement and	Year	: 2017
accessories.		

_____ Registered General Security Agreement over all present and after-acquired personal property owned by the borrower(s) _____ or the guarantor(s) _____.

However, such property does not include consumer goods which are beds and bedding, cooking equipment including cooking stoves, medical equipment, portable heaters, washing machines and refrigerators unless the lender's security interest is a purchase money security interest. Further, such property completely excludes travel documents, identification documents and bank cards.

Security interest – Real Property – The land to be Mortgaged

This is secured credit. The security interest is an all obligations mortgage of land and secures payment of all the unpaid balance, and also secures the performance of all of the landowner's obligations under this credit contract (or guarantee as the case may be) to the extent of the value of the owner's interest in the land, or the unpaid balance, whichever is lesser. You may not mortgage your land further without our written consent.

If you fail to meet your commitments under the credit contract the lender may be entitled to enter into possession of the land or sell the land.

If the lender sells the land, and the net proceeds are not enough to fully repay the loan balance, the borrower(s) or guarantor(s) will owe the lender the difference. The lender may recover that amount from the borrower(s) or guarantor(s).

DEFAULT INTEREST CHARGES AND DEFAULT FEES

In the event of a default in payment and while the default continues you must pay the default interest charges. In the event of a breach of the credit contract or on the enforcement of the credit contract, the default fees specified below are payable. Your credit contract allows the lender to vary these fees and charges.

Default interest

The default interest rate is 10% per annum, and will be charged in addition to the interest rate provided for in the INTEREST section above, on any overdue instalment or overdue amount other than the unpaid balance.

Default interest is charged from the time you fail to make a due payment until any overdue instalment or overdue amount is paid.

If due to your default, we accelerate payment (call up payment early) of the unpaid balance pursuant to section 119 of the Property Law Act 2007, then we will charge you default interest on any overdue instalment or overdue amount and also on the unpaid balance.

Default interest is calculated by multiplying the overdue instalment or overdue amount or the unpaid balance (if we have called up payment early) by the daily default interest rate. The daily default interest rate is calculated by dividing the annual default interest rate by 365. All default interest is charged to your account at the end of each month.

Default fees

- (i) \$20 default payment fee if any scheduled payment to the lender is made late after the date due, or is reversed or dishonoured. If you miss an instalment we will charge you this fee.
- (ii) \$20 letter fee (includes email) any time we write to you or to anyone representing you about a missed payment(s) or about any other default you commit under this credit contract or about ongoing default.
- (iii) \$95 per hour staff fee if any staff member of ours spends time on the administration of your account when you are in default. "Administration" in this case includes all work on our recovery of the unpaid balance but which is not charged to you otherwise. The default time fee may include time our staff spend outside our offices. This means if our staff have to spend time, for example, trying to find you or travelling to see you or talking to debt collectors or lawyers we may charge you that hourly rate.
- (iv) Mileage fee if a staff member of ours travels to visit you or any guarantor or to attend any meeting or any court or tribunal. We may charge mileage at the current rate recommended by the Automobile Association for a 2 litre petrol engine motor car.
- (v) \$10 Telephone Call Fee charged any time we have to telephone you about a missed payment(s) or about any other default you commit under this credit contract.
- (vi) \$950 Property Law Act Notice fee, such as a Notice issued by the lender under section 119 of the Property Law Act 2007 notifying you of your default and the lender's intention to exercise its powers to take possession of or sell any mortgaged land.
- (vii) \$20 repossession warning notice fee.
- (viii) \$20 repossession fee in relation to issuing a warrant to a repossession agent to seize goods.
- (ix) \$50 post repossession notice fee.
- (x) \$50 post sale statement of account.
- (xi) The costs to us of Court or Disputes Tribunal proceedings and repossession and sale of collateral and the sale of the land to be mortgaged. These include filing fees actual solicitors' fees and disbursements (assessed on a solicitor client basis) and debt collection agency commissions, fees and disbursements. Additionally you must pay us the costs and disbursements of repossession agents, valuers, auctioneers, process servers and any of our agents in enforcing this agreement. We will also charge you for any dealings (we have while you are in default) with other persons with respect to the debt or any security you (may) provide. In addition we will charge you the cost of doing anything which you have failed to do and which we have done. We will also charge you for the costs expenses and other liabilities arising out of your default listed in the lender's General Terms and Conditions: Fico1001, paragraph 15.

RIGHT TO CANCEL

The Credit Contracts and Consumer Finance Act 2003 gives you a right for a short time after the terms of this credit contract have been disclosed to you to cancel this credit contract.

How to cancel

If you want to cancel this credit contract you must give written notice to the lender. You must also return to the lender as soon as reasonably practicable, any advance and any other property received by you in connection with the credit contract.

Time limits for cancellation

If the disclosure documents are:

- Handed to you directly
- Sent to you by electronic means (for example, email)
- Mailed to you

You must give notice that you intend to cancel within:

- 5 working days
- 7 working days (from sending date)
- 9 working days (from posting date)

Saturdays, Sundays, and national public holidays are not counted as working days.

What you may have to pay if you cancel

If you cancel the credit contract the lender can charge you:

- a. the amount of any reasonable expenses the lender had to pay in connection with the credit contract and its cancellation (including legal fees and fees for credit reports, etc); and
- b. interest for the period from the day you (or your agent(s) or representative(s)) received the loan advance until the day you repay the loan advance in full.

This statement only contains a summary of your rights and obligations in connection with the right to cancel. If there is anything about your rights or obligations under the Credit Contracts and Consumer Finance Act 2003 that you do not understand, if there is a dispute about your rights, or if you think that the lender is being unreasonable in any way, you should seek legal advice immediately.

WHAT TO DO IF YOU SUFFER UNFORSEEN HARDSHIP

If you are facing financial difficulty it is important that you don't ignore the problem. Contact us as soon as possible if you are having problems meeting your repayments or think you may experience difficulty doing so in the near future.

If you are not able, because of illness, injury, loss of employment, the end of a relationship, or other reasonable cause, to meet your obligations under this credit contract, but you expect that a change to the terms of this credit contract would enable you to meet your obligations, you may apply in writing to have the credit contract changed.

An application to change a consumer credit contract in these circumstances is called a **hardship application**. There are time limits on when and how often you can make a hardship application. If you leave it too long the lender may not have to consider your hardship application.

To make a hardship application, you need send a written hardship application to the lender, which explains your reasons for the hardship application and requests one of the following variations:

- An extension of the loan term so that the amount of each repayment is reduced; or
- Postpone repayments for a specified period (a "repayment holiday"); or
- Extend both the term of the contract and postpone repayment for a specified time.

The lender may, but is not obliged to agree to any requested change to the terms of the credit contract. By way of example, if the reasons for the expected hardship were reasonably foreseeable to you, such as before you signed this credit contract your employer told you that you would be made redundant, then the lender may not agree to change the terms of the credit contract. Following receipt of your hardship application, the lender will let you know the outcome of your application and the reasons for that outcome.

If the lender agrees to change the terms of the credit contract, then the lender may charge you a fee for any costs it incurs in documenting the changes to this credit contract. Interest will still be charged and added to your loan, while the lender considers your hardship application.

COMPLAINTS

If you are not satisfied with the service you have received from us you should contact us. We have an internal complaints process and undertake to investigate your concerns promptly and fairly. You may contact us to make a complaint by telephone, by email or in writing.

We are a member of an independent dispute resolution scheme operated by Financial Services Complaints Limited ("FSCL"). If you are still unhappy after we have reviewed your complaint, you may refer the matter to FSCL by emailing info@fscl.org.nz or calling FSCL on 0800 347257. Full details of how to access the FSCL scheme can be obtained on their website www.fscl.org.nz. There is no cost to you to use the services of FSCL.

Fico Finance Limited is a registered Financial Services Provider, registration number FSP8621.

