

Retail Agreement

(and initial disclosure statement under section 17 of the Credit Contracts and Consumer Finance Act 2003)

Background:

This Agreement records the terms on which Avanti will make available to the Borrower a loan advance (the Advance) at the request of the Dealer to purchase the clothing.

Certain words and expressions used in this Agreement are defined in clause 12 of the Terms and Conditions. A reference to a "clause" is a reference to a clause in the Terms and Conditions contained in this Agreement.

Parties:

The Lender

(also referred to as "Avanti")

Avanti Finance Limited

Physical address: 33 Broadway, Newmarket, Auckland 1023

Postal address: Private Bag 11917, Ellerslie, Auckland 1542

Phone: (09) 571 0720 | Fax: (09) 571 2406 | Email: info@avantifinance.co.nz

The Borrower(s)

The Dealer

Credit Details:

The Date of Advance

The Cash Price

The Deposit

The Loan Amount

This is the initial unpaid balance and the total of all advances that will be made to the Dealer. There are no subsequent advances.

The Payments

No of payments:

First Monthly Payment Date

Monthly Payment Amount:

Total amount of Payments

Total Interest Charges

Nil. The interest free period runs from the Date of Advance until the date of the last payment.

Funding Fee

Nil.

Default Interest Rate

16% per annum. Default interest is charged on the amount in default not the total loan.

Making this Agreement

Despite anything to the contrary, this agreement is not made and Avanti is not bound by it until it has been signed by the Borrower, the deposit paid to the Dealer and the signed agreement returned to Avanti.

Avanti’s agreement to make the Advance by payment direct to the Dealer

Avanti agrees to lend the Loan Amount to the Borrower in accordance with the provisions of this Agreement.

The Loan Amount is payable by equal monthly instalments. The Monthly Payment Amount, the number of Monthly Payment Amounts and the First Monthly Payment Date are set out in the section above headed “The Payments”.

By signing this Agreement, the Borrower:

1. confirms that it has or will pay the Deposit to the Dealer on or before the Date of Advance;
2. authorises and instructs Avanti to pay the Loan Amount to the Dealer to complete payment for clothing on the Date of Advance.

Agreements and acknowledgements:

By the Borrower signing this agreement:

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. <i>repayment of Loan Amount:</i> agrees to repay the Loan Amount, charges and fees under this Agreement in accordance with the terms of this Agreement; 2. <i>compliance with terms:</i> agrees to comply with all of the terms and conditions that are set out in this Agreement and with all terms and conditions that are implied by law; 3. <i>joint and several borrowing:</i> confirms that if more than one party is named as a borrower each person so named is jointly and severally liable to repay Avanti the full amount owing. | <ol style="list-style-type: none"> 4. <i>Cash price and disclosure of invoice discount:</i> <ol style="list-style-type: none"> (a) confirms and acknowledges that the Cash Price is the lowest price at which it the Borrower would be entitled to purchase the items financed on the basis of payment in full at the time this Agreement is made; (b) acknowledges that Avanti will be receiving an invoice discount from the Dealer in respect of the sale of the items financed to the Borrower; and (c) acknowledges that this Agreement and the making of the Advance is conditional upon Avanti receiving the invoice discount on the Date of Advance. 5. <i>Interest free Loan:</i> the Borrower acknowledges that the Borrower is not required to pay interest on the Loan Amount and is not entitled to any rebate on the Loan Amount if it is repaid early. |
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Signed as an Agreement

By the Borrower:

In the presence of

:
Witness Signature

Name (print)

Address

Occupation

*Witness needs to sign
under each borrower
signature*

INITIAL DISCLOSURE STATEMENT

For Consumer Credit Contracts (other than Revolving Credit Contracts)

IMPORTANT - Avanti is required to provide you with this 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 disclosure statement and a copy of your consumer credit contract in a safe place.

The law gives you a limited right to cancel the consumer credit contract (see below for further details). **Note that strict time limits apply.**

CREDIT DETAILS - Set out on page 1.

PAYMENTS - Set out on page 1.

INTEREST - the loan is interest free. Accordingly there is no method of charging interest.

CREDIT FEES AND CHARGES – there are no credit fees.

