



## FACILITY TERMS AND CONDITIONS

Version 1.1 – 8 December 2025

These Terms and Conditions, in addition to any Facility Agreement(s), the General Terms and Conditions and any Securities, set out the terms on which we agree to provide any Facility to you.

1. **Terms:** The terms of your Facility(s) are set out in:
  - (a) these Terms and Conditions;
  - (b) any Facility Agreement(s);
  - (c) the General Terms and Conditions; and
  - (d) any Securities.
2. **Inconsistency:**
  - (a) If there is an inconsistency between these Terms and Conditions and any Facility Agreement, the term and conditions of the relevant Facility Agreement shall prevail.
  - (b) If there is any inconsistency between these Terms and Conditions and any other terms set out on the Website, these Terms and Conditions will prevail (except as expressly contemplated by these Terms and Conditions).
3. **Schedules:** In these Terms and Conditions:
  - (a) the specific terms applicable to an Invoice Finance Facility are set out in Schedule 1;
  - (b) the specific terms applicable to a Purchase Order Facility are set out in Schedule 2;
  - (c) the specific terms applicable to a Revolving Credit Facility are set out in Schedule 3;
  - (d) the specific terms applicable to a Term Loan Facility are set out in Schedule 4;
  - (e) the general terms applicable to all Facilities are set out in Schedule 5;
  - (f) definitions and interpretation applicable to these Terms and Conditions and any Facility Agreement(s) are set out in Schedule 6,and:
  - (f) the form of Drawdown Request (Purchase Order Facility) is attached as Annexure A; and
  - (g) the form of Drawdown Request (Revolving Credit or Term Loan Facility) is attached as Annexure B.

## SCHEDULE 1

### INVOICE FINANCE FACILITY TERMS

The terms set out in this Schedule apply to any Invoice Finance Facility made available to you pursuant to any Facility Agreement(s).

#### 1. ASSIGNMENT OF DEBTS

##### 1.1 Sale and Purchase:

- (a) Subject to the terms of this Facility and in consideration of us providing this Facility, you agree to sell, and we agree to buy, all Debts existing at the Commencement Date, or which become owing to you during the term of the relevant Facility Agreement.
- (b) The sale and purchase of each Debt is intended to take effect as a transfer for the purposes of the PPSA.

##### 1.2 Date of Assignment:

- (a) On the Commencement Date, ownership of each Debt which is then owed to you is assigned to us.
- (b) All Debts owing to you in the future are assigned to us automatically as soon as they come into existence.

##### 1.3 Trust: If for any reason any Debt is reassigned to you as an Unapproved Debt by us under this Facility, you agree that:

- (a) you hold that Debt and any Associated Rights on trust for us and you will pay all proceeds of that Debt or those Associated Rights to us on demand; and
- (b) we may collect such Debt on your behalf as attorney for you and apply the Cleared Funds proceeds of such collection firstly in payment of any amounts payable by you to us under this Facility in respect of such Debt, and secondly in payment to you.

##### 1.4 Associated Rights: When a Debt is assigned to us:

- (a) all Associated Rights relating to that Debt are also assigned to us; and
- (b) we have the right to require you to transfer title to any Goods comprised in the relevant Contract.

##### 1.5 Disclosed: The terms of the relevant Facility Agreement will detail whether this Facility is disclosed or not. We may, at any time at our discretion, by notice in writing, require you to switch a non-disclosed Invoice Finance Facility to a disclosed Invoice Finance Facility.

##### 1.6 Bank Account: For the purposes of this Facility and receiving payment of Debts, we will establish a bank account solely for such purposes which will be in our name but only used in relation to this Facility and receipt of payment of Debts.

#### 2. APPROVED AND UNAPPROVED DEBTS

##### 2.1 Approved Debts: You agree that:

- (a) every Debt is an Approved Debt until we decide in our discretion that it is an Unapproved Debt or it is an Unapproved Debt pursuant to clause 2.3;
- (b) our decision to classify any Debt as an Unapproved Debt is effective immediately we make that decision;
- (c) we can make a decision to reclassify a Debt at any time after you have given notice to us of the Debt's existence, even if we have received proceeds of that Debt; and
- (d) we will give you notice of our decision as soon as possible after it has been made but failure by us to give notice or non-receipt by you of any notice does not affect the validity of our decision.

##### 2.2 Re-assignment of Unapproved Debts: You agree that:

- (a) we are entitled at any time in our discretion to reassign an Unapproved Debt to you.

We will do this by giving you written notice, but failure by us to give notice or non-receipt by you of any notice does not affect the validity of the reassignment; and

- (b) on any reassignment (whether by notice or formal assignment) we warrant only that you will receive the title to that Debt that we received. No other warranty of any kind is given by us.

2.3 **Automatic Reclassification:** Any Approved Debt will be an Unapproved Debt automatically without any requirement for notice from us if:

- (a) we have not been notified of the existence of Debt (whether via data extraction processes, or provision of a data file (csv or excel) or in writing from you);
- (b) the Debt is not capable of assignment to us;
- (c) the Debt is not effectively assigned to us pursuant to the terms of this Facility; or
- (d) the relevant Debtor is either:
  - (i) a Transaction Party and/ or Group Member;
  - (ii) a director, shareholder or trustee of a Transaction Party and/ or Group Member;
  - (iii) any spouse, de facto partner or child of a Transaction Party and/ or Group Member; or
  - (iv) any person or entity having a beneficial interest in a Transaction Party and or Group Member,

or the Debt would otherwise be considered as not having been incurred on arms' length terms.

### 3. PAYMENTS IN RESPECT OF DEBTS

3.1 **Purchase Price of Approved Debts:** The Purchase Price for an Approved Debt is the sum of the Face Value of the Debt multiplied by the Discount Percentage less:

- (a) any discount or other deduction allowed to the Debtor by you before sending the relevant Invoice to the Debtor;
- (b) any discount or other deduction allowed by us at any time; and
- (c) any costs and charges payable in respect of such Debt.

3.2 **Purchase Price of Unapproved Debts:** The Purchase Price for an Unapproved Debt is the amount that we actually receive in Cleared Funds for that Debt from the Debtor less any amounts payable by you to us in respect of such Debt.