ACCEPTANCE AND ACKNOWLEDGEMENT OF BORROWERS AND GUARANTORS

I/We have read and understood each document comprising this credit contract, which includes the credit contract, the disclosure statement, the lender's General Terms and Conditions:Fico1001, (which can also be viewed on the lender's website), the Security documentation, and any other documentation relating to the loan (all of which comprise "**the Credit Contract**").

I/We have read the Credit Contract or I have been given an opportunity to read the Credit Contract before signing it, and I/we accept the loan offer set out in the Credit Contract.

I/We acknowledge that the lender has agreed to lend to me/us the initial unpaid balance and any subsequent advances shown in the disclosure statement above and I/we have promised to pay that amount and make the payments due under this Credit Contract in the manner set out above in the disclosure statement and the lender's General Terms and Conditions: Fico1001, and I/we promise to comply and adhere to the terms of this Credit Contract.

I/We acknowledge that the Credit Contract represents the entire agreement between me/us and Fico Finance Limited in respect of the loan and that it replaces all earlier representations, warranties, understandings and agreements, whether oral, or written, between me/us and Fico Finance Limited.

I/We understand that if I/we provide collateral as security (such as a car, boat, company shares, or any present and future acquired personal property) or any land as security (such as your home), then I/we could lose such collateral or land. I/We acknowledge that means if any borrower(s) or guarantor(s) do not pay, then the lender may by way of example repossess and sell any collateral and/or may sell any land by way of mortgagee sale.

I/We promise the lender that I/we have the financial ability to pay any instalments due under the Credit Contract.

I/We understand that by signing the Credit Contract I/we become liable for repayment of the loan in full. I/we must make all the payments set out in the Credit Contract.

I/We authorised Fico Finance Limited to pay all amounts set out in the CREDIT DETAILS section above.

If you are signing the Credit Contract as a guarantor(s), the lender asks that you pay particular attention to the following acknowledgements.

If I/we are a guarantor I/we acknowledge that if the borrower(s) do not pay then I/we as guarantor(s) must pay all the payments set out in the Credit Contract. I/We as guarantor(s) acknowledge that I/we have to do everything the borrower(s) must do if the borrower(s) breach the terms of the Credit Contract in any way.

I/We understand that if I/we provide land as security, the lender may lodge a mortgage and a caveat against the title to that land. I/We understand that I/we grant an irrevocable power of attorney to the lender which the lender may use to protect its rights in the Credit Contract. That means the lender can sign a document as if the lender was me.

I/We as guarantor(s) have been advised to obtain independent legal advice as to what I/we must do and what rights the lender has in this agreement, before I/we signed the Credit Contract. I/We acknowledge that we understand that means I/we should talk to a lawyer about this Credit Contract, that such a lawyer should be independent of the borrower(s), which means that the lawyer should not be the lawyer giving legal advice to the borrower(s) or any other party to the Credit Contract.

I/We acknowledge that I/we have either:

- a. obtained independent legal advice and my/our lawyer has explained the nature and effect of signing the Credit Contract, my/our obligations under the Credit Contract, and the lender's rights and powers under the Credit Contract; or
- b. chosen not to seek such independent legal.

I/We as borrower(s) and/or as guarantor(s) acknowledge that for the purpose of initial disclosure under the Credit Contracts and Consumer Finance Act 2003, I/We have been provided with a complete copy of the Credit Contract. (Please note that if you have previously acknowledged having received a copy of the lender's General Terms and Conditions: Fico1001, another copy will only be provided to you on request.)

BORROWER(S) SIGNATURES

Dated this

day of

Signed as Debtor

Mr XXXXXXXX YYYYYYYY ZZZZZZZZ

Witness Signature

Witness Name

Witness Address

AUTHORITY TO ACCEPT DIRECT DEBITS

(Not to operate as an assignment or agreement)

Bank Instructions

Name (of Bank Account)

Bank Account from which payments to be made

Payer Reference

XX Sample

Payer Particulars

AP_Particulars

Bank

Branch

Town/City

AUTHORISATION
CODE

0115719

Signatures:

Date:

I/We authorise you until further notice, to debit my/our account with all amounts which

FICO FINANCE LIMITED

(hereinafter referred to as the Initiator)

the registered Initiator of the above Authorisation Code, may initiate by Direct Debit.

I/We acknowledge and accept that the bank accepts this authority only upon the conditions listed below.

Approved

1571

04/2013

Bank Use Only

Date received ___/___/___

Recorder by _____

Checked by _____

Bank
Stamp

CONDITIONS OF THIS AUTHORITY

1. The Initiator:

(a) Has agreed to send notice of the net amount of each Direct Debit no later than the day the Direct Debit is initiated. The notice will be provided in writing (including by electronic means and SMS where the Customer has provided prior written consent (including by electronic means including SMS) to communicate electronically).

The notice will include the following message:-

"The amount of \$..... was direct debited to your Bank account on (initiating date)".

(b) May, upon the relationship which gave rise to this Authority being terminated, give notice to the Bank that no further Direct Debits are to be initiated under the Authority. Upon receipt of such notice the Bank may terminate this Authority as to future payments by notice in writing to me/us.

(c) May, upon receiving an "authority transfer form" (dated after the date of this authority) signed by me/us and addressed to a bank to which I/we have transferred my/our bank account, initiate Direct Debits in reliance of that transfer form and this Authority from the account identified in the authority transfer form.

2. The Customer may:

(a) At any time, terminate this Authority as to future payments by giving written notice of termination to the Bank and to the Initiator.

(b) Stop payment of any Direct Debit to be initiated under this Authority by the Initiator by giving written notice to the Bank prior to the Direct Debit being paid by the Bank.

(c) Where a variation to the amount agreed between the Initiator and the Customer from time to time to be Direct Debited has been made without notice being given in terms of clause 1(a) above, request the Bank to reverse or alter any such Direct Debit initiated by the Initiator by debiting the amount of the reversal or alteration of a Direct Debit back to the Initiator through the Initiator's Bank PROVIDED such request is made not more than 120 days from the date when the Direct Debit was debited to my/our account.

3. The Customer acknowledges that:

(a) This Authority will remain in full force and effect in respect of all Direct Debits passed to my/our account in good faith notwithstanding my/our death, bankruptcy or other revocation of this Authority until actual notice of such event is received by the Bank.

(b) In any event this Authority is subject to any arrangement now or hereafter existing between me/us and the Bank in relation to my/our account.

(c) Any dispute as to the correctness or validity of an amount debited to my/our account shall not be the concern of the Bank except in so far as the Direct Debit has not been paid in accordance with this Authority. Any other disputes lies between me/us and the initiator.

(d) Where the Bank has used reasonable care and skill in acting in accordance with this authority, the Bank accepts no responsibility or liability in respect of:

- the accuracy of information about Direct Debits on Bank statements; and

- any variations between notices given by the Initiator and the amounts of Direct Debits.

(e) The Bank is not responsible for, or under any liability in respect of the Initiators failure to give notice in accordance with 1(a) nor for the non-receipt or late receipt of notice by me/us for any reason whatsoever. In any such situation the dispute lies between me/us and the Initiator.

4. The Bank may:

(a) In its absolute discretion conclusively determine the order of priority of payment by it of any monies pursuant to this or any other Authority, cheque or draft properly signed by me/us and given to or drawn on the Bank.

(b) At any time terminate this Authority as to future payments by notice in writing to me/us.

(c) Charge its current fees for this service in force from time-to-time

(d) Upon receipt of an "authority to transfer form" signed by me/us from a bank to which my/our account has been transferred, transfer to that bank this Authority to Accept Direct Debits.

