

FIXED INSTALMENT AGREEMENT

DATE: [DD/MM/YYYY]

PARTIES	
Between:	[Insert full legal name], referred to in this Agreement as "you", "your" [Insert full legal name if there is a secondary account holder], referred to in this Agreement as "you", "your"
And:	Smiths City (2020) Limited, 261 Opawa Road, PO Box 2343, Christchurch 8140, referred to in this Agreement as "we", "us"

Your application for a Fixed Instalment Agreement to purchase the goods listed below (**Goods**) is approved. You just need to sign this Agreement [and have your Guarantor sign] below, and return the signed Agreement to us. You will then be able to purchase the Goods from Smiths City on credit, on the terms set out in this Agreement (including the General Terms and Disclosure Statement attached).

YOUR DETAILS You must tell us of any changes to these details		
Address:	[]	[Secondary Account Holder Address]
Phone:	[]	[Secondary Account Holder Phone]
Email:	[]	[Secondary Account Holder Email]
You consent to receiving notices and other communications from us by email, text and other forms of electronic communication. Any such communication may include a link to such information and may not always include a functional unsubscribe facility.		

FIXED INSTALMENT AGREEMENT DETAILS			
Goods:	Qty.	Description	Cash Price
Account #:	[x]		
Interest Free Period:	[12 months] from the date of this Agreement. Each month you must pay at least the Minimum Payment shown below. To avoid paying any interest you need to pay \$[] each month during the Interest Free Period (this is the Interest Free Option shown below). Interest will begin to accrue on [date] (or on such earlier date that you fail to pay at least the Minimum Payment).		
Annual interest rate:	23.95% (this may be varied from time to time in accordance with clause 11.1 of the General Terms)		
Optional insurance:	[You have elected to take out the following insurance: [Add details] (on the terms provided)]		

INITIAL UNPAID BALANCE		
[Date]	Cash price of the Goods	[\$]
	Plus Establishment fee	\$45
	Insurance premium	[\$ x]
	Less deposit paid	[\$ x]
	TOTAL	[\$ x]

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SCHEDULE OF PAYMENTS

You can choose between the following two repayment options:

	[12] months Interest Free Option	[36] months Low Instalments Option
Regular Payment	\$[x]	\$[x]
Payments to make	12 monthly Regular payments with a final payment of \$[]	36 monthly Regular payments with a final payment of \$[]
Payments due	Monthly by the [12th] of each month.	Monthly by the [12 th] of each month.
First payment due	[date]	[date]
Final payment due	[date]	[date]
Total payments	\$[x] (includes Account maintenance fee of \$3.75 per month)	\$[x] (includes Account maintenance fee of \$3.75 per month)
Total interest	\$0	\$[x]
Average effective interest rate	0%	[x]% This is the annual interest rate (excluding fees) over the full 36 month term calculated on the average unpaid balance
Minimum Payment:	Under either option you must pay at least \$[] by the [12th] of each month.	

SIGNED

By you:	[Insert full legal name]	[Insert full legal name if there is a secondary account holder]
Signed:		
Date:		

GUARANTEE

Guarantor: [Add full name of Guarantor(s)]

In consideration for us entering into this Agreement at the Guarantor's request, the Guarantor guarantees the performance by **[Insert full legal name of customer (Customer)]** of all its obligations under this Agreement and indemnifies us against any loss we may suffer should this Agreement be lawfully disclaimed or abandoned by any liquidator, receiver or other person.

No release, delay or other indulgence that we may give to the Customer (or its successors or permitted assigns); forbearance, waiver, act or omission on our part; assignment or variation of this Agreement; or any other thing whereby the Guarantor would have been released had it been merely a surety, shall release, prejudice or affect the Guarantor's liability.

As between us and the Guarantor, the Guarantor may for all intents and purposes be treated as the Customer, and we shall be under no obligation to take proceedings against the Customer before taking proceedings against the Guarantor. This guarantee continues, and the Guarantor remains liable, until all covenants and agreements on the part of the Customer under this Agreement have been performed.

Signed by Guarantor:

Signed by Witness:

Name of Witness:

Date:

FIXED INSTALMENT AGREEMENT - GENERAL TERMS

1. Definitions

1.1 In this Agreement, unless the context requires otherwise:

AML/CFT Act means Anti-Money Laundering and Countering Financing of Terrorism Act 2009;

CCCFA means the Credit Agreements and Consumer Finance Act 2003; and

Other terms defined on the front 2 pages of this Agreement have the same meaning in these General Terms.

1.2 Any reference to any law includes any amendment or replacement of that law.

2. Fixed Instalment Agreement

2.1 This Fixed Instalment Agreement allows you to purchase the goods listed on the front page on credit from a Smiths City store or at the Smiths City webstore (in accordance with website terms).