CONTINUING DISCLOSURE - Statements will be provided every six months

RIGHT TO CANCEL - You are entitled to cancel the consumer credit contract by giving notice to Avanti

Time limits for cancellation

- If the disclosure documents are handed to you directly you must give notice that you intend to cancel within 5 working days after you receive the documents.
 - If the disclosure documents are sent to you by electronic means (for example, email) you must give notice that you intend to cancel within 7 working days after the electronic communication is sent.
 - If the documents are mailed to you, you must give the notice within 9 working days after they were posted.
- Saturdays, Sundays, and national public holidays are not counted as working days.

How to Cancel

To cancel, you must give Avanti written notice that you intend to cancel the contract by-

- giving notice to Avanti or an employee or agent of Avanti; or
- posting the notice to Avanti or an agent of Avanti; or
- emailing the notice to Avanti’s email address (if specified on the front of this disclosure statement).

You must also, within the same time,

- (a) return to Avanti any advance and any other property received by you under the contract (but you cannot do this if you have taken possession of any goods or if you have bought any property at an auction) or
- (b) pay the cash price of the property within 15 working days of the day you give notice.

What you may have to pay if you cancel

If you cancel the contract, the creditor can charge you the amount of any reasonable expenses the creditor had to pay in connection with the contract and its cancellation.

WHAT TO DO IF YOU SUFFER UNFORSEEN HARDSHIP

If you are unable to reasonably keep up your payments or other obligations because of illness, injury, loss of employment, the end of a relationship, or other reasonable cause, you may be able to apply to Avanti for a hardship variation.

To apply for a hardship variation, you need to:

- a) make an application in writing; and
- b) explain your reason(s) for the application; and
- c) request one of the following:
 - an extension of the term of the contract (which will reduce the amount of each payment due under the contract); or
 - a postponement of the dates on which the payments are due under the contract (specify the period for which you want this to apply); or
 - both of the above; and
- d) Give the application to Avanti.

Do this as soon as possible. If you leave it too long, Avanti may not have to consider your application.

FINANCIAL SERVICES PROVIDER - DISCLOSURE STATEMENT

Avanti Finance Limited is licensed (FSP No. FSP41821) by the Financial Markets Authority ('FMA') and has the status of a Qualifying Financial Entity ('QFE'). We take responsibility for the financial adviser services provided by our QFE advisers, which relate to the following financial products:

1. a consumer credit contract within the meaning of the Credit Contracts and Consumer Finance Act 2003; and
2. a contract of insurance.

FMA's contact details are: Financial Markets Authority, PO Box 1179, Wellington 6140
 PH: 04 472 9830 or 0800 434 566 | Email: fma@fma.govt.nz

You can obtain information about financial advisers from the FMA and can report information about the QFE or its advisers to the FMA. The information provided in this Disclosure Statement is important and should help you decide which financial adviser to choose. You can check the status of the QFE and whether other entities are a member of the QFE group on the register at www.fspr.govt.nz. This disclosure statement is given as at the as at the Statement Date on the second page of this agreement.

Our contact details are: Avanti Finance Limited, Private Bag 11-917, Ellerslie, Auckland 1542
 33 Broadway, Newmarket, Auckland 1023
 PH: 09 571 0720 or 0800 808 003 | Email: info@avantifinance.co.nz

WHAT COULD HAPPEN IF YOU FAIL TO MEET YOUR COMMITMENTS

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. Default interest is charged on the amount in default from the time that you fall into financial default until you are no longer in financial default and calculated by multiplying the amount in default at the end of the day by the daily default interest rate. The daily default interest rate is calculated by dividing the annual default interest rate by 365. Default interest is charged to your account and immediately due and payable.

FULL PREPAYMENT

You may pay the unpaid balance in full before the final payment is due without penalty.

INTERNAL COMPLAINTS PROCEDURE

Our complaints procedure may be initiated by telephone, email, via our website or in writing using the contact details specified above. If we can't resolve your issue immediately, here is how it will be dealt with:

1. If you have made your complaint verbally or via our website, we will acknowledge your complaint immediately. If you have made your complaint in writing we will acknowledge it within 5 working days of receiving it.
2. We aim to have your complaint resolved within 5 days and will email or write to you outlining the resolution. If we are unable to resolve your complaint within 5 working days we aim to resolve it within 20 working days.
3. In the event that we can't resolve your complaint within 20 working days, we will write to you advising you why we require more time to resolve your complaint.