GENERAL TERMS AND CONDITIONS: FICO1001

You the borrower(s) and guarantor(s) acknowledge the debt to the lender of the initial unpaid balance and agree:

EXPLANATIONS AND MEANING

1 Meaning

- “*Accelerate*” means call up or ask for immediate payment before it would otherwise be due under this agreement. If we accelerate payment you must pay straight away.
- “*Accession*” means goods that are affixed (attached) to other goods.
- “*At risk*” has the same meaning as defined in section 83E(2) of the Credit Contracts and Consumer Finance Act 2003. If goods are collateral you must not:
 - (i) destroy them (break them up);
 - (ii) damage them (spoil or harm them);
 - (iii) endanger them (put them in danger);
 - (iv) disassemble them (take them to pieces);
 - (v) remove them (move them from where you must keep them);
 - (vi) conceal them (hide them from us);
 - (vii) sell them or give them away to anyone else.

Nor may you allow any of those things to happen. If we reasonably suspect that you have done any of those things or allowed any of them to happen the goods will be at risk.

- “*Borrowers*” or “*you*” means the person(s) shown as borrower(s) in the disclosure statement and includes their/your executors, administrators and successors in title – the people who may take over your rights and obligations if you die or if you cannot pay your debts.
- “*Calculate*” means to work out or to decide an amount following certain rules.
- “*Charge*”
 - (i) “*Charge*” means a debit or an amount somebody must pay. If we charge you money or charge money to your account, that money is then added to the unpaid balance and the unpaid balance becomes larger. In this case “*charge*” and “*debit*” have similar meanings;
 - (ii) “*Charge*” has a second meaning used in this agreement. You may charge collateral or charge land and when you do that, they become security for you to pay the unpaid balance. If you give a security interest in a car, you charge the car.
- “*Credit*” has several meanings:
 - (i) it is any money we lend you. This agreement is a contract about credit;
 - (ii) a credit fee is a fee we charge as part of giving you credit;
 - (iii) if you pay an instalment or make any payment to us we will credit your account with that instalment or payment and the unpaid balance

will become smaller. In this meaning it is the opposite of “*debit*”;

- (iv) a credit sale is a sale where you buy something but you do not need to pay for it until later;
- (v) a credit report is a study or a story about you and it is prepared or made to decide whether we give you credit or not;
- (vi) when we give you credit, it becomes a debit for you. When we lend you money, you must pay it back to us.
- “*Collateral*” means the goods and any other personal property described in the disclosure statement in the box headed “**WHAT COULD HAPPEN IF YOU FAIL TO MEET YOUR COMMITMENTS**” “*Security Interest – Personal Property – Collateral*” section and includes an interest in such goods or other personal property.
- “*Consumer goods*” means goods that are used or acquired for use primarily for personal, domestic, or household purposes – goods that are not mostly used in business or investment.
- “*Debit*” means a charge or an amount of money somebody must pay. If we debit money to you or debit money to your account, that money is then added to the unpaid balance and the unpaid balance becomes larger. In this case “*charge*” and “*debit*” have similar meanings.
- “*Default*” under this agreement means that you do something you have agreed not to do or you fail to do something you have agreed are required to do.
- “*Default Fees*” and “*Default interest*” are as listed and defined under “*Default interest charges and default fees*” in the disclosure statement.
- “*Enforce*” or “*enforcement*” means:
 - (i) if we enforce against you:
 - (a) we do something to make you do what you agreed to do;
 - (b) we do something so that we are paid when you do not pay;
 - (ii) if we enforce against another borrower:
 - (a) we do something to make that borrower do what they agreed to do;
 - (b) we do something so that we are paid when that borrower does not pay;
 - (iii) if we enforce against a guarantor:
 - (a) we do something to make a guarantor do what he agreed to do;
 - (b) we do something so that we are paid when the guarantor does not pay;
 - (iv) we may enforce by (for example):
 - (a) going to court for a judgment against you or against a guarantor; or

- (b) applying to a Disputes Tribunal for an order against you or against a guarantor; or
- (c) repossessing collateral from you or from another borrower or from a guarantor and selling it.
- “*Financial default*” means that you have failed to pay an instalment or other amount when due.
- “*Guarantor*” means the person shown as guarantor in this agreement and the associated guarantee and includes his or her executors, administrators and successors in title.
- “*Initial Unpaid Balance*” is the amount you owe at the date of the disclosure statement and it is further detailed in the CREDIT DETAILS of the disclosure statement.
- “*Instalment*” means a payment you must make regularly, usually on the same day of each week, fortnight or month.
- “*Land*” includes an interest in land.
- “*Land to be mortgaged*” means the land shown in the disclosure statement in the box headed **WHAT COULD HAPPEN IF YOU FAIL TO MEET YOUR COMMITMENTS**, “Security interest – Real Property – The Land to be Mortgaged” section.
- “*Legal documents*” means a document or a notice or other written paperwork about this agreement.
- “*Lender*” or “*we*” or any similar pronoun is the person lending the money and the expression includes its employees and agents and any person to whom the lender assigns its rights under this agreement or who otherwise takes over the lender’s rights.
- “*Liability*” means something you must do or an amount you must pay. If you are liable to do something or pay anything, it means you are responsible for doing or paying – you must do the thing or pay the amount.
- “*Motor Vehicle*” has the meaning given in section 57 of the PPSA.
- “*Obligation*” means something that you must do or that you must not do.
- “*Person*” and pronouns such as “*anyone*” or “*somebody*” include a body corporate (such as a company) and an unincorporated body (such as a partnership or trust).
- “*PPSA*” is the Personal Property Securities Act 1999.
- “*Principal*” is the initial unpaid balance before interest is charged and it is the unpaid balance on which interest is charged. When we charge interest and fees to your account they become part of principal.
- “*Repossess*” includes the meaning “seize on your default whether or not for the first time”.
- “*Unpaid balance*” means the amount owing under this agreement at a particular time, being the difference between all amounts credited and all amounts debited to you under this agreement at that time.
- “*Workman’s lien*” means the type of charge that a workman has on somebody else’s goods when he does work on the goods. The workman may keep the goods until he is paid for the work and if he is not paid he may sell them. A mechanic will have a workman’s lien on your car if he does work on it at his garage. Any expression not described or defined in this agreement shall have the meaning given to it in the

Credit Contracts and Consumer Finance Act 2003 unless the context requires otherwise.

Unless the context prevents it, the singular shall include the plural and vice versa and one gender includes others to the effect that, for example, “he” includes “they”, “she” and “it”.

- 2 **Words of example or inclusion are not words of limitation or exclusion.** In this credit contract (“*the agreement*”) we sometimes give an example of how a rule or statement may apply or an example of a possible meaning of a word. Our giving of that example does not mean that the rule or statement or word has to be interpreted or explained in the same manner as is the example. If we say a word includes a meaning, that word may have other meanings as well.
- 3 **You give a security interest in collateral you own.** If you own any collateral (see paragraph 1 above **Meaning**) then this paragraph 3 applies to you:
 - a. You grant to us a security interest over that collateral. That means your goods (such as a motor car) and other personal property shown as collateral are security for payment of the unpaid balance. You are charging them with the money you owe.
 - b. The security interests are to secure payment to us of the unpaid balance and also to secure your performance of all other terms of this agreement. For example, if you default in making payments when they are due, we may seize certain collateral (for example repossess your goods) and sell it to pay the unpaid balance or overdue amount. (See paragraph 40 of these general terms and conditions).
 - c. If you default we may also apply to the Court for an order that any or all of your collateral be (repossessed) seized and sold.
 - d. The collateral may be all your present and after acquired personal property (excluding a limited number of consumer goods).
 - e. You promise us that nobody else has the right to repossess and sell the collateral and nobody else owns it unless you have told the lender in writing before you signed this agreement.
 - f. You must not grant any security interest over the collateral to anybody else and we may accelerate payment of the unpaid balance if you do so.
- 4 **Agreement to Mortgage Land.** There may be a description of land in the **WHAT COULD HAPPEN IF YOU FAIL TO MEET YOUR COMMITMENTS Real Property – The land to be mortgaged** section of the disclosure statement. If there is a description and you own any of that land this paragraph 4 applies to you:
 - a. You must sign in favour of the lender and at the cost of the borrowers a registrable mortgage over that land.
 - b. **If you default the lender may sell your land.** The mortgage of the land is to secure payment to us of the unpaid balance and also to secure the performance of all other terms of this agreement and of any associated loan agreement. If you do not make any payment when it is due and payable or if you fail to do other things you must do under this agreement, we may sell the land to pay the unpaid balance.