2.2 Your obligations under this Agreement apply, and the Interest Free Period starts, from the date of this Agreement irrespective of when the Goods are available to be collected or delivered.

2.3 This Agreement is intended to be used to purchase goods for personal, domestic, or household purposes. If you do not or are not intending to use your the Goods wholly or predominantly for personal, domestic, or household purposes then the rights and protections granted for "consumer credit contracts" under the CCCFA do not apply.

3. Payments and Statements

3.1 You can choose between two repayment options: You can pay over the Interest Free Period or over a longer period each as shown in the Schedule of Payments on the front 2 pages of this Agreement. The details of the payments you are required to make under these two options (including the first payment date, the final payment date, the total amount of all payments and the total interest charges) are shown on the front 2 pages of this Agreement.

3.2 You may change between payment options at any time but regardless of the repayment option you choose, you must pay at least the Minimum Payment each month.

3.3 If all or any part of a Minimum Payment is not received by the due date you will be in default.

3.4 At least every 6 months Smiths City will send you a Statement (except in circumstances where we are permitted by law not to do so). Any unpaid amount will appear as overdue in the following Statement(s).

3.5 You may prepay any amount at any time, for no additional fee or charge.

3.6 We will apply payments to your account in the order that remedies any default, and then minimises the interest charged on your account.

3.7 You must make all payments to us in cleared funds in NZ dollars without any deduction, in a manner specified on the Statement.

4. Interest and fees

4.1 The interest rate on a purchase during the Interest Free Period is 0% provided you make the required Minimum Payments. After the Interest Free Period or if the required Minimum Payments are not made, interest will be calculated daily by multiplying the relevant portion of 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 monthly, on the last day of each month.

4.2 We may debit your Unpaid Balance with the fees described in the Disclosure Statement.

5. Retention of title

5.1 We retain ownership of the Goods (more particularly described on your sales invoices) until they have been paid for in full.

5.2 You must not grant any other party a security interest in those Goods without our consent. If you grant anyone else a security interest in those Goods you will be in breach of this Agreement, and we may repossess and sell those Goods.

5.3 If we repossess and sell any Goods, any residual balance owing will still be due and payable, and we can collect this debt from you.

6. Default

6.1 You will be in default if:

- (a) you breach of any of your obligations under this Agreement;
- (b) you become bankrupt, insolvent or if you are a company, are wound up or have a receiver appointed; or
- (c) proceedings are commenced which in our opinion may put the Goods at risk or a third party asserts a claim to the Goods.

6.2 If you are in default then we may do any one or more of the following (at our election):

- (a) charge you the default fees set out in your Disclosure Statement;
- (b) repossess any Goods that we have retained ownership of under clause 5. We may enter your premises at reasonable times in order to do so (even if you are not present); or
- (c) cancel this Agreement and you shall immediately pay the unpaid balance of your account.

7. Disclosure of information

7.1 You authorise Smiths City (2020) Limited and Smiths City Finance Limited (**Smiths City**) to each collect information and make enquiries about you, and to exchange, hold, and use such information to:

FIXED INSTALMENT AGREEMENT - GENERAL TERMS

- (a) administer and manage your Fixed Instalment Agreement;
- (b) confirm information provided about you is true (including receiving updates if information about you changes);
- (c) undertake customer due diligence and monitoring in accordance with the AML/CFT Act;
- (d) make credit decisions affecting you and to enforce debt and legal obligations; and
- (e) comply with Smiths City's obligations.

7.2 You authorise any person to disclose information to Smiths City in response to such enquiries.

7.3 You authorise Smiths City to:

- (a) use customer due diligence services (including electronic based services) to verify your identity and undertake customer due diligence and monitoring in accordance with the AML/CFT Act; and
- (b) obtain credit information from credit reporting agencies to make credit decisions affecting you (and for directly related purposes including debt collection).

When using such services, Smiths City and the service provider will each disclose and receive information about you for that purpose, and the service provider may hold information on its system and use it to provide its customer due diligence or credit reporting service to its other customers.

7.4 If you default in your payment obligations, information about that default may be given to credit reporters (and used by them to provide credit reporting services to their customers).

7.5 Any personal information Smiths City collects about you will be handled in accordance with our privacy policy, which can be accessed at www.smithscity.co.nz/privacy-and-security.htm

7.6 You authorise Smiths City to send commercial, marketing and promotional communications to you (including by email, text and other means of electronic communication), about offers, services and products. You may unsubscribe from marketing communication at any time by responding in the medium that communication was received, or using our contact details recorded in this Agreement.