3.3 **Amendment of Percentage Payable:**

- (a) We can change the Discount Percentage applicable to any Approved Debt at any time in our discretion.
- (b) That change is effective immediately we make the decision.
- (c) We will notify you of any change as soon as possible after that decision is made but failure by us to give notice or non-receipt by you of any notice does not affect the validity of our decision.

3.4 **Limits exceeded:** We are not obliged to make payment of the Purchase Price for any Debt if:

- (a) the Amount Outstanding exceeds, or will as a result of that payment exceed, the Facility Limit; or
- (a) the aggregate amount of all Purchase Prices in respect of outstanding Debts owing by any one Debtor exceeds, or will as a result of that payment exceed, the Maximum Debtor Concentration.

3.5 **Payment of Interest:**

- (a) If we pay you the Purchase Price before the Recourse Date, then we are entitled to charge you interest on that payment at the Interest Rate calculated by multiplying the

relevant Purchase Price by the daily amount of the Interest Rate.

(b) Interest will be charged to the Current Account on each Interest Payment Date.

3.6 **Payment of retentions:** If we receive more from a Debtor for an Approved Debt than we have paid you for that Debt, we will pay you that additional amount on next Retention Payment Date.

3.7 **Insolvency or breach:** If:

(a) any Insolvency Event occurs to you; or

(b) we are otherwise entitled to terminate the terms of this Facility, whether or not we exercise our right to terminate,

then, we may in our discretion withhold all payments to you and be repaid by you on demand any payments which we have made in respect of any Debt that have not been paid to us in Cleared Funds at that date.

3.8 **Insurance:** Where we hold insurance for the payment of Debts by Debtors, you acknowledge and agree that:

(a) you have no right, title or interest in any such insurance;

(b) we may, in our sole discretion, make any claim under the relevant policy for any Debt unpaid by a Debtor or where we have a right of recourse against you pursuant to clause 8.1 including, without limitation, where an Insolvency Event has occurred in respect of the relevant Debtor, or where we can otherwise claim under such policy for payment;

(c) any payment under any insurance claim on account of any Debt will be applied as if such payment had been received by the relevant Debtor (or any person on behalf of the Debtor) on account of such Debt in accordance with this Schedule 1 as if it had been received from the relevant Debtor; and

(d) if any amount is subsequently recovered from a Debtor (or any person on behalf of the Debtor) by you following any payment for a Debt under any insurance claim, you must immediately pay such amount to us in Cleared Funds. We will then refund the relevant insurance company the amount of any payment of any insurance claim and any surplus following such payment shall be applied firstly in repayment of any amounts still due to us in respect of the Debt and then to you.

#### 4. PAYMENT OF PURCHASE PRICE

4.1 **Payment:**

(a) We agree to pay the Purchase Price for an Approved Debt to you on the Recourse Date.

(b) You may request that we pay you all or part of the Purchase Price of an Approved Debt at any time prior to the Recourse Date not earlier than two (2) business days after you have delivered the applicable Invoice and other related documents and information to us. We are not obliged to make any payment prior to the Recourse Date and will only do so at our absolute discretion.

4.2 **Refund by you where Unapproved Debt:** If we pay you all or part of the Purchase Price of a Debt as an Approved Debt and subsequently it becomes an Unapproved Debt, you must immediately repay to us any amount we have paid you that exceeds the amount actually collected by us in respect of that Debt in Cleared Funds. You must make this payment even if we have not demanded it.

4.3 **Our payment obligation:** In relation to any Unapproved Debt, we are not obliged to pay you anything until we have received payment for that Unapproved Debt in Cleared Funds. When we have received Cleared Funds, you are entitled to request payment, but we are not obliged to make payment until the next Retention Payment Date.

4.4 **Aggregation:** If you request payment from us more than once in any week, we can aggregate those requests and make one or more payments of the amount or amounts requested by you.

## 5. NOTIFICATION OF DEBTS

5.1 **Notification:** Whether or not this Facility is disclosed or not, if required by us at any time, you must provide:

- (a) the duplicate copy of each Invoice and any credit note;
- (b) any other original or copy documents or other information we request relating to the Debt, the Contract and the Goods;
- (c) evidence that the Goods have been delivered to the Debtor (or in the case of Goods comprising services, fully performed) and that both you and the Debtor have complied and continue to comply with the terms of any Contract in all respects;
- (d) any information that you have relating to the Debt including the enforceability of the Debt, the ability of the Debtor to pay it, any dispute about the Contract, the Invoice or the Goods and any other matters that will or may affect your ability or our ability to collect the Debt; and
- (e) any other documents or information that we may require relating to a Debt.

5.2 **Electronic exchange:** We may agree from time to time to the electronic exchange of information relating to Debts. If we do so, any terms for the exchange of information in this manner will be notified to you in writing by us. Any agreement we make with you does not prejudice our ability to call for any further security or other documents at any time as we determine in our discretion.

## 6. COLLECTION, ENFORCEMENT AND CREDIT NOTES

Clauses 6.1 – 6.3 only apply to a Facility that is disclosed or where your appointment as agent is terminated pursuant to clause 6.4(c) in accordance with clause 6.5.

6.1 **Right to collect:** We can take any steps to enforce payment of a Debt or any Associated Rights as we decide in our discretion and we can commence proceedings, defend proceedings or take such other action as we consider necessary both in our name and in yours in relation to the Debt. Subject to this clause 6, you must not:

- (a) make any adjustment to any Debt by way of allowances, discounts, credits or otherwise;
- (b) grant or attempt to grant any security interest over any Debt to any third party or allow any security interest to be created; or
- (c) sell or attempt to sell any Debt to a person other than us.

Until we reassign a Debt to you under this Agreement, we have the sole and absolute right to collect the Debt and to enforce its payment, and accordingly you must not collect or enforce, or attempt to collect or enforce, any Debt.

6.2 **Method of collection:** We have sole discretion regarding the methods used in collecting Debts. This means we can give the Debtor time to pay, release, compromise and otherwise deal with each Debt as we see fit.