- c. The mortgage shall be in an all obligations form published by the Auckland District Law Society Incorporated so as to incorporate memorandum number 2015/4326 or, at the lender's option, any form to the same or similar effect required by the lender. The terms of that memorandum shall be incorporated into this agreement. That means that the mortgage we use is one which is commonly used by lawyers in New Zealand and the obligations are standard so that it is a security for all of your obligations to us.
- d. The priority figure for the purposes of section 92(1) of the Property Law Act 2007 shall be (a) twice the total amount of payments shown in the PAYMENTS section of the disclosure statement plus interest or (b) twice the total advances plus \$50,000 plus interest whichever is the greater. If you grant a mortgage to someone else after we register our mortgage, our mortgage will have priority over that later mortgage up to the larger amount of (a) and (b).
- e. You must not mortgage your land any further without our written consent and if you do we may accelerate payment of the unpaid balance.
- f. You charge your land as set out in this paragraph 4.
- g. What does that mean? If you have agreed to give a mortgage of your land we may sign it on your behalf under the power of attorney. Once we have a mortgage we may register it against the title to your land. If you do not pay the money you owe under this agreement, we may call up the loan (accelerate payment) and we may sell the land and use the money to pay the money you owe.

5 You give the lender your power of attorney. You appoint the lender and any one manager or director of the lender separately to be your attorney so that:

- a. The attorney may do anything which you agree to do; and
- b. The attorney may do anything and to sign any document which the attorney thinks helpful to ensure we are paid the unpaid balance and otherwise to protect the lender's interests under this agreement. For example, the attorney may sign any document on your behalf so as to:
 - (i) grant and register a mortgage under the Land Transfer Act 1952, if you have agreed to mortgage land; or
 - (ii) transfer ownership of or take or transfer possession of negotiable instruments, of chattel paper, of negotiable documents of title and of investment securities and the attorney may request and obtain from any share registry, custodial service, securities depository or clearing house any shareholder number (including a common shareholder number) Faster Identification Number or other number allocated to you and necessary for dealing with company shares and (by way of example) may sign any request to cancel FIN numbers as security for a loan; or
 - (iii) the attorney may operate and draw on any bank account.
- c. This power of attorney shall continue until the unpaid balance has been paid to us in full and continues after judgement. That means we may continue to sign on

your behalf until all the unpaid balance is paid even if we have judgment against you.

- d. We cannot use the power to appropriate after-acquired consumer goods to the security interest in your name.
- e. You ratify anything done by an attorney under this power. You irrevocably ratify anything done by the lender using this power of attorney.
- f. You irrevocably indemnify any person acting in reliance on the power of attorney. If somebody makes a claim against an attorney over something the attorney does as your attorney, you must compensate the attorney for the amount of that claim.

6 How the lender gives you documents and tells you anything

- a. Subject to sections 352 to 359 of the Property Law Act 2007, if we wish to serve any legal documents on you, those legal documents will be sufficiently served or given if:
 - (i) we deliver it to you personally; or
 - (ii) we leave it at your usual or last known home address, place of business or of work or at a service address you give us in this agreement so we can give legal documents to you; or
 - (iii) we post it to you in a letter addressed to you by name at your home, place of business or of work, or service address; or
 - (iv) we send it to you by an electronic communication (such as email, fax, Facebook, Skype) although we cannot give you a repossession warning notice or a post-repossession notice in this manner; or
 - (v) for any disclosure in relation to this agreement we send it to you by email or provide a link to our website.
- b. If you are out of New Zealand, the legal documents may be served on or given to your agent in New Zealand if you appoint one.
- c. If you are dead, the legal documents may be served on or given to your personal representatives – the people in charge of your estate after you die.
- d. If the legal documents are sent to you:
 - (i) by post, it is to be treated as if you received it (got it) on the fourth working day after the day on which the letter is posted (and to prove delivery all we need to do is prove that the letter was properly addressed and posted);
 - (ii) by electronic communication, it is to be treated as if you received it (got it) on the second working day after the day on which the legal documents is sent.
- e. Despite anything in this paragraph 6, the Court may in any case make an order saying how any legal documents are to be served on or given to you. The court may also order that we do not need to give you the legal documents. If we go to court for an order about how you are to be given a legal documents or how we are to tell you about them, you agree that legal documents may be served on you at the last address that we have for you as notified by you.
- f. In addition, a legal document will be sufficiently served or given if it is:

(i) handed to any person who appears to live at any home address of any borrower or who appears to live at the address of any land to be mortgaged; or

(ii) attached to an outside door at either address.

g. Further, if your address is a flat or apartment or room (your flat) in a building and if we are unable to get into the building or get to your flat because of the security system of the building or for some other reason, then a legal document will be sufficiently served or given to you if it is posted at an outside letterbox for your flat.

h. If there is no such letterbox, a legal document will be sufficiently served or given to you if it is clearly addressed to you and attached to what appears to be the main outside door to the building for your flat or if the legal documents is given to any building manager or receptionist for the building and the manager or receptionist is asked to give it to you.

i. Further:

(i) if you have given an email address or a facsimile number or a mobile phone number at any time; or

(ii) if you have a public address, including an internet social media address or an address at any other internet communication system or talking-place (for example, Facebook or Skype);

that address or number shall be an information system specified by you for the purpose of service and general communication. That means we may communicate with you in any way that we can on the Internet.

7 You are not released from liability just because somebody else is. Somebody else may be a borrower under this agreement as well as you or is a guarantor under a guarantee. If that person is found not to be liable for any reason, that reason does not release you from being liable to pay or perform your obligations. That means that even if we cannot enforce this agreement against somebody else, we may still enforce it against you.

8 Everything you have told the lender must be true. You promise that all information provided by you or on your behalf to enable us to decide whether or not to lend to the borrower is true and correct and if it is not true and correct we may demand payment of the unpaid balance of the loan and you must pay forthwith (straight away) on such demand.

9 Privacy waiver. You unconditionally and irrevocably authorise the lender:

a. To collect, hold and use your or the guarantor's personal information for the purpose of satisfying the lender that you meet the lender's lending criteria and in respect of any other matters relating to this agreement, including but not limited to maintaining or enforcing any of the terms of this agreement; and

b. To disclose your or the guarantor's personal information to any third party who the lender reasonably believes may need to have access to your or the guarantor's personal information for any purpose in relation to this agreement; and

c. Not to further notify you or the guarantor, before disclosing your or the guarantor's personal

information to any third party, who the lender reasonably believes may need to have access to your or the guarantor's personal information for any purpose in relation to this agreement.

10 New Zealand law applies. This agreement is governed by New Zealand law and you and we agree that the New Zealand courts may rule on any disputes. If you want to dispute or argue with us in relation to or in connection with this agreement, you may do so only before a New Zealand court or Disputes Tribunal or before our dispute resolution provider in New Zealand. However, we may enforce:

a. This agreement against you; or

b. Any judgment against you or against your real and personal property in any country where you or that property may be.

11 You must make all payments in full when due. You must pay all amounts shown in the PAYMENTS schedule of the disclosure statement when they are due:

a. You must make all payments without any deduction or withholding for any purpose whether by way of set-off counter-claim or otherwise and in such manner as we require.

b. That means if you believe we owe you a debt of money or if you have any sort of claim against us, you must not take off:

(i) any part of that debt; or

(ii) any of the amount you claim we owe you from your payment of any instalment or other amount under this agreement. Also we may tell you how you must pay us.

c. If we require, you must allow us to directly debit your bank account or you must set up automatic payments. We may also use any direct debit authority to pay ourselves any instalment or credit or default fee or default interest. That means you must allow us to take money from your bank account.