8. Assignment

8.1 You may not transfer or assign this Agreement unless you first get our consent which we may give at our discretion.

8.2 We assign our rights under this Agreement absolutely to Smiths City Finance Limited on the date you sign or otherwise accept this Agreement.

8.3 We can give any assignee or transferee (or their associates) any information we hold about you.

9. Concerns and complaints

9.1 We have an internal complaints handling process. If you have a concern, problem or complaint about any aspect of our service please contact us so that we can try to fix it.

9.2 If we cannot agree how to fix it, you can contact Financial Services Complaints Limited. Smiths City Finance Limited is a member of the dispute resolution scheme run by Financial Services Complaints Limited. It is free to make a complaint to this independent dispute resolution scheme. Contact:

Phone: 0800 347 257

www.fscl.org.nz

PO Box 5967, Lambton Quay, Wellington 6145.

10. GST

10.1 You confirm that you are not registered as a supplier under the Goods and Services Tax Act 1985. If you do register you will inform us immediately and give us your GST number.

11. Variation

11.1 We may vary this Agreement (including, for the avoidance of doubt, the fees and the amount, frequency, time for payment, or method of calculation of any interest or payment to be made) at any time. We will give you notice of the variation in the manner and within the timeframe required by the CCCFA's disclosure provisions (or otherwise, by notice in writing).

12. General

12.1 You agree to sign any other documents or do anything else we ask you to do to enable us to fully protect our interests under this Agreement.

12.2 No failure or delay by a party in insisting on the strict performance of this Agreement or to exercise any right under this Agreement will operate as a waiver of those matters. A waiver will not be effective unless it is in writing. A waiver of any breach will not be a waiver of any other breach.

12.3 If a clause in this Agreement is found to be unenforceable or illegal, that will not affect the legality or enforceability of any other clause in this Agreement.

12.4 The obligations in this Agreement continue if you die or become insolvent.

FIXED INSTALMENT AGREEMENT DISCLOSURE STATEMENT

Initial Disclosure Statement section 17 of the Credit Agreements and Consumer Finance Act 2003 and Transfer of Rights of Creditor Disclosure Statement section 26A of the Credit Agreements and Consumer Finance Act 2003

IMPORTANT – This document should be read together with the front 2 pages of your Agreement. Together, they set out key information about your Fixed Instalment Agreement (a consumer credit agreement). You should read them thoroughly. If you do not understand anything in these documents, you should seek independent advice. You should keep this Disclosure Statement and a copy of your Fixed Instalment Agreement in a safe place. The law gives you a limited right to cancel your Fixed Instalment Agreement (see below for further details). Note that strict time limits apply.

CREDITOR DETAILS (This is the person providing you credit):

The person providing you credit was Smiths City (2020) Limited. However, on the date you signed or otherwise accepted your Fixed Instalment Agreement, Smiths City (2020) Limited transferred its rights (by assignment) to Smiths City Finance Limited. This means that Smiths City Finance Limited is now the person providing you credit under your Fixed Instalment Agreement. The transfer does not affect any of the terms of your Fixed Instalment Agreement (only the identity of the creditor).

You may send notices to Smiths City Finance Limited (or to Smiths City (2020) Limited) to:

Physical address: 261 Opawa Road, Christchurch

Postal address: PO Box 2343, Christchurch 8140

Email: accounts@smithscityfinance.co.nz

Phone: 0800 586 286

We consent to receiving notices and other communications from you by email, text and other forms of electronic communication.

STATEMENTS

We are required to provide you with regular Statements which will give you information about your Fixed Instalment Agreement (e.g. any interest or fees charged during the Statement period) and the amount and timing of your payments. Statements will be provided at least every 6 months (under certain circumstances, where we are permitted by law not to provide you with a Statement, you may receive a statement less often).

CREDIT DETAILS

Initial unpaid balance: This Disclosure Statement is effective as at the date you signed or otherwise accepted your Agreement. Your initial unpaid balance (the amount you owe) is shown on the front 2 pages of your Agreement. It is the total cash price of the goods you have purchased on credit plus the establishment fee (\$45), any insurance premiums charged, less your deposit. No other advances will be made to you under your Agreement.

PAYMENTS

You are required to make monthly payments. You can choose between two repayment options: You can pay over the Interest Free Period or over a longer period each as shown in the Schedule of Payments on the front 2 pages of your Agreement. The details of the payments you are required to make under these two options (including the first payment date, the final payment date, the total amount of all payments and the total interest charges) are shown on the front 2 pages of your Agreement.

You may pay more at any other time, for no additional fee or charge, and change between payment options at any time but regardless of the repayment option you choose, you must pay at least the Minimum Payment shown on the front 2 pages of your Agreement each month.