DISPUTE RESOLUTION

We are a member of Financial Services Complaints Limited ('FSCL'), which is an approved dispute resolution scheme.

FSCL's contact details are: Financial Services Complaints Limited, PO Box 5967, Wellington 6145
 PH: 04 472 3725 or 0800 347 257 | Email: info@fscl.org.nz

Terms and Conditions

The following terms and conditions apply to your Consumer Credit – Secured Loan Agreement.
We strongly recommend that you obtain legal advice on these terms and conditions before you sign this agreement.

1. Availability of the Facility

1.1 Amount

Avanti agrees, at the request of the Borrower, to make the Advance by payment to the Dealer of the Loan Amount on the Date of Advance.

2. Interest

2.1 No Interest Charge

No interest, other than default interest payable under clause 4.2 is payable in respect of the Advance.

3. Payments

3.1 Payments by Borrower

The Borrower will

Deposit: pay the deposit to the Dealer on or before the Date of Advance; and

The Payments: make the required number of regular monthly payments of the payment amount to Avanti as specified in the section headed "The Payments".

3.2 Method of making the Payments

All payments must be made by Direct Debit or Automatic Payment Authority drawn on the Borrower's bank account. On or before the Date of Advance, the borrower must deliver a completed and signed Direct Debit or Automatic Payment Authority to Avanti.

The making of the Advance is conditional upon Avanti receiving the Direct Debit or Automatic Payment Authority prior to the Date of Advance. If the Direct Debit or Automatic Payment Authority is not provided by that date, Avanti may delay making the Advance until it has received the Direct Debit or Automatic Payment Authority.

4. Events of Default

4.1 Default

If, at any time and for any reason, whether or not within the control of a party:

(a) Non-payment

the Borrower fails to pay on its due date any amount payable under this Agreement; or

(b) Breach of obligations

the Borrower does not perform or comply with any of its obligations under this Agreement; or

(c) Insolvency

the Borrower:

- (i) is insolvent or unable to pay its indebtedness as it falls due; or
- (ii) stops or suspends, or threatens to stop or suspend, payment of any of its indebtedness or begins negotiations or takes any proceedings to reschedule any of its indebtedness; or
- (iii) makes, or proposes to make, an assignment, arrangement, composition or compromise with, or for the benefit of, its creditors in respect of or affecting any of its indebtedness; or
- (iv) if an individual commits an act of bankruptcy or becomes bankrupt; or

4.2 Default interest

If any payment is not made on its due date then interest at the Default Rate specified in the Credit Details in respect of the amount of the default is payable for the period during which that payment is in default.

5. Indemnities

5.1 General indemnity

The Borrower will on demand indemnify and hold Avanti harmless against each cost, loss (including loss of profit or margin), expense (including all legal expenses on a solicitor and own client basis and taxes) and liability sustained or incurred by Avanti as a result of:

- (a) the occurrence or continuation of an Event of Default, or not complying with any obligation expressed to be assumed by it in this Agreement or implied by law; or
- (b) an amount payable by the Borrower to Avanti not being paid when due, whether by prepayment, acceleration or otherwise (but, so far as appropriate, credit is to be given for amounts, if any, of default interest paid under this Agreement

by payment to Avanti of the amount Avanti certifies is required to compensate it for that cost, loss, expense or other liability.

The above indemnity is unconditional and irrevocable, is to survive termination of this Agreement and payment of all other indebtedness due under this Agreement and is not to be discharged or impaired by any act, omission, matter or thing that might discharge or impair them but for this sub-clause.

6. Payments and taxes

6.1 All payments on business days

Where a payment to be made under this Agreement is due on a day which is not a business day the due date will be the next business day (unless the next business day falls in the next calendar month, in which case the due date will be the previous business day).

6.2 Mode of payments

Each payment to Avanti under a Relevant Document is to be made by 4.00 pm on the due date in immediately available freely transferable funds in the manner and to the account at the bank which Avanti, by notice to the Borrower, specifies from time to time.