6.3 **Other Covenants:** You will ensure that each Invoice contains the following endorsement:

*"All of our invoices are transferred and assigned to our funder, Lock Finance Limited. All payments **must** be paid by direct credit to bank account no. 01-1839-0948942-XX. Please ensure that you observe our usual credit terms and state the invoice(s) being paid in the payment reference to assist identification".*

At any time (including, without limitation, your appointment terminating pursuant to clause 6.4(c)), we may also require that you give all or any Debtor(s) notice substantially in the form provided to you by us or we may give all or any Debtor(s) notice on your behalf in such form as we require from time to time.

Clauses 6.4 - 6.5 only apply to a Facility which is not disclosed.

6.4 **Collection:** Subject to clause 6.5:

- (a) we appoint you as our agent to collect Debts during the term of this Facility;

- (b) in collecting the Debts you must:
  - (i) act as our agent in a prompt efficient and diligent manner at your cost and in accordance with our instructions and directions;
  - (ii) if we require by written notice, immediately deliver to us true copies of every Invoice as they are raised, and any additional details and documents required by us from time to time;
  - (iii) if we require by written notice, ensure that every Invoice sent by you to a Debtor includes the written notice of transfer in the form specified at clause 6.3;
  - (iv) use your best endeavours to ensure that any Debtor pays us promptly in respect of any Debt;
  - (v) immediately give us notice in writing of any dispute between you and any Debtor relating to Debts;
  - (vi) use your best endeavours to resolve any dispute between you and any Debtor; and
  - (vii) cooperate fully with us in the collection of any Debt; and
- (c) we may at any time by notice to you terminate your appointment as agent pursuant to this clause. This termination notice may relate to all or any Debts and/or Debtors.

#### 6.5 **Effect of Termination:**

- (a) If we terminate your appointment completely pursuant to clause 6.4(c) then this Facility will automatically be a disclosed Facility and clauses 6.1, 6.2 and 6.3 will apply and you must immediately cease:
  - (i) acting as our agent;
  - (ii) collecting or enforcing or attempting to collect or enforce any Debt.
- (b) If we terminate your appointment pursuant to clause 6.4(c) in respect of a particular Debt or Debtor then you must immediately cease:
  - (i) acting as our agent; and
  - (ii) collecting or endeavouring to collect those particular Debts,

and clauses 6.1, 6.2 and 6.3 will apply to those particular Debts and Debtors. Thereafter we have the sole and absolute right to collect the relevant Debt and enforce its payment.

- 6.6 **Notice of Reassignment:** In the case of any Facility whether disclosed or not, where any Debt is reassigned to you and written notice has been given to a Debtor of assignment to us, we shall not be required to give notice of reassignment unless requested in writing, nor shall you give notice of reassignment to the Debtor without our express written approval.

### 7. **DISPUTES WITH DEBTORS**

- 7.1 **Notice of dispute:** You must immediately give us notice in writing of any dispute between you and any Debtor relating to Debts.
- 7.2 **Best endeavours:** You agree that you will use your best endeavours to resolve any dispute between you and any Debtor as we direct.
- 7.3 **Our right to resolve:** Notwithstanding clause 7.2, if we decide that it is necessary, you authorise us at your expense to resolve any dispute between you and the Debtor and you agree that you will be bound by anything that we do, including any reduction in the Purchase Price of the Debt.

### 8. **RECOURSE**

- 8.1 **Our right of Recourse:** In relation to each:
- (a) Unapproved Debt;

- (b) Debt that solely comprises discount wrongly claimed or deducted by the Debtor;
- (c) Debt in relation to which an Insolvency Event has occurred in respect of the relevant Debtor;
- (d) Debt in relation to which the Debtor or its Representative has disputed liability;
- (e) Debt, on or after the Recourse Date, from the date payment of the Debt was due in accordance with your terms of trade,

we have immediate Recourse to you and can require you to immediately repurchase the Debt.

- 8.2 **Demand:** We will notify you of the repurchase price of any Debt in relation to which we have exercised Recourse. Until the repurchase price (as notified by us) has been fully discharged (whether this is by payment to us by you or by set-off pursuant to the terms of the Facility Agreement), we are not obliged to reassign the Debt. When we have exercised Recourse in respect of any Debt and when that Debt has been reassigned to you, we will credit you with all sums that we subsequently recover in respect of it as the result of enforcement or realisation of any Associated Rights.

## 9. INVOICE FINANCE FEES & CHARGES

- 9.1 **Administration Charges:** When you have given us notice of a Debt, you must pay us the Administration Charge at the time that a batch which includes such Debt is processed by us. An Administration Charge is either:

- (a) calculated by multiplying the aggregate Face Values of Debts by the percentage specified for the Administration Charge at the time a batch of Debts is processed; or
- (b) a flat fee per batch of Debts as specified in the relevant Facility Agreement per batch of Debts.

- 9.2 **Excess Fees:** You will pay us the Excess Fees. An Excess Fee is calculated daily by multiplying the aggregate of the Interest Rate and the percentage specified for the Excess Fee by the amount that either:

- (a) the Amount Outstanding exceeds the Facility Limit; or
- (b) the aggregate amount of all Purchase Prices in respect of outstanding Debts owing by any one Debtor exceeds the Maximum Debtor Concentration.

from the date of such excess arising to the date of receipt of such excess amount by us (after as well as before judgment) and is payable on each Interest Payment Date as applicable. Any Excess Fee is charged in addition to any interest payable on the Amount Outstanding pursuant to the Facility Agreement.

- 9.3 **Payment of Administration Charges and Excess Fees:** Administration Charges and Excess Fees are paid to us by debiting the Current Account.

- 9.4 **Changes to Administration Charges and Excess Fees:** We may amend the Administration Charge percentage or Excess Fee percentage at any time at our discretion. Any change is effective immediately we make that decision. We will notify you of any change as soon as possible after that decision is made but failure by us to give notice or non-receipt by you of any notice does not affect the validity of our decision.