12 You must pay the lender all interest (including default interest) and credit fees and default fees. You must pay to us as soon as we ask or when they are otherwise due and in any event we may charge against your account with us:

a. The credit fees shown in the "**CREDIT FEES AND CHARGES**" section of the disclosure statement; and

b. Any early repayment fee provided for in the **FULL PREPAYMENT** section of the disclosure statement and any part repayment fee charged; and

c. The default fees and default interest shown in the "**WHAT COULD HAPPEN IF YOU FAIL TO MEET YOUR COMMITMENTS** - default interest charges and default fees" section of the disclosure statement; and

d. All of our costs which we may suffer or have to pay in connection with:

(i) any further loan application, credit and security checks and the work we do to consider that application. If you apply for a further loan from us we may charge you the cost of dealing with your application;

(ii) any variation and release of this agreement or any Personal Property Securities Act financing statement or Land Transfer Act registration in relation to this agreement not provided for in

the disclosure. For example if you ask us for to agree to your selling a collateral motor car and replacing it with another, we may charge you the cost of our dealing with it;

- (iii) any dealing we have with any other person who has (or claims to have) any interest (whether registered or not) in any collateral or in the land to be mortgaged. For example somebody might claim to have a security interest in a motor car you provide as collateral and you would have to pay us the cost of dealing with him;
- (iv) any dealing with any of you or with any guarantor about the agreement. That will include any loan settlement or proposed prepayment (repaying all or some of the unpaid balance in advance) that does not proceed and if you are in default, it will also include the cost of any dispute;
- (v) if you are in default the transfer of the security interest of any other secured party to us or our security interest to another secured party;
- (vi) anything we decide to do in order to enforce this agreement in any way or to protect our rights under it. That may include our going to court or the Dispute Tribunal and our instructing solicitors and debt-collectors;
- (vii) our doing anything you should have done but you have not done;
- (viii) if you (or any person on your behalf) make a demand under section 162 of the PPSA without justification, our obtaining of an order under section 167 of that Act. Section 162 allows you to demand that we change or remove the financing statement that shows we have a registered security interest in collateral. If you wrongly demand that we change or remove the statement, we will charge you the cost of going to court to protect it;

and you agree that amounts referred to in this paragraph 12 will become part of the unpaid balance and that they are contractual damages if they become chargeable to you as a result of your default under this agreement. This means that you agree to pay the costs in this paragraph and you may not argue about them as long as we prove the amounts.

13 Our costs referred to in paragraph 12 include:

- a. Our own internal administration fees; and
- b. Expenses and any other liabilities we do not now know about. These include legal expenses on a solicitor and own client and on a full indemnity basis. That last sentence means that we may recover from you the full costs which our own lawyers charge to us if we instruct a lawyer as part of enforcing this agreement against you.

14 The lender may vary interest and fees. We may from time to time change the annual interest rate, default interest rate, credit fees and default fees payable under this agreement so they go up or down. You must pay such changed interest rates and changed fees:

- a. If we are passing on the changed costs of a third party supplier (such as a solicitor or a credit reporter or other outside contractor) to you we will tell you as

soon as we wish to pass on those costs to you and we will tell you when you must pay.

- b. If we are passing on our internal costs (such as make up our account management or administration fees or defaulted payment fees or letter, email or text fees, default time fee or mileage fees):
 - (i) in each case, we will give you not less than a month's notice of any such change and any increase or decrease in your regular payments and the date when any increased or decreased payments begin;
 - (ii) from that date you must pay the changed amount and if you are in financial default or default generally, you must also pay any changed default interest or default fees.
- c. No increase will be backdated.
- d. Any interest rate or fee increase shall be proportional to the increase in our cost of funds or the cost basis of the fee. For example, if our costs go up by 5% we would not increase credit fees by more than 5%.

15 Default Interest and Default fees.

- a. If you are in financial default you must pay us default interest on any overdue instalment or other overdue amount at the rate for those amounts shown in the disclosure statement. You must pay default interest from the date you fall into financial default until you are no longer in financial default.
- b. You must also pay default interest on the unpaid balance at the rate shown in the disclosure statement for that amount if we accelerate payment for a reason other than your financial default. For example, if we call up the unpaid balance because you drive a collateral motor car when you have excess blood or breath alcohol or because you do not tell us the truth in your loan application, you must pay us default interest on the full unpaid balance until you pay it. You must also pay default interest on the unpaid balance if you do not repay the loan in full at the end of the agreed term.
- c. If you are in any default at all you must pay default fees. You must pay default fees from when you fall into any default until you cease that default.
- d. We may debit all default interest and default fees as set out in the "**Default interest charges and default fees**" section of the disclosure statement and they will become part of the unpaid balance. You must continue to pay default interest and credit fees and default fees after judgment against you. That means you must keep paying them after we sue you in court for the unpaid balance and obtain an order that you must pay.
- e. Your obligation to pay default interest and default fees is subject to section 83M of the Credit Contracts and Consumer Finance Act which prevents us from charging any costs or any interest on any part of the unpaid balance after we have sold consumer goods collateral.

16 Subject to section 119 and 28 of the Property Law Act 2007 (which in some cases requires a legal document about collateral goods which are not consumer goods or about mortgaged land to be sent), we may accelerate repayment of the loan and require you to pay the unpaid balance to us straight away (forthwith) if:

- a. Any goods included in the collateral are at risk;
- b. You breach paragraphs 3f, 4e or 8 above or paragraphs 26, 27, 31, 32, 35 or 36 below of these general terms and conditions;
- c. You breach the conditions of paragraph 29 of these general terms and conditions or if we cannot find the collateral or if you change your home address without notifying us and we cannot find you;
- d. You fail to pay any money for 5 working days after it is due or if you continue any other default for 9 working days after the posting of any notice of that default to you (or 5 working days if such notice is sent by electronic means).

We may call up that money even although the time for payment has not yet been reached.

- 17 It is your job to know what you owe the lender from time to time.** We must disclose (give) information to you at least every 6 months. In spite of that, it is your responsibility to find out from us the amount of any default interest and default fee or credit fees you may have to pay from time to time and to pay them. For example, if you miss paying a regular instalment or if you do not pay some other money when it is due, default interest or default fees may be debited. It is your job to find out what the default interest and fees are and to pay them.

- 18 If you disappear time will not run on your debt until we locate you again in New Zealand or in Australia.** Pursuant to section 41 of the Limitation Act 2010, if you change your physical address without notifying us and:

- a. You are then in default or subsequently fall into default; and
 - (i) we are unable to locate you; or
 - (ii) you live (whether permanently or not) in any other country; and
- b. We subsequently locate you in New Zealand or in Australia the limitation period shall begin on the date that we locate you in New Zealand or in Australia to the effect that that date will be;
- c. The start date (under section 16(1) of the Limitation Act) for any claim we may make against you for interest accrued during the period from the time you change your address or leave New Zealand (whichever is the earlier if both apply) and
- d. Deemed to be the date of the act or omission on which the claim is based (under section 11 of the Limitation Act) with respect to default in repaying any principal repayments or parts of the unpaid balance which have fallen due from the time you change your address or leave New Zealand (whichever is the earlier if both apply).

WHAT DOES PARAGRAPH 18 MEAN? Paragraph 18 of these general terms and conditions is intended to prevent you from taking advantage of a gap in time in order not to pay. The Limitation Act states that generally if we do not sue you for unpaid interest or unpaid principal for 6 years after the interest or the principal amount falls due, then we lose our right to sue you for the debt. Section 41 allows us to agree that the 6 years does not run until another date. In this case, if you disappear and we cannot locate you but we find you again in New Zealand or in Australia the six years will run from the time we locate you in New Zealand or Australia.

- 19 The lender may set-off any debt to you.** If you have a claim against us or if we owe you money, we may set-off that claim or debt against any claim we have against you or any debt you may owe to us. This means we may reduce any amount we owe you by any amount that you owe us.

- 20 The lender may receive commission on any insurance** which it arranges for you.