INTEREST FREE PERIOD

An Interest Free Period shown on the front 2 pages of your Agreement applies from the date from the date of purchase provided you pay at least the Minimum Payment shown on the front 2 pages of your Agreement.

ANNUAL INTEREST RATE

Interest will be charged from the day after the Interest Free Period expires (or on such earlier date as you fail to pay at least the Minimum Payment Amount). The Annual Interest Rate is 23.95% (this may vary from time to time). Interest charges are calculated by multiplying the relevant portion of 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 monthly. The interest rate on purchases during the Interest Free Period is 0%.

FULL PREPAYMENT

You may partially or fully prepay any amount payable under your Agreement. You will not be required to pay a fee or charge for doing so.

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CREDIT FEES AND CHARGES

The following credit fees and charges apply:

- Account maintenance fee [\$3.75] per month.
- Paper Statement Fee: If you advise us that you wish to receive paper Statements rather than receiving them by email or other form of electronic communication: [\$x] per Statement.
- Credit refund fee: [\$5.00] in respect of costs incurred in refunding overpaid accounts.

Note that the Agreement allows us to vary these fees and charges.

WHAT COULD HAPPEN IF YOU FAIL TO MEET YOUR COMMITMENTS

Security interest

This is secured credit. The goods purchased on credit under your Fixed Instalment Agreement are subject to a purchase money security interest. If you fail to meet your commitments under your Fixed Instalment Agreement, we may be entitled to repossess and sell those goods.

If there is a shortfall in the proceeds of the sale of the goods that is subject to the security interest, you will remain indebted to us for the balance.

If you give anyone else a security interest in those goods you will be in breach of your Fixed Instalment Agreement, and we may repossess and sell those goods.

Default fees

The following fees and charges apply should you default under your Fixed Instalment Agreement:

- Default notification fee – If an Arrears Notice is sent to you, we may charge you \$19 per notice.
- Dishonoured AP – If your automatic payment is dishonoured, any 3rd party fees incurred will be passed on.
- Repossession – If a Repossession Agent is used, any 3rd party fees incurred will be passed on.

You must pay the reasonable costs and expenses that we incur in enforcing your Fixed Instalment Agreement.

RIGHT TO CANCEL

You are entitled to cancel your Fixed Instalment Agreement (because it is a consumer credit Agreement) by giving notice to Smiths City Finance Limited.

Time limits for cancellation

You must give notice that you intend to cancel your Fixed Instalment Agreement within 5 working days of the date you receive this Disclosure Statement if it is given to you in person, within 7 working days of it being emailed to you, or within 9 working days of it being sent to you by post. Saturdays, Sundays, and national public holidays are not counted as working days.

How to cancel

To cancel, you must give us written notice that you intend to cancel your Fixed Instalment Agreement by—

- giving notice to us or an employee or agent of us; or
- posting the notice to us at our address above; or
- emailing the notice to our email address above

You must also, within the same time, pay the cash price of the property or services (or the balance of the cash price after deducting any amount you have already paid) within 15 working days of the day you give the cancellation notice.

What you may have to pay if you cancel

If you cancel your Fixed Instalment Agreement, we can charge you the amount of any reasonable expenses we had to pay in connection with your Fixed Instalment Agreement and its cancellation (including legal fees and fees for credit reports, etc) and any interest for the period from the day you received the advance until the day you repay the advance.

WHAT TO DO IF YOU SUFFER UNFORESEEN 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 us for a hardship variation.

To apply for a hardship variation, you need to:

- make an application in writing; and
- explain your reason(s) for the application; and
- request a postponement of the dates on which payments are due under your Fixed Instalment Agreement (specify the period for which you want this to apply); and
- give the application to us.

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

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FINANCIAL ADVISOR LAWS

You are protected by responsible lending laws. Because of these protections, the recommendations given to you about your Fixed Instalment Agreement are not regulated financial advice. This means that duties and requirements imposed on people who give financial advice do not apply to these recommendations. This includes a duty to comply with a code of conduct and a requirement to be licensed.

DISPUTE RESOLUTION

Smiths City Finance Limited is a member of the dispute resolution scheme run by Financial Services Complaints Limited. It is free to make a complaint to this independent dispute resolution scheme. This scheme can help you to resolve any disagreement you have with us.

Phone: 0800 347 257 **Website:** www.fscl.org.nz **Business Address:** PO Box 5967, Lambton Quay, Wellington 6145

REGISTRATION ON FINANCIAL SERVICE PROVIDER REGISTER

Smiths City Finance is registered on the Financial Service Provider (FSP) Register under the name Smiths City Finance Limited with the registration number FSP25143.