## 10. ACKNOWLEDGEMENTS

- 10.1 **Acknowledgements:** Notwithstanding anything to the contrary contained or implied in the terms of this Facility:

- (a) you will perform all of your obligations under the Contracts related to the Debts in accordance with the terms and conditions of them to the same extent as if such Debts had not been sold under the terms of this Facility and the exercise by us of our rights under or in connection with the terms of this Facility will not relieve you from such obligations;
- (b) we have no obligation or liability with respect to any Debts or related Contracts, nor will we be obliged to perform any of your obligations under the Debts or related

Contracts;

- (c) until we request otherwise, you will hold on trust for our sole benefit the Contracts and other documentary items relating to the uncollected Debts. You will deliver such Contracts and documents to us, if requested by us, and we will thereafter make them available to you at all reasonable times and allow you to make copies of them at your reasonable request.

## **11. EFFECT OF TERMINATION**

11.1 **Effect:** If this Facility is terminated under these Terms and Conditions, then:

- (a) all outstanding Approved Debts will immediately become Unapproved Debts; and
- (b) you will immediately become liable to repurchase at the value notified by us all Debts outstanding at the termination date together with all Associated Rights **PROVIDED HOWEVER** that none of the Debts or Associated Rights will be reassigned to you until you have paid to us all amounts due, and you have otherwise performed all other obligations to us under the relevant Facility Agreement.

11.2 **Existing rights unaffected:** Termination of this Facility does not affect the rights and obligations of the parties to the relevant Facility Agreement in relation to Debts and any Associated Rights which came into existence prior to termination, which remain in full force and effect until they have been fully extinguished.

11.3 **Continued assignment:** Notwithstanding termination, all Debts continue to be assigned to us immediately they come into existence until all of your liabilities to us under this Facility have been fully discharged under this Facility and we are satisfied that we will not be required by any insolvency law to repay money paid to us by you or any other person.

## **12. SPECIFIC INDEMNITY**

12.1 **Indemnity:** You will indemnify and hold us harmless against each cost and liability sustained or incurred by us as a result of:

- (a) the transfer of an interest to us in any Unapproved Debt;
- (b) your failure to comply with any applicable law, rule or regulation with respect to any Debt, the related Contract or the Associated Rights or the non-conformity of any Debt or the related Contract or the Associated Rights with any such applicable law, rule or regulation;
- (c) the failure to vest and maintain vested in us ownership of each Debt, free and clear of any Adverse Claim whether existing at the time of the assignment of such Debt or at any time thereafter;
- (d) any dispute, claim, offset or defence (other than discharge in bankruptcy or winding up by reason of insolvency or analogous event of the Debtor) of the Debtor to the payment of any Debt which is, or is purported to be, a Debt (including, without limitation, a defence based on such Debt or the related Contract not being a legal, valid and binding obligation of such Debtor enforceable against it in accordance with its terms), or any other claim resulting from the sale of the services related to such Debt or the furnishing or failure to furnish such services;
- (e) any product liability, claim or personal injury or property damage claim, or other similar or related claim or action of whatsoever sort arising out of or in connection with services which are the subject of any Debt or Contract; or
- (f) any enforcement against a Debtor, a Debt or any Associated Rights,

by payment to us of the amount and in the currency that we certify is required to indemnify us for that cost or other liability, including each cost incurred in liquidating or re-employing.

## **13. REPRESENTATIONS - DEBTS**

13.1 **Representations:** If, and for so long as, you have an Invoice Finance Facility with us you represent as follows:

- (a) immediately prior to their sale to us under this Facility:



- (i) you are the legal and beneficial owner of all Debts;
- (ii) each Debt is a valid, binding and enforceable obligation of the Debtor for the Face Value (less any credit to which we have agreed in writing);
- (iii) you have an unqualified right to transfer the debt to us free of any Adverse Claim;
- (iv) we will obtain a valid and unencumbered title to each Debt free of any Adverse Claim;
- (b) the Face Value of each Debt represents the amount owing by the relevant Debtor in respect of that Debt;
- (c) the terms of payment for each Debt provide that the Debt is payable no later than the twentieth (20<sup>th</sup>) of the month following the date of the relevant Invoice;
- (d) each Debt, together with the Contract related to it, is owned by you free and clear of any Adverse Claim and on each Purchase Date we will acquire full equitable and beneficial title and ownership of each Debt and the Associated Rights (if any) then existing or later arising related to each Debt, free and clear of any Adverse Claim;
- (e) each Contract has been fully disclosed to us, is in a form acceptable to us and fulfils all statutory and other requirements for its validity;
- (f) all Goods to which each Debt relates have been delivered or performed and all requirements of the relevant Contract concerning the nature, amount, quality, condition, delivery or performance of the Goods purchased, or upon which payment or enforcement of the Debt may be dependent have been fulfilled;
- (g) all books, records and documents evidencing a Debt or the related Contracts are at your principal place of business or at such other location(s) approved in writing by us (such approval not to be unreasonably withheld);
- (h) your business is as described in the relevant Facility Agreement and, all Goods sold or supplied in respect of any Debts have been sold or supplied in the ordinary course of that business as an actual and bona fide sale of goods or performance of services in the ordinary course of that business;
- (i) each purchase of a Debt has been or will be recorded as a sale of the relevant Debt on your financial records and accounts;
- (j) the details given to us of any Debt, any Debtor, any Invoice, each Contract and all Goods are correct;
- (k) all Goods were sold by you and accepted in New Zealand or the services were performed in New Zealand;
- (l) as far as you are aware, each Debtor will pay the relevant Debts in full on or before the Recourse Date;
- (m) you have complied with all laws relating to the Debts or the Contracts;
- (n) you have done nothing that would make us liable in respect of any Debt or any Contract; and
- (o) any duplicate Invoice given to us is the same as the original given to the Debtor.