- 21 The lender may appropriate payments as it sees fit.** If we receive any money from you or as proceeds of the sale of collateral or the land to be mortgaged:

- a. We may appropriate (credit) that money against any debt owed by you.
- b. We may do this whether or not the money so appropriated is due and payable and may appropriate the money in any manner and at any time that we may decide.
- c. That decision will overrule or cancel any appropriation you claim to have made but if we appropriate a sum intended by you for a debt under one agreement to a debt under another agreement, that appropriation on its own will not be the cause of your being in financial default under one of the agreements.
- d. Our appropriation on its own shall not cause you to pay any more interest or credit fees than you would have done if our appropriation had not taken place.

What does all this mean? If you owe us money under two agreements, and you pay us an instalment under one agreement, we may apply (credit) that money to the other agreement. For example if you owe us \$500 on agreement A and \$1000 on agreement B you may want to pay us \$100 for Agreement A so it reduces to \$400. However, if we wish we can credit it to Agreement B. If we do that, Agreement A will stay at \$500 and agreement B will reduce to \$900. If we do this, it will not put you in default under Agreement A. If the interest rates for the agreements are different, we will credit the \$100 at the higher rate so you are not disadvantaged by the different interest rates.

- 22 This agreement secures future advances.** That means that if you borrow money from us after you sign this agreement we will still have a security interest in the collateral and a mortgage of any land to be mortgaged. The collateral and land will remain security for the extra money you borrow even if you have repaid money we lent you earlier. The loan of more money will be on the same terms as those of this agreement unless we make changes in writing when we lend you the extra money.

- 23 You may repay your loan early.** You may repay the unpaid balance of your loan in full before it is due. However you must also pay us:

- a. The administrative costs of the full prepayment; or
- b. A charge equal to our average administrative costs of the full prepayment.

- 24 You must have a telephone where we may contact you.** You must maintain (keep) a landline or mobile telephone connection or subscription as the case may be. If for any reason we cannot speak to you directly at the latest telephone number provided by you (whether landline or cellular), you agree that we may:

- a. Advise any person who answers **any** telephone number we have for you:

- (i) who we are and tell them that we are trying to talk to you; and
 - (ii) that we wish you to contact us; and
- b. Leave messages with that person.

25 You must always keep us up to date with your name, home and email address and phone numbers. You must not change your name, physical residential (home) address or email address, or your landline or cellular telephone number without first giving us two working days written notice of your intention to do so. You must at the same time provide us with the replacement name, home or email address or landline or cellular telephone number. We may write to you at the address last notified to us.

26 You must always be able to pay your debts when they fall due. You will breach this agreement and we may call up the unpaid balance if you commit any act of bankruptcy, enter into the No Asset Procedure or without the lender's consent become subject to a summary instalment order. ["Bankruptcy" and "no asset procedure" and "summary instalment order" are all ways in which you might not have to pay us in the way that this agreement says you must. If any of them apply to you we will be able to call up the loan.]

27 You may not impose any part payment settlement on us and you must not attempt to do so. If you:

- a. Send us a cheque; or
 - b. In any way pay us money;
- that is less than the unpaid balance and you claim or wish to claim that our:
- a. Banking the cheque; or
 - b. Accepting the money;
- settles payment of the unpaid balance in full, we will not be bound by your claim unless we have agreed to that settlement in writing before you sent the cheque or paid the money. This means that (unless we agree in writing in advance) you cannot pay us less than you owe us and claim that that payment means you do not have to pay any more. That will apply even if you tell us in advance that we can only accept the payment you are going to make if it clears your debt. You must not try to compel us to settle for less than you owe in such a way and we may accelerate payment of the unpaid balance if you do.

28 Only written changes to this agreement are binding. We are not bound by any change to this agreement unless it is in writing and signed by one of our staff. We may enforce any of your obligations at any time, even if we have previously delayed enforcement, unless we tell you differently in writing. If you believe we have agreed not to enforce in some way, you must show that we have agreed to that in writing. If we agree once not to enforce an obligation, it does not mean we will agree again or continuously unless we tell you so in writing. If we agree not to enforce one obligation, it does not mean we agree not to enforce another.

SECURITY INTEREST IN COLLATERAL AND MORTGAGE OF LAND

29 How you must store and care for and use collateral goods and protect the lender's interest in them:

- a. Subject to b below you must keep any collateral which is goods you own at your home address above or at

the most recent address provided by you under paragraph 25.

- b. However, you may keep collateral goods other than where you live, if you tell us in writing in advance what the other address is but you must not allow any collateral to be taken out of New Zealand.
- c. However, you must not change where you keep any collateral goods while you are in default without the lender's prior written consent to the new address.
- d. You must obey any laws about owning and using collateral goods and you must not use them in any dangerous or illegal activity nor for any purpose for which they are not intended.
- e. You must make sure that any collateral motor vehicle at all times is registered and not only has a warrant of fitness but is in a condition that will enable a warrant of fitness to be issued for it. You must make sure the vehicle is always able to get a warrant of fitness.
- f. You must not use any collateral motor vehicle or motor boat for motor sport activity such as racing, rallying, speed or time trials or (and in particular) so that any driver or owner of a collateral motor vehicle receives a written caution under section 129B of the Sentencing Act 2002 or any equivalent legislation.
- g. You must not :
 - (i) drive any collateral motor vehicle when:
 - (a) you do not hold a driver's license; or
 - (b) you are disqualified from driving; or
 - (c) you have a breath or blood alcohol level beyond any legal limit; nor
 - (ii) allow any other person to drive when unlicensed or disqualified or with illegal breath or blood alcohol level.
- h. You must not:
 - (i) do anything or allow anything which may damage, weaken or challenge our security interest in collateral or any registration of that collateral on the Personal Property Securities Register;
 - (ii) make any unjustified application under section 162 of the PPSA. (See paragraph 12d (viii));
 - (iii) grant any other security interest over collateral nor allow any workman's lien to be created over it nor dispose of nor allow the disposal of collateral by sale or gift or lease or in any other way nor cause nor allow collateral to be taken out of the possession of the borrower who owns it, nor destroyed, damaged, endangered, disassembled, removed from the place where you are required to keep it nor concealed from the lender. (See meaning of "at risk" in paragraph 1 above);
 - (iv) obtain any personalised registration plate on any collateral motor vehicle nor otherwise change or remove any collateral goods part number or serial number unless we first agree in writing. If any of these things happen, you must tell us straight away in writing;
- i. You must also care for and maintain collateral goods in good condition from the time you sign this agreement. If any collateral is a motor vehicle you must repair (fix up) damage to panels, bumpers, lights, windows and other outside and inside surfaces and to paint work. This means you must look after any

collateral goods properly and if they are a motor vehicle you must fix up any damage to those parts of the motor vehicle inside and out, including painting.

30 The lender may inspect any collateral goods on giving 24 hours written notice. We may come and inspect (look at) collateral goods if we tell you 24 hours in advance. You must show the goods to us at your home or at the other place you have told us you are keeping them. If collateral goods are at risk we do not have to tell you in advance and we may enter any place where we believe the goods may be to look for and inspect them. If we do that and we cannot find goods, we may break in to look for them and we do not have to pay you compensation.

31 You must appropriate after-acquired consumer goods to the security interest. If you have granted security over after-acquired personal property and if you obtain consumer goods (other than beds and bedding, cooking equipment including cooking stoves, medical equipment, portable heaters, washing machines and refrigerators) after this agreement comes into effect you must advise us that you have obtained the consumer goods so we may attach the security interest to them and you must provide us with any descriptions and serial and part numbers as may be necessary to enable or assist registration. If you do not tell us about any after-acquired consumer goods, we may call up the loan.

What does this mean? If in this agreement you have given security over goods which you obtain (become ~~of~~ the owner of) in future you must tell us if you become the owner of any consumer goods so as to make them part of the collateral. If you do not tell us, our security interest will not include those consumer goods and you will be in breach of this agreement. As well as telling us about the goods, you must describe them to us and also give us any serial numbers and part numbers on the goods. We need the descriptions and the numbers so we may register our security interest against those consumer goods. However, you do not have to tell us about consumer goods you obtain if we are giving you a loan to buy them. If you do not tell us about any consumer goods you obtain in future we may call up the loan.

