FORLONG'S FURNISHING LIMITED (FFL) DISCLOSURE STATEMENT

FFL is required to provide you with this disclosure statement under section17 of the Credit Contracts and Consumer Finance Act 2003. This statement together with the terms and conditions set out below contain key information about your Credit Account. You should read them thoroughly. **If there is anything in the statement or the terms and conditions that you do not understand you should seek independent advice.** You should keep this disclosure statement and the terms and conditions in a safe place.

1. Creditor Details:

Forlong's Furnishings Limited
2-12 Rawhiti Street
Frankton
Hamilton 3242
Ph: (07) 847 9089
Email: customerservice@forlongs.co.nz

P.O. Box 5354
Hamilton 3242

You may send notices to FFL by:

- Writing to FFL at its postal address.
- Email to the address specified.

2. Continuing Disclosure:

FFL is required to provide you with regular statements. The statements will provide you with information about your Credit Account (including any interest charged during the statement period) and the amount and timing of your next payment. Statements will be provided at least every 45 working days. FFL requires an email address so statements can be emailed.

3. Initial Unpaid Balance:

The initial unpaid balance is the amount you owe as at the date of this statement - this being the total of your purchases plus any fees charged or nil if you have not purchased.

4. Payments:

At the end of each statement period, you are required to make a minimum monthly payment of at least 4% of your unpaid closing account balance (see 3. above) or $40.00 whichever is greater. Payments must be made within 10 days of your statement date. Where the closing balance is less than $40.00 you must repay the entire closing balance. The amount and date of payments due will be specified in your statement. Payments to your Credit Account will be pro-rated to all goods on the account unless, to minimise interest, payments will allocate to the oldest agreement accruing interest.

Minimum payments are (depending on the nominated payment frequency you have elected):

... if Monthly, the greater of 4% of your Initial closing Balance or $40.00 whichever is greater,
... if Fortnightly, the greater of 2% of your Initial closing Balance or $20.00,
... if Weekly, the greater of 1% of your Initial closing Balance or $10.00.

Please note that if you make only the minimum payment each month, you will pay more interest, and it will take you longer to pay off the unpaid balance on your card.

Please make payment to our Bank Account number: ASB 12-3244-0005565-00 and state your Forlongs Account number.

5. Credit Details:

(a) The current annual interest rate is 19.90% (this rate may vary from time to time subject to public notification in accordance with clause 12 of the terms and conditions and will be shown on your monthly statements) and will be accrued and charged Monthly on the remaining unpaid balance once any Free of Interest period ends. Your Free of Interest Period is set out in the attached statement.

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

(b) Account No: ……………………………. Name: …………………………………………………………………………………….

Your Account Credit Limit is $...................................... (including all fees and interest charges).

(c) Interest Free terms will be applied to each separate purchase as per the current promotion.

6. Credit Fees and Charges:

The following credit fee(s) and charges(s) (which are not included in the initial unpaid balance) are or may become payable in connection with this contract.

- Penalty Interest
- Collection Fees

FFL may vary or introduce further credit fees and charges in the future upon giving notice under clause 12 of the terms and conditions.

7. Security Interest:

To secure payment for Goods purchased using your Credit Account and any moneys owing by you to FFL through using your Credit Account you have agreed to grant to FFL a purchase money security interest in respect of all of the property you purchase using your Credit Account.

You have agreed not to give a security interest over any of the property you purchase using your Credit Account to any person other than FFL until your Credit Account has been repaid in full. If you fail to meet this obligation, or your other obligations under the Credit Account, FFL may be entitled to repossess or sell the Goods. If the sale of any property does not cover the amount outstanding on your Credit Account, you will remain obliged to repay any outstanding amount, plus interest if any, to FFL.

The security interest will be deemed to be discharged against secured property when the balance of your Credit Account has been fully repaid.