#### **14. UNDERTAKINGS – DEBTS**

**14.1 Undertakings:** If, and for so long as, you have an Invoice Finance Facility with us you undertake as follows:

- (a) you will take or cause to be taken all action as may be necessary or advisable to collect each Debt in accordance with applicable laws, rules and regulations, with

reasonable care and diligence, and in accordance with the Credit and Collection Policy;

- (b) you will comply in all material respects with all applicable laws, rules, regulations and orders with respect to you, your business and properties and all Debts and related Contracts;
- (c) upon reasonable notice by us, you must allow us to visit your offices during normal office hours and examine and make copies of all books, records and documents relating to the Debts and to discuss matters relating to the Debts or your performance under a Transaction Document with your auditors or any of your officers or employees having knowledge of such matters and co-operate in the reconstruction of any aged debtor trial balance;
- (d) you will maintain and implement administrative and operating procedures (including an ability to recreate records in the event of their destruction), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Debts (including records adequate to permit the identification on each Purchase Date of each new Debt and the identification of all proceeds of and adjustments to each existing Debt);
- (e) you will timely and fully perform and comply with all terms and conditions to be observed by you under the Contracts related to the Debts (including payment of all cartage and shipping charges);
- (f) you will comply in all material respects with the Credit and Collection Policy in regard to each Debt to be offered for purchase and the related Contract;
- (g) you will deliver to us all documents, instruments and records that evidence or relate to the Debts that we may reasonably request;
- (h) you will make all relevant GST or other applicable tax payments in respect of suppliers of services pursuant to a Contract or which otherwise relates to Debts, and pay all GST (if any) payable in respect of any GST supplies made;
- (i) you will promptly, from time to time, deliver to us:
  - (i) such information, documents, records or reports in respect of the Debts or the condition or operations, financial or otherwise, of you or any other Group Member, as we may from time to time reasonably request;
  - (ii) the current addresses of all Debtors in respect of Debts;
  - (iii) any information you obtain in relation to:
    - (A) the validity of the Debt;
    - (B) the creditworthiness of the Debtor;
    - (C) any dispute or possible dispute about a Debt or a Contract;
    - (D) any Adverse Claim;
    - (E) the return of any Goods;
    - (F) the receipt of any payment in connection with a Debt;
- (j) the terms of payment contained in the relevant Facility Agreement are true and correct in all respects and you are not aware of any matters that may give rise to any material change in those details;
- (k) every Debtor has an established place of business and is not a related party of you;
- (l) unless we approve otherwise in writing, you will ensure that every Contract and each Invoice issued pursuant to it:
  - (i) is made or issued in the ordinary course of your business;
  - (ii) provides for terms of payment that accord with those specified in the relevant Facility Agreement;

- (iii) is subject to the laws of New Zealand;
- (iv) is expressed to be in New Zealand dollars with payment to be made in New Zealand dollars; and
- (v) does not include any prohibition on its assignment;
- (m) you will ensure that every Debt is payable as a legally binding obligation, that there is no Adverse Claim relating to that Debt and that no other person has any right or interest in any Debt nor will you allow any other party to have any right or interest in any Debt, including any tracing right;
- (n) in the event that any Debtor pays you in respect of the Debt you will:
  - (i) pay this to us in the form that it is received by you and until you do so you will hold that payment in the form it is received on trust for us, separate to your own money; and
  - (ii) provide our bankers with an indemnity in the form they require in respect of any monies that cannot be assigned or transferred;
- (o) you will cooperate fully with us in the collection of any Debt and its enforcement whether by court proceedings or otherwise, including the provision of evidence and witnesses and the execution of any further documents required to perfect title to the Debt; and
- (p) you will permit us and our authorised agents at all reasonable times to:
  - (i) inspect all or any of your records and documents relating to a Debt;
  - (ii) collect any of the Goods, records and documents included in the Associated Rights,

and for these purposes you will give us access to any place or places where the Goods, records and documents are stored.

**14.2 Negative covenants in relation to Debts:** If, and for so long as, you have an Invoice Finance Facility with us you undertake to us that you will not, without our prior written consent:

- (a) except as otherwise provided in a Transaction Document, sell, assign (by operation of law or otherwise) or otherwise dispose of (or attempt to do any of the foregoing), or create or suffer to exist any Adverse Claim upon or with respect to, any Debt or related Contract, or assign any right to receive income in respect thereof;
- (b)
  - (i) collect or enforce, or attempt to collect or enforce any Debt otherwise than in accordance with the Credit and Collection Policy;
  - (ii) commence or settle any legal action to enforce collection of any Debt otherwise than in accordance with the Credit and Collection Policy; or
  - (iii) deal with any Debt in a manner that may prejudice the collection of a Debt;
- (c) issue credit notes in respect of a Debt. All credit notes must be approved by and delivered to us for authorisation and dispatch by us unless we advise you otherwise in writing;
- (d) give the Debtor time to pay or release or compromise any Debt;
- (e) issue an invoice in respect of a false debt;
- (f) enter into any other agreement for the invoice financing or discounting of any Debts (whether or not those Debts are the subject of a Transaction Document) without our prior written consent; or
- (g) you will not extend, amend, modify or waive the terms of any Debt or amend, modify or waive any term or condition of any related Contract thereto by way of allowances, discounts, credits, set-off, exchange of goods or services or otherwise, unless notice has first been given to us except that notice to us shall not be required in respect of any amendment or modification to make the terms more restrictive to the Debtor.

**SCHEDULE 2**  
**PURCHASE ORDER FACILITY TERMS**

The terms set out in this Schedule apply to any Purchase Order Facility made available to you pursuant to any Facility Agreement(s).

**1. FACILITY LIMIT**

- 1.1 **Facility Limit:** We need not make any Drawing available under this Facility if, as a result, the Amount Outstanding will exceed the Facility Limit.

**2. DRAWDOWN REQUESTS**

- 2.1 **Availability:** Subject to the terms of this Facility, we will make available each Drawing on the Drawdown Date by us sending funds by telegraphic transfer directly to your suppliers as named on the invoices provided with the Drawdown Request.
- 2.2 **Effect of Drawdown Request:** A Drawdown Request is irrevocable.
- 2.3 **Form of Drawdown Request:** A Drawdown Request must be in writing (including by way of email to our nominated email address) and in substantially in the form of, or containing all relevant information required by, Annexure A and be received by us by 10am (Auckland time) one (1) business day before the proposed Drawdown Date or such later time as agreed to by us.
- 2.4 **Discretion:** Following receipt of any Drawdown Request from you pursuant to clause 2.3, you agree that we may in our discretion refuse to make any Drawing available under this Facility and we will give you notice of our decision as soon as possible after it has been made but failure by us to give notice or non-receipt by you of any notice does not affect the validity of our decision.