32 Accessions and replacement goods become part of the collateral. Any accessions (including replacements and accessories) which are attached to collateral goods and any replacement for collateral goods shall become part of the collateral. This includes your interest in any personalised motor vehicle registration plates. You must tell us about any replacement as soon as you obtain it and about any accession as soon as you attach it to other collateral and you must describe them to us and also give us any serial numbers and part numbers on them so that we know about them. In the case of accessions that will make them part of the collateral. If you do not tell us about any replacement or accession, we may call up the loan.

33 Rules for use and treatment of GPS tracking device. If the disclosure statement shows that there is a GPS tracking device attached to any consumer goods, the person who owns the consumer goods must keep the device attached to the consumer goods and must not do anything to cause or allow it to be removed deactivated or made ineffective. We may activate the device if and for as long as:

a. You are in financial default; or

- b. The goods are at risk. This means that we believe on reasonable grounds that the goods have been or will be destroyed, damaged, endangered, disassembled, removed, concealed, sold or otherwise disposed of contrary to this agreement. Those actions are forbidden in paragraph 29h (iii) of these general terms and conditions;
- c. If you are in breach of any of conditions set out in paragraph 29 of these general terms and conditions;
- d. We learn that you or the guarantor has breached paragraph 8 or paragraph 35 below of these general terms and conditions.

34 Lender's rights if collateral includes company shares. If any collateral is shares in a company registered under the Companies Act 1993 or any Act replacing or changing it:

- a. Our security interest includes
 - (i) all issues of bonus shares, rights and newly created shares; and
 - (ii) all share conversions and dividends and any other issue made;in relation to the shares the subject of the security interest, and
- b. We may vote in your place at any meeting of the company shareholders and we shall have all the rights and powers under the company's constitution and at law.
- c. The last two sub-paragraphs mean that if the company issues further rights, income or other benefits attached to collateral shares, we will have security also over those rights and benefits. Further, we have all the rights of the owner of the shares at any company meeting or in any dealing with the company including the power to vote the collateral shares.

35 You must insure the collateral and any buildings or improvements which are mortgaged.

- a. You must insure or arrange the insurance of:
 - (i) the collateral which is goods to its full insurable value; and
 - (ii) any buildings or improvements on the land to be mortgaged for full replacement value if possible but otherwise for full insurable value; and
 - (iii) keep them insured against fire, accident, theft, flood, earthquake and storm and any other risks as we may require. This means that you must insure against these things and you must insure for as much as the insurance company will allow you to.
- b. The insurance policy must be names of the lender (us) and in the names of the owners for the lender's and the owners' respective interests. That means:
 - (i) you must make sure with the insurer that any insurance of collateral goods shows that we have a security interest in the goods;
 - (ii) also you must make sure with the insurer that the policy shows that we are a mortgagee of any land over which you have agreed to grant a mortgage.
- c. The insurance policy must say that all payments, in the event of a claim, will be made to us.

- d. Insurance must be with an insurer licensed under the Insurance (Prudential Supervision) Act 2010 or any Act in replacement.
 - e. If we ask you to, you must insure with a company that we name but otherwise (subject to d) you may insure with whoever you wish.
 - f. You must not do or allow anything which may cause the insurer to refuse payment. For example, you must tell the truth when you apply for the insurance and when you make the claim.
 - g. You must provide us with receipts for the insurance premiums and an insurance company certificate of the insurance if we ask you for them.
 - h. We may use the insurance money to repay the unpaid balance even though it or part of it has not yet fallen due. However, we may decide to re-lend to you if you have not been in financial default and you meet our lending criteria in all respects.
- 36 No criminal activity on mortgaged land or using collateral goods.** You must not do anything against the law on the land to be mortgaged nor use the collateral goods for anything against the law. That includes committing an offence under the Misuse of Drugs Act 1975 or any replacement Act.
- 37 Lender may remedy your default at your cost.** If you fail to do anything which you must do or if you do anything you must not do, we may do or pay anything to remedy the default (to make it right). If we do that we may add the cost of doing or paying to the unpaid balance.
- 38 You must compensate the lender if anyone makes a claim against the collateral or land to be mortgaged.** If in relation to the collateral or the land to be mortgaged you:
- a. Do anything or allow anything; or
 - b. Neglect or fail to do anything; and
- someone claims against you as a result of (a) or (b) and we lose any money or have to spend money, then you must pay the amount of that money to us and we may add it to the unpaid balance.
- 39 This agreement may be enforced by an assignee.** We may give or assign our rights under this agreement to somebody else ("assignee"). If we do that, this agreement (including the power of attorney) will apply to the assignee as if the assignee were the lender. The assignee may enforce this agreement against you. You have no right to assign rights under this agreement.
- 40 The Lender may repossess and sell personal property on default.** If you default under this agreement:
- a. Subject to any requirement to give you notice, we may repossess your collateral. We may not repossess consumer goods which are not identified by item and kind in the disclosure statement unless those consumer goods are replacements for specifically identified consumer goods, or are accessions (to specifically identified consumer goods) which the security interest has attached to. When we have the right to repossess:
 - (i) we may enter any premises (any land) to look for and repossess collateral. We may break into a building or enclosure (such as a place with a fence or wall or hedge round it) where we may reasonably believe collateral may be even if you are not present;
 - (ii) you must not do anything to prevent or hinder us from repossessing goods. You must keep out of the way when we are repossessing goods;
 - (iii) we may move or use your goods to gain access to or remove collateral;
 - (iv) if your property is damaged when we repossess or try to repossess goods, we do not have to pay you compensation (the cost of the damage);
 - (v) if the property of someone else is damaged when we repossess or try to repossess goods, we do not have to pay you compensation and if we must pay that person, we may recover that compensation from you. For example, if you hide collateral goods in a building and we break down a door to find them and to repossess them you must pay the cost of any repair of the door, even if the door belongs to someone else;
 - (vi) we may sell the collateral by auction or by private sale or otherwise. Subject to any law, we may buy the collateral ourselves, give credit and allow payment over time as if we were the owner and nobody else had any rights;
 - (vii) you must do everything necessary to help with the sale and that includes signing any documents needed or helpful or desirable.
 - b. When we sell the collateral:
 - (i) any buyer of the collateral need show only our receipt to prove he has paid the sale price; and
 - (ii) the buyer need not investigate or question the propriety or regularity of the sale to the buyer and the buyer is not to be affected by any notice express or constructive that such sale is improper or irregular. This means that the buyer is not affected and does not need to worry if he learns anything about the sale process (how we sold) or our right to sell and he does not need to ask.
- 41 The Lender may appoint a receiver.** If you are in default, the lender may by notice in writing appoint a person or persons to be the receiver of all or any of the collateral and may at any time or from time to time by notice in writing remove any such receiver and appoint another in their place. Every receiver appointed under this agreement shall be deemed to be the agent of the borrower and the borrower shall be solely responsible for the acts or defaults of the receiver. During the receiver's appointment, in addition to the statutory powers vested in the receiver pursuant to the Receiverships Act 1993, the receiver shall have all powers in respect of the Collateral as if the receiver was the owner of the Collateral.
- 42 Use of purchased property for business purposes.** The Consumer Guarantees Act 1993, the Credit Contracts and Consumer Finance Act 2003 shall not apply if the initial unpaid balance is applied in the purchase of property for business purposes. This means that you do not have warranties and protections under those Acts if your loan is

not wholly or predominantly for your household domestic or personal purposes.

43 The lender shall not be obliged to marshal in your favour or in favour of any other person. If we have security over more than one item of real or personal property, we do not have to sell one item of property before another.