8. Default Interest Charges and Fees:

Within any Free of Interest period interest will be accrued and charged monthly on any unpaid arrears amount at the default interest rate. Default interest will be charged at a rate of 5% per annum above the prevailing Interest Rate as specified in clause 5(a) or otherwise and will accumulate daily. The default interest rate will be payable for as long as the default continues.

In the event of a breach of your Credit Account or the enforcement of the Credit Account the default fees specified below (if any) are payable. FFL may vary these fees and charges and introduce further changes in the future upon giving notice in accordance with clause 12 of the terms and conditions.

9. Unforeseen hardship (s 55 of the Act):

You may apply to FFL to agree to change your Credit Account if:

- you are unable reasonably to meet your obligations under your Credit Account because of unforeseen illness, injury, loss of employment, the end of a relationship or other reasonable cause; and
- you reasonably expect to be able to meet your obligations under your Credit Account if the terms of the Credit Account were changed in any of the ways set out below under *Changes that can be made*,

However, you may not apply if:

- you are in default; the default has not been remedied and either;
  - you have been in default for 2 weeks or more after receiving a repossession warning notice or a notice under section 119 of the Property Law Act 2007; or
  - you have failed to make 4 or more consecutive periodic payments on or by the due dates; or
  - you have been in default for 2 months or more; or
- it was reasonably foreseeable at the time you entered the Credit Account that you would be unlikely to be able to meet your obligations under the Credit Account because of the event set out in 9, above; or
- you have made a previous application to change the Credit Account within the previous four months, (unless FFL agrees to consider the application or the reasons for seeking the change are materially different from the reasons given in your previous application).

If you would like to apply to FFL to change your Credit Account, you must make an application in writing which specifies the reason that you consider you are unable reasonably to meet your obligations under your Credit Account and give it to FFL.

Changes that can be made:

- extending the term of the contract and reducing the amount of each payment due under the contract accordingly (without a consequential change being made to the annual interest rate or annual interest rates):
- postponing, during a specified period, the dates on which payments are due under the contract (without a consequential change being made to the annual interest rate or annual interest rates):
- extending the term of the contract and postponing, during a specified period, the dates on which payments are due under the contract (without a consequential change being made to the annual interest rate or annual interest rates).

The change that you seek—

- must not be more extensive than is necessary to enable you to reasonably expect to be able to discharge your obligations; and
- must be fair and reasonable to both you and FFL in all the circumstances.

10. Cancellation

The Credit Contracts and Consumer Finance Act 2003 gives you a right after the terms of this contract have been disclosed to you.
(i) to cancel the contract (but you cannot do this if you have taken possession of the Goods, or if you brought them at auction, or
(ii) to cancel the credit and pay the cash price for the Goods.
How to Cancel:
If you want to cancel this contract or cancel the credit and pay only the cash price for the Goods, you must give written notice to us that you want to cancel within five days after the date of receiving this disclosure statement. If you intend to keep the Goods and just repay the credit you must pay the cash price to us within 15 working days after the day you give notice. In any other case, you must return any advance and any other property received within five working days of the date of disclosure. 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 contract FFL can charge you:
(i) the amount of any legal fees or other expensed that FFL has had to pay (such as credit reports).
(ii) charges for any incidental services FFL have provided (such as inspections, alterations, etc).
(iii) interest for the period from the day you received the Goods until the day you pay the cash price.

If there is a dispute about your rights or you think FFL are being unreasonable in any way you should seek legal advice immediately.

11. Financial Service Providers: registration and dispute resolution:
FFL is registered under the register of financial services providers as Forlongs Furnishings Limited, registration number FSP52123.

FFL is a member of the Financial Services Complaints Limited dispute resolution scheme. The contact details of Financial Services Complaints Limited are:

Address
Financial Services Complaints Limited
Level 4, 101 Lambton Quay
Wellington 6145

Postal Address
PO Box 5967
Wellington 6145

Email
complaints@fscl.org.nz

Telephone
0800 347 257

Fax
(04) 472 3728

12. Assignment

FFL has the right to assign its rights under this contract without your consent.

Please Sign you have read and agree to the terms & conditions and the disclosure.