**3. INTEREST CALCULATION**

- 3.1 **Interest:** Interest on a Drawing shall be calculated and shall accrue from day to day and shall be calculated on a Drawing on the basis of the actual number of days elapsed and a 365 day year.

**4. REPAYMENT & PAYMENTS**

- 4.1 **Repayment:** You will repay a Drawing, together with all interest, costs and other amounts due and payable in respect of such Drawing, in full on the last day of the relevant Drawing Term by creation, and purchase by us pursuant to the Invoice Finance Facility, of any Debt for the Goods being the subject of the relevant Purchase Order financed by the Drawing.
- 4.2 **Payments:** All amounts payable by you to us pursuant to a Purchase Order Facility (including interest, Drawings, Line Fees and Transaction Fees) are paid to us by debiting the Current Account.

**5. EXCLUSION OF LIABILITY**

- 5.1 We will not be liable if:
- (a) the Goods purchased with this Facility are defective in any way;
  - (b) we fail to detect discrepancies in any documents that we examine;
  - (c) you make a loss because of changes in exchange rates; or
  - (d) we fail to perform any of our obligations under this Facility because of events beyond our control.

**6. PURCHASE ORDER FEES**

- 6.1 **Line Fees:** You will pay us the Line Fees monthly in advance commencing on the Commencement Date. A Line Fee is calculated monthly by multiplying the Facility Limit applicable at the time of payment by the Line Fee percentage.
- 6.2 **Transaction Fees:** When you request a Drawing, you will pay us a Transaction Fee for that Drawing whether or not such Drawing is made at the time that the Drawing is made or due to be made.

- 6.3 **Changes to Line Fees and Transaction Fees:** We may amend the Line Fee percentage or the Transaction Fee amount at any time at our discretion. Any change is effective immediately we make that decision. We will notify you of any change as soon as possible after that decision is made but failure by us to give notice or non-receipt by you of any notice does not affect the validity of our decision.

## **7. MARINE CARGO INSURANCE**

- 7.1 **Marine Insurance:** In addition to the insurance requirements set out in the General Terms and Conditions, you undertake that you will take out and maintain marine cargo insurance for any Goods being the subject of any Purchase Order financed pursuant to a Purchase Order Facility

## **8. REPRESENTATIONS – PURCHASE ORDERS**

- 8.1 **Representations:** If, and for so long as, you have a Purchase Order Facility with us you represent as follows:
- (a) each Purchase Order and the related Contracts is in a form acceptable to us and fulfils all statutory and other requirements for its validity;
  - (b) all books, records and documents evidencing a Purchase Order or the related Contracts are at your principal place of business or at such other location(s) approved in writing by us (such approval not to be unreasonably withheld);
  - (c) your business is as described in the relevant Facility Agreement and, all Goods purchased or to be supplied in respect of any Purchase Orders have been purchased or will be supplied in the ordinary course of that business as an actual and bona fide purchase of goods or performance of services in the ordinary course of that business;
  - (d) the details given to us of any Purchase Order, any Supplier, each Contract and all Goods are correct;
  - (e) the delivery and shipping timeframes for any Purchase Order do not extend beyond the relevant expiry date of that Purchase Order;
  - (f) you have complied with all laws relating to the Purchase Orders or the Contracts; and
  - (g) you have done nothing that would make us liable in respect of any Purchase Order or any Contract.

## **9. UNDERTAKINGS – PURCHASE ORDERS**

- 9.1 **Undertakings:** If, and for so long as, you have a Purchase Order Facility with us you undertake as follows:
- (a) comply in all material respects with all applicable laws, rules, regulations and orders with respect to you, your business and properties and all Purchase Orders and related Contracts;
  - (b) upon reasonable notice by us, you must allow us to visit your offices during normal office hours and examine and make copies of all books, records and documents relating to the Purchase Orders and to discuss matters relating to the Purchase Orders or your performance under a Transaction Document with your auditors or any of your officers or employees having knowledge of such matters and co-operate in the reconstruction of any aged debtor trial balance;
  - (c) you will maintain and implement administrative and operating procedures (including an ability to recreate records in the event of their destruction), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the Purchase Orders;
  - (d) you will timely and fully perform and comply with all terms and conditions to be observed by you under the Contracts related to the Purchase Orders;
  - (e) you will deliver to us all documents, instruments and records that evidence or relate to the Purchase Orders that we may reasonably request;

- (f) you will make all relevant GST or other applicable tax payments in respect of suppliers of services pursuant to a Contract or which otherwise relates to Purchase Orders, and pay all GST (if any) payable in respect of any GST supplies made;
- (g) you will promptly, from time to time, deliver to us:
  - (i) such information, documents, records or reports in respect of the Purchase Orders or the condition or operations, financial or otherwise, of you or any other Group Member, as we may from time to time reasonably request;
  - (ii) the current addresses of all Suppliers in respect of Purchase Orders;
  - (iii) any information you obtain in relation to:
    - (A) the validity of the Purchase Order;
    - (B) the creditworthiness of the Supplier;
    - (C) any dispute or possible dispute about a Purchase Order or a Contract;
    - (D) the return of any Goods;
    - (E) the receipt of any payment in connection with a Purchase Order;
- (h) the terms of payment contained in the relevant Facility Agreement are true and correct in all respects and you are not aware of any matters that may give rise to any material change in those details;
- (i) every Supplier has an established place of business and is not a related party of you; and
- (j) you will ensure that no other person has any right or interest in any Purchase Order nor will you allow any other party to have any right or interest in any Purchase Order.

9.2 **Negative covenants in relation to Purchase Orders:** If, and for so long as, you have a Purchase Order Facility with us you undertake to us that you will not, without our prior written consent:

- (a) except as otherwise provided in a Transaction Document, sell, assign (by operation of law or otherwise) or otherwise dispose of (or attempt to do any of the foregoing), any Purchase Order or related Contract;
- (b) enter into any other agreement for the financing of any Purchase Orders (whether or not those Purchase Orders are the subject of a Transaction Document) without our prior written consent; or
- (c) you will not extend, amend, modify or waive the terms of any Purchase Order or amend, modify or waive any term or condition of any related Contract thereto by way of allowances, discounts, credits, set-off, exchange of goods or services or otherwise, unless notice has first been given to us except that notice to us shall not be required in respect of any amendment or modification to make the terms more restrictive to the Supplier.