44 Some parts of the PPSA do not apply and you waive your right to a verification statement. You waive your right to receive a verification statement following registration of any security interest. Further, if any of the collateral is not consumer goods, none of sections 133 or 134 of the PPSA will apply to any dealings with that collateral and you waive any rights with respect to that collateral under sections 116, 120(2), 121, 125 127, 129 and 131 of the PPSA. This means that when we register our security interest against collateral, we do not need to provide you with a copy of the statement that the Personal Property Securities Registry then sends us about the registration.

45 Powers and rights you give the lender are irrevocable. In this loan agreement you:

- a. Give us powers and rights; and
- b. Undertake obligations; and
- c. Agree to certain rules of procedure; and
- d. Give consents and authorities.

You may not change your mind and withdraw or cancel our rights and powers nor cancel any obligation nor change procedures nor withdraw consents or authorities until the unpaid balance has been paid in full (subject to the lender's General Terms and Conditions: Fico1001, paragraph 47).

46 The lender may pay a vendor directly with borrowed money. If you are borrowing money from us in order to buy property, whether or not we take a security interest over that property:

- a. We may pay the money directly to the supplier of that property; and
- b. We may impose any conditions on the payment or on the use of the money that we believe are necessary to protect our security interest or to comply with responsible lending requirements.

47 You must pay the lender any money it receives from somebody else which it has to repay. If:

- a. Somebody other than you pays any amount due under this agreement; and
- b. That other person becomes bankrupt or goes into liquidation; and
- c. The Official Assignee ("OA") cancels the payment as an insolvent transaction under section 194 of the Insolvency Act 2006 or the liquidator sets aside the payment as an insolvent transaction under section 292 of the Companies Act 1993 or the transaction is otherwise set aside as a voidable preference, then:

we may repay that sum to the OA or the liquidator and upon demand you must pay us that sum plus interest from the date we pay the OA or the liquidator. You must pay us even if you believe that we should have tried to avoid paying the money back or disputed payment in some way. This means that, for example:

- d. If a guarantor pays us; or
- e. If you arrange for a friend to make payments to us on your behalf; and

the guarantor becomes bankrupt or your friend goes bankrupt, the OA may claim back from us the payments the other guarantor or your friend has made going back for up to two years before the bankruptcy. If that happens we will be able to recover the total of those payments from you. We do not have to argue with the OA about whether or not we should repay the money. Similar rules will apply if a company pays on your behalf and the company then goes into liquidation.

48 All your obligations are joint and several. That means if another borrower signs this agreement, we may recover money due and payable from any of you or from all of you. We may enforce this agreement in other ways against any of you or against all of you.

49 We cannot act against the law. The lender's rights and powers are subject to legislation including the Fair Trading Act 1986, the Credit Contracts and Consumer Finance Act 2003 and the Consumer Guarantees Act 1993. This means that we may not do anything that an Act of Parliament forbids and we must do the things it requires. For example if we had seized and sold consumer goods collateral to pay some of your debt, we could not afterwards charge you interest on the balance of that debt.

FURTHER TERMS RELATING TO GUARANTEE

50 Guarantee. In exchange for our agreeing to make the loan, you guarantee that the borrower will:

- a. Pay all amounts due under the loan agreement when they are due and payable; and
- b. Do everything the borrower must do; and
- c. Refrain from doing what the borrower must not do.

51 Guarantor. You the person named in or above the disclosure statement as guarantor have asked us FICO FINANCE LIMITED to lend money to the borrower. The money to be lent is the initial unpaid balance referred to in the disclosure section of the attached loan agreement ("the loan agreement") and any other money we lend to the borrower under the loan agreement. You wish us to lend to the borrower upon the terms contained in the loan agreement. Now in exchange for our lending to the borrower the initial unpaid balance and any subsequent advances you agree with us as set out in the loan agreement, the following paragraphs and any other documents you may be required to sign, for example such a Deed of Guarantee. The loan terms apply to you as if you are the borrower and all of the lender's rights and powers also apply to you, for example at paragraph **Error! Reference source not found.** the borrower gives an irrevocable power of attorney to the lender, and therefore you also give an irrevocable power of attorney to the lender.

52 Meaning. In this guarantee words and expressions have the same meaning as they have in the loan agreement (see paragraph 1). However in relation to a guarantor and the guarantee:

- "anyone else" means any borrower under the loan agreement and another guarantor of the

borrower's obligations under the loan agreement or one or more of them.

- "*Disclosure statement*" means the disclosure statement in the loan agreement.
- "*Default*" means that you the guarantor fail to do something you must do or that you do something you must not do.
- "*Guaranteed money*" means the unpaid balance under the loan agreement. "Due and payable" means "must be paid now".

53 If the borrower does not pay then you must do so. If the borrower does not pay any amount when it is due and payable we may demand some or all of that amount from you and you must pay it immediately. If you do not pay the amount demanded we may sue you for the money or may enforce any security interest which you have given to us. For example, if you have given a security interest in a motor vehicle we may repossess the motor vehicle and sell it to help to pay the debt. If you have given a mortgage over a house, we may sell the house.

54 You are deemed to be principal debtor. You are also liable under this guarantee as if you are the principal debtor and the rules that operate between us and the borrower as set out in the loan agreement apply to you as if you were the borrower. In addition to your obligations as the guarantor, you unconditionally and irrevocably agree to do what the borrower must do as if you were the borrower. We may demand the guaranteed money from you when it is due and payable even if we do not demand that money from the borrower. You are not excused from paying any amount or from doing anything even if something happens which otherwise might release you from your obligation as a guarantor or might limit that obligation. For example your obligation is not changed and you must still pay if:

- a. We do not enforce, or we delay enforcement of, any right or power against you or anyone else;
- b. We release or partly release anyone else from obligations under the loan agreement or a guarantee (including this guarantee) or release or discharge any security interest granted by anyone else;
- c. Anyone else becomes bankrupt or becomes subject to any arrangement under the Insolvency Act 2006 whereby they do not have to pay some or all of the guaranteed sum;
- d. We do not obtain a security interest over property from anyone else or anything happens or does not happen and as a result our security interest from anyone else becomes less effective or ineffective;
- e. We vary or change any security interest;
- f. We allow anyone else more time to pay or give a waiver or a concession to anyone else;
- g. Anyone else does not sign the loan agreement or any guarantee or is not liable under either of them for any reason.

55 Your liability is joint and several with any other guarantor. You must personally:

- a. Pay the guaranteed amount to us upon demand; and
- b. Do everything this guarantee requires; and
- c. Not do anything that this guarantee forbids;

even if another guarantor signs this guarantee or signs another guarantee of the borrower's obligations. We do not have to claim or demand from anyone else but we may do

so. We may claim against you on your own or against all guarantors and borrowers. You are liable on your own and also jointly liable with any other guarantor under this guarantee. We do not have to sell collateral before we require you to pay.

56 Rights of Subrogation Indemnity and Contribution limited. If you pay us any money under this guarantee you must not claim any part of that money from:

- a. A borrower; or
- b. A borrower's estate if he is dead; or
- c. The Official Assignee if he is bankrupt; or
- d. Another guarantor; or
- e. Another guarantor's estate if he is dead; or
- f. The Official Assignee if the other guarantor is bankrupt or from the liquidator if the other guarantor is a company in liquidation;

until we have received payment of the guaranteed money in full and all the borrower's obligations under the loan agreement have been performed. We must be paid in full before you may claim back from a borrower or another guarantor any money you have paid to us.

57 This guarantee may be enforced by an assignee. We may give or assign our rights under the loan agreement and this guarantee to somebody else ("assignee"). If we do so, this guarantee (including the power of attorney) will apply to the assignee as if the assignee were the lender. The assignee may enforce this guarantee against you.

58 You must pay the lender's costs of enforcement and attempted enforcement. If you default under this guarantee (for example if you fail to pay the guaranteed sum on demand) you must pay us all our actual costs of trying to recover any money or otherwise enforcing this guarantee. Costs we may recover are listed in the default fees set out in the disclosure statement and at paragraph 15.