I understand the English language and what I am signing.
I have read and I understand the disclosure statement and the credit account terms and conditions.

FORLONG'S FURNISHING LIMITED (FFL) CREDIT ACCOUNT TERMS, CONDITIONS AND DEFINITIONS

The following terms and conditions govern the use of your Credit Account. By signing the application for credit and by using your Credit Account to purchase Goods you are deemed to have accepted them, together with the terms set out in the Disclosure Statement. You agree that these terms and conditions and any current Disclosure Statement replace and are in substitution for any earlier terms and conditions and Disclosure Statement that may apply to your Credit Account.

1. Definitions:

"Credit Account" means your credit account with FFL as outlined in the disclosure statement and subject to these terms and conditions.

"Credit Limit" means the credit limit of your credit account, set out in the disclosure statement.

"Disclosure statement" means the disclosure statement setting out key terms concerning the operation of your Credit Account a copy of which is provided to you with these terms and conditions.

"FFL" means Forlong's Furnishing Limited.

"Goods" means all goods purchased using your Credit Account.

"Interest Rate" means the interest rate set out in clause 5 of the Disclosure Statement.

"Forlongs Card" means your Forlongs [finance] card issued by FFL (including renewal and replacement Forlongs Cards).

"PIN" means Personal Identification Number.

2. Credit Limit:

The Credit Limit is the maximum amount of credit (including all fees and interest charges), which you may obtain in total on your Credit Account.

You **cannot** use your Credit Account to purchase Goods where you exceed your Credit Limit unless approved by the Credit Department.

3. Payments:

You must make payments towards your outstanding credit balance and any interest due and owing in accordance with clauses 4 and 5 of the Disclosure Statement.

You can make repayments in any of the following ways:

(a) Direct debit, Internet Banking, Eftpos or cash.

When you make a payment, it will be applied to your Credit Account balance by pro-rata across all Goods purchased unless, to minimise interest, payments will be allocated to the oldest agreement accruing interest as calculated at the actual date of payment, then in proportion with free of interest instalment amounts. Customers must make regular payments, regardless of any amounts previously paid in advance. Any prior payments made in advance under the old contract are of no consequence to the new contract.

4. Insurance:

You may choose to insure the Goods with your own insurer and in the case of any claim where monies are paid out, these monies must be applied to your Credit Account in settlement of the purchased Goods.

5. Possession:

While any Goods purchased using your Credit Account are in your possession and monies owing on those Goods are payable under your Credit Account you will:

(a) not damage, alter or deface the Goods but shall keep them in good order and repair, fair wear and tear accepted.

(b) not part with possession of the Goods except in circumstances where FFL give consent.

(c) notify FFL within 24 hours if the Goods are seized or taken out of your possession for any reason whatsoever, giving full particulars and the address (if known) to which the goods have been removed.

(d) notify FFL before removing the Goods from the address given on the application form or the place of installation (if different) and obtain FFL's consent before removing the Goods from New Zealand.

(e) not allow any security interest to be created over the Goods other than the security interest granted hereunder to FFL.

While any monies are owing in respect of any Goods purchased using your Credit Account, FFL retains legal and beneficial ownership in those Goods until payment in full is made. You agree to grant FFL a purchase money security interest in respect of all Goods purchased using your Credit Account until your Credit Account has been repaid in full. You also agree to waive the need to receive a PPSR Verification Statement should registration be required.

6. Default:

Your Credit Account will be in default if:

(a) You do not pay any amount when due.

(b) Your payment is dishonoured or reversed.

(c) You breach these terms and conditions.

(d) Your Credit Account has been approved through fraudulent means or misrepresentation.

(c) You are deceased.

(f) You commit an act of bankruptcy as defined in the Insolvency Act 1967 (or any replacement legislation); or

(g) You default under any other contract you have with us.