### SCHEDULE 3

#### REVOLVING CREDIT FACILITY TERMS

The terms set out in this Schedule apply to any Revolving Credit Facility made available to you pursuant to any Facility Agreement(s).

#### 1. PURPOSE

- 1.1 You shall use the net proceeds of any Drawing under this Facility for the purpose specified in the relevant Facility Agreement.

#### 2. FACILITY LIMIT

- 2.1 **Facility Limit:** We need not make any Drawing available under this Facility if, as a result, the Amount Outstanding will exceed the Facility Limit.

#### 3. DRAWDOWN REQUESTS

- 3.1 **Availability:** Subject to the terms of this Facility, we will make available each Drawing on the relevant Drawdown Date to the bank account specified by you in the Drawdown Request.

- 3.2 **Effect of Drawdown Request:** A Drawdown Request is irrevocable.

- 3.3 **Form of Drawdown Request:** A Drawdown Request must be in writing (including by way of email to our nominated email address) and in substantially in the form of, or containing all relevant information required by, Annexure B and be received by us by 10am (Auckland time) one (1) business day before the proposed Drawdown Date or such later time as agreed to by us.

- 3.4 **Drawing Multiples:** The Facility may be drawn down from time to time in multiples of NZ\$5,000.

#### 4. INTEREST CALCULATION

- 4.1 **Interest:** Interest shall be calculated and shall accrue from day to day and shall be calculated on the Amount Outstanding on the basis of the actual number of days elapsed and a 365 day year.

#### 5. INTEREST PAYMENT, REPAYMENT & EXPIRY DATE

- 5.1 **Interest Payment:** You will pay interest on the Amount Outstanding at the Interest Rate in arrears on each Interest Payment Date. Interest is paid to us by debiting the Current Account.

- 5.2 **On Demand:** To the extent not already repaid, you shall repay the Amount Outstanding, together with all interest, costs and other amounts due and payable under this Facility, in full upon demand being made by notice in writing. After demand has been made by us pursuant to this clause, the Amount Outstanding is paid by us debiting the Current Account and we shall not be bound to continue to make available any of this Facility.

- 5.3 **Expiry Date:** To the extent not already repaid, you shall repay the Amount Outstanding, together with all interest, costs and other amounts due and payable under this Facility, in full on the Expiry Date.

- 5.4 **Payments:** All amounts payable by you to us pursuant to a Revolving Credit Facility (including interest, Amount Outstanding, Line Fees and Transaction Fees) are paid to us by debiting the Current Account.

#### 6. PREPAYMENTS

- 6.1 **Voluntary prepayments:**

- (a) Subject to this clause, if you give at least one (1) business days' written notice to us, you may prepay all or part of the all or part of the Amount Outstanding. That notice is irrevocable.
- (b) Unless we agree otherwise, prepayment of part only of the Amount Outstanding may only be made in multiples of NZ\$5,000.
- (c) Any amounts prepaid may be redrawn up to the amount of the Facility in accordance with clause 3.

- 6.2 **Interest etc.:** When you prepay any amount, you will also pay:
- (a) all interest, costs and other amounts due and payable in respect of that amount; and
  - (b) any other amounts due under this Facility at the time of prepayment.
7. **REVOLVING CREDIT FEES**
- 7.1 **Line Fees:** You will pay us the Line Fees monthly in advance commencing on the Commencement Date. A Line Fee is calculated monthly by multiplying the Facility Limit applicable at the time of payment by the Line Fee percentage.
- 7.2 **Transaction Fees:** When you request a Drawing, you will pay us a Transaction Fee for that Drawing whether or not such Drawing is made at the time that the Drawing is made or due to be made.
- 7.3 **Changes to Line Fees and Transaction Fees:** We may amend the Line Fee percentage or the Transaction Fee amount at any time at our discretion. Any change is effective immediately we make that decision. We will notify you of any change as soon as possible after that decision is made but failure by us to give notice or non-receipt by you of any notice does not affect the validity of our decision.



**SCHEDULE 4**  
**TERM LOAN FACILITY TERMS**

The terms set out in this Schedule apply to any Term Loan Facility made available to you pursuant to any Facility Agreement(s).

**1. PURPOSE**

- 1.1 You shall use the net proceeds of the Loan under this Facility for the purpose specified in the relevant Facility Agreement.

**2. MAKING OF LOAN**

- 2.1 **Availability:** Subject to the terms of this Facility, we will make available the Loan (in one amount) on the Drawdown Date to the bank account specified by you in the Drawdown Request.
- 2.2 **Effect of Drawdown Request:** A Drawdown Request is irrevocable.
- 2.3 **Form of Drawdown Request:** A Drawdown Request must be in writing (including by way of email to our nominated email address) and in substantially in the form of, or containing all relevant information required by, Annexure B and be received by us by 10am (Auckland time) one (1) business day before the proposed Drawdown Date or such later time as agreed to by us.

**3. INTEREST PAYMENTS**

- 3.1 **Payment of Interest:** You will pay interest on the Loan at the Interest Rate in arrears on each Interest Payment Date. Interest shall be calculated and shall accrue from day to day and shall be calculated on the Loan on the basis of the actual number of days elapsed and a 365 day year.

**4. REPAYMENT**

- 4.1 **Expiry Date:** To the extent not already repaid, you shall repay the Loan, together with all interest, costs and other amounts due and payable under this Facility, in full on the Expiry Date.
- 4.2 **Amortisation:** If an Amortisation Amount is specified in the relevant Facility Agreement, then you will pay to us the Amortisation Amount on each Interest Payment Date.