6.3 Payments to be free and clear

Each payment by the Borrower to Avanti under a Relevant Document is to be made:

- (a) free of any restriction or condition; and
- (b) free and clear of and (except to the extent required by law) without any deduction or withholding for or on account of tax or on any other account, whether by way of set-off, counterclaim or otherwise.

6.4 Reinstatement

If a payment made by the Borrower to Avanti pursuant to this Agreement is avoided by law:

- (a) that payment will be deemed not to have discharged or affected the obligation of the Borrower in respect of which that payment was made or received; and
- (b) Avanti and the Borrower will be deemed to be restored to the position in which each would have been, and shall be entitled to exercise all the rights which each would have had, if that payment had not been made.

7. Assignment

7.1 Benefit and burden of this Agreement

This Agreement is binding on and enure for the benefit of the parties and their respective successors and, in the case of Avanti, its assignees or transferees and, in the case of the Borrower, its permitted assignees or transferees.

7.2 Avanti

Avanti may assign or transfer all or part of its rights or obligations under this Agreement without the consent of the Borrower. Each assignee or transferee is to have the same rights against the Borrower under this Agreement (or a proportion of those rights if it is the assignee or transferee of part only) as if named in this Agreement as Avanti.

7.3 Disclosure of information

Avanti may disclose, on a confidential basis, to a potential assignee, transferee or other person with whom contractual relations in connection with this Agreement are contemplated, any information about the Borrower whether or not that information was obtained in confidence and whether or not that information is publicly available.

7.4 The Borrower

The Borrower may not assign or transfer all or part of its rights or obligations under this Agreement without the consent of Avanti.

8. Expenses

8.1 Enforcement expenses

The Borrower will pay on demand each cost and expense (including all legal expenses on a solicitor and own client basis and taxes) sustained or incurred by Avanti as a result of the exercise of, or in protecting or enforcing or otherwise in connection with, its rights under this Agreement or another transaction required or contemplated by this Agreement, in each case on a full indemnity basis.

9. Remedies and waivers

9.1 Exercise of rights and waivers

Time is of the essence of this Agreement but no failure to exercise, and no delay in exercising, a right of Avanti will operate as a waiver of that right, nor will a single or partial exercise of a right preclude another or further exercise of that right or the exercise of another right. No waiver by Avanti of its rights is to be effective unless it is in writing signed by Avanti.

9.2 Remedies cumulative

The rights of Avanti are cumulative and not exclusive of any rights provided by law.

10. Miscellaneous

10.1 Amendments

No amendment to this Agreement will be effective unless it is in writing signed by all the parties.

10.2 Partial invalidity

The illegality, invalidity or unenforceability of a provision of this Agreement under any law will not affect the legality, validity or enforceability of that provision under another law or the legality, validity or enforceability of another provision.

10.3 Counterparts

This Agreement may be signed in any number of counterparts all of which, when taken together, will constitute one and the same instrument. A party may enter into this Agreement by executing any counterpart.

11. Governing law

11.1 Governing Law

This Agreement is to be governed by and construed in accordance with New Zealand law.

12. Definitions

12.1 Definitions

In this Agreement, unless the context otherwise requires:

Event of Default means any of the events specified in clause 5 and any other event or circumstance which, with the giving of notice, lapse of time or fulfilment of any other requirement, could constitute such an event;

12.2 Construction of certain references

In this Agreement, unless the context otherwise requires, any reference to:

a **business day** means a day (other than a Saturday) on which registered banks are open for general banking business in Auckland;

an individual, body corporate, an association of persons (whether corporate or not), a trust, a state and an agency of a state (in each case, whether or not having separate legal personality);

a gender includes each other gender;

the singular includes the plural and vice versa;

any legislation includes a modification and re-enactment of, legislation enacted in substitution for and a regulation, order-in-council and other instrument from time to time issued or made under, that legislation;

a party to this Agreement or another agreement includes its successors and, in the case of Avanti, its assignees and transferees and, in the case of the Borrower, its permitted assignees and transferees; and.

headings and the table of contents are to be ignored in construing this Agreement.