If your Credit Account is in default all amounts outstanding on your Credit Account will become immediately due and payable. Your Credit Account will be placed on Hold and Credit Limits reduced. If payment is not made FFL may repossess or sell any goods purchased using your credit account and/or cancel your Credit Account. FFL and/or its agent is entitled to enter your premises to repossess those goods. You must also pay any costs incurred by FFL relating to the enforcement of this contract.

7. PIN

When selecting your PIN, you must be careful not to select unsuitable numbers such as:

(a) birth dates, months or years.

(b) sequential numbers (e.g. 1234).

(c) number combinations that may be easily guessed (e.g. 1111).

(d) parts of your telephone number.

(e) parts of numbers in the order in which they are printed on your Forlongs Card; or

(f) other easily accessible personal data (e.g. drivers' licence or other easy information)

8. Liability

You will be liable to FFL for all losses arising from the unauthorised use of a Forlongs Card or PIN which results from your fraud or negligence. You may be liable for some or all losses arising from the unauthorised use of your Forlongs Card if you have contributed to or caused that loss by, for example: selecting unsuitable PINs (including those described in clause 7 of these terms and conditions); failing to reasonably safeguard your Forlongs Card; keeping records of your PINs; parting with your Forlongs Card, or allowing someone else to use your Forlongs Card, or disclosing your PIN to any other person; failing to take all reasonable care to prevent others from identifying your PIN, for example, when keying-in your PIN; or unreasonably delaying notification to FFL of the loss or theft of your Forlongs Card, or of the actual or possible disclosure to any other person of the PINs.

9. Change of Address and Notices:

Any notice given to you by FFL under this contract will be deemed to be received by you three days following the posting date. Notices will be sent to you at your last known address, or if FFL elects, to your last known email address (if you have notified one to FFL). If you move, you must notify us of your change of address otherwise you will be deemed to have received any statement or notice sent.

10. Privacy Act:

Any information you provide us will be used for the following purposes:

(a) Assessing your credit worthiness.

(b) Administering and enforcing your credit account.

(c) Maintaining credit records.

(d) Marketing Goods and services.

You authorise us to:

(a) Obtain information about you from other sources.

(b) Retain and use information about you, including information about how you use your Credit Account.

(c) Disclose information to any potential assignee with whom we may wish to enter into contractual relations.

All such information will be held by us at our business address and by other parties for the purposes described above.

Where the information can be readily retrieved you will have access to it. You have the right to have the information corrected. Subject to the Privacy Act 1993 a fee for retrieval and correction may be charged.

11. Fees and Charges:

You agree to pay FFL any fees and charges relating to your Credit Account when they are due. The payment Fees and charges currently payable are stated in clause 8 of the disclosure statement.

You are liable for all costs (including legal fees) incurred by us in relation to recovering or attempting to recover any amounts overdue or otherwise enforcing our rights under this contract. These costs may be charged to your Credit Account.

12. Variation:

FFL reserve the right to change these terms and conditions and the terms contained in the Disclosure Statement, including the annual interest rate, any fees, charge, minimum payment requirements or your Credit Limit as contained in the Disclosure Statement. Any notice relating to a change in an interest rate or fee may be notified according to regulation 5 of the Credit contracts and Consumer Finance Regulations 2004. For all other changes you will be given 14 days' notice in writing of the change, such notice to be sent to your last known address, or if FFL elects, to your last known email address (if you have notified one to FFL).

13. Governing Law:

This contract is governed by New Zealand Law.

14. Cancelling Your Credit Account:

In addition to your rights under the Credit Contract and Consumer Finance Act 2003

(a) If requested by you in writing, FFL will cancel your Credit Account following receipt of payment of all amounts outstanding on your Credit Account.

(b) You can cease using your Credit Account at any time, but this will not release you from your obligations under this contract.

(c) FFL may cancel your Credit Account at any time or decline to offer you further credit. Notice of cancellation of your Credit Account will be given in writing and sent to your last known address. If your Credit Account is cancelled all amounts outstanding on your Credit Account will become immediately due and payable.

15. Assignment:

FFL may assign its rights under this contract without your consent.