**5. PREPAYMENTS**

- 5.1 **Voluntary prepayments:**
- (a) Subject to this clause, if you give at least five (5) business days' written notice to us, you may prepay all or part of the Loan. That notice is irrevocable.
  - (b) Unless we agree otherwise, prepayment of part only of the Loan may only be made in a whole multiple of NZ\$10,000.
  - (c) Any amounts prepaid may not be redrawn.
- 5.2 **Interest:** When you prepay any amount, you will also pay:
- (a) any interest accrued on that amount;
  - (b) a prepayment fee equal to 30 days' interest at the Interest Rate prevailing immediately prior to the date of prepayment; and
  - (c) any other amounts due under this Facility at the time of prepayment.

**6. PAYMENTS**

- 6.1 **Payments:** All amounts payable by you to us pursuant to a Term Loan Facility (including interest, Amortisation Amounts and Loan) are paid to us by debiting the Current Account.

**SCHEDULE 5**  
**GENERAL FACILITY TERMS**

The terms set out in this Schedule apply to all Facilities made available to you pursuant to any Facility Agreement(s).

**1. CONDITIONS PRECEDENT**

1.1 **Initial Conditions Precedent:** Our obligations under a Facility are subject to the conditions precedent that we have received all of the following documents and items:

- (a) duly executed originals of the relevant Facility Agreement and delivered to us and registered as may be necessary or desirable under any law (or evidence that registration will be effected within any applicable time limit), together with all items required in terms of those documents including release of prior registered securities;
  - (b) specimen signatures of each of your authorised signatories, authenticated by one of your directors and a certificate from one of your directors in the form required by us;
  - (c) payment of all costs including legal;
  - (d) an opinion from our solicitors in relation to the Transaction Documents;
  - (e) identification and other documents required for compliance with Anti-Money Laundering and Countering Financing of Terrorism Act 2009;
  - (f) pre-audit of Debts or Purchase Orders as required by us to be completed and acceptable to us; and
  - (g) such other documents or evidence as we may reasonably require,
- in each case in form and substance satisfactory to us.

1.2 **Further Conditions Precedent:** Our obligation to accept an assignment of an Approved Debt, to make a Drawing or to make a Loan available is subject to the further conditions precedent that:

- (a) the representations made by each Transaction Party in the Transaction Documents are true as at the date of the Drawdown Request, the Purchase Date or the Drawdown Date (as the case may be) as though they had been made at that date in respect of the facts and circumstances then subsisting; and
- (b) no Event of Default is subsisting at the date of the Drawdown Request, the Purchase Date or Drawdown Date (as the case may be) or will result from the assignment of the Approved Debt, or the making of a Drawing or the Loan.

1.3 **Amendment Conditions Precedent:** Our obligations under a Facility following any amendment to a Transaction Document are subject to the conditions precedent that we have received such documents or evidence as we may reasonably require in form and substance satisfactory to us.

**2. FEES, DEFAULT INTEREST ETC.**

2.1 **Establishment Fee:** You will pay us an establishment fee of the amount specified in the relevant Facility Agreement on your formal acceptance of our funding offer or such other date as we may require, and in any event no later than the first Drawdown Date.

2.2 **Arrangement Fee:** You shall pay to us an arrangement fee of the amount specified in the relevant Facility Agreement on your formal acceptance of our funding offer, and in any event, prior to the first Drawdown Date.

2.3 **Platform/Technology Fee:** You shall pay to us a platform/technology fee of the amount specified in the relevant Facility Agreement in advance on the last day of each calendar month for the following month. Platform/technology fees are paid to us by debiting the Current Account.

2.4 **Other fees:** You will pay us all other fees specified in the relevant Facility Agreement, in each case in the amounts and at the times specified.

## 2.5 Default Interest

- (a) If we do not receive, when due, an amount payable to us under a Transaction Document, then, without prejudice to any other right exercisable by us, you will pay default interest on that overdue amount (including interest payable under this clause) calculated from due date of such overdue amount to the date of receipt of such overdue amount by us (after as well as before judgment) compounded and payable at intervals selected by us at our discretion. This obligation to pay default interest is to arise without the need for a notice or demand.
- (b) Default interest is calculated daily by multiplying the aggregate of the Interest Rate on the date of the default and the Default Interest percentage specified, by the overdue amount.
- (c) If any amount is not repaid on its due date, in addition to default interest, we may charge such additional fees as we determine are necessary to compensate us for the relevant amount being overdue. The charging of any such fee shall not limit any of our other rights by reason of an Event of Default. Any such fees are payable by you on demand by us.

2.6 **Additional costs:** You acknowledge that we may, at your cost, employ consultants (including without limitation, solicitors, accountants or project managers) from time to time. The costs of any such consultant shall be payable by you to us promptly following demand. If you fail to pay any such costs on demand by us, we may pay that cost on your behalf and debit any of your accounts with us.

2.7 **GST registration:** You as a Borrower, represent that you are registered in New Zealand for GST purposes under the GST Act and that:

- (a) you make taxable supplies in a given twelve-month period (including the taxable period in which the supply is made) equal to or exceeding seventy-five percent of total supplies for the period, or
- (b) you are part of a group that makes taxable supplies equal to or exceeding seventy-five percent of total supplies in a given twelve-month period (including the taxable period in which the supply is made).

You undertake that where we have relied upon the representations made by you above and the Commissioner of Inland Revenue (CIR) determines that the supply made by us is an exempt supply under the GST Act and not zero-rated as a supply of financial services to an eligible customer, you will pay for any tax costs imposed on us due to the CIR disallowing any GST input tax as a result.

2.8 **Changes to the Interest Rate or Default Interest percentage:** We can change any Interest Rate or the Default Interest percentage at any time at our discretion. Any change is effective immediately if it is made before you have called for early payment under the terms of a Facility. After that, it will be effective 30 days from the date that we send you notice of the change. However, any failure by us to give notice or non-receipt by you of any notice does not affect the validity of our decision.

## 3. FACILITY LIMIT VARIATION

3.1 **Variation of Facility Limit:** A Facility Limit may be changed at our discretion at any time. If we reduce a Facility Limit, you will not have to pay any sum to us sooner than you would have had to pay it if the Facility Limit had not been reduced.

## 4. FACILITY REVIEW

4.1 **Annual Review:** A Facility may be reviewed by us annually on the Review Date. Following an annual review, we may decide to cancel the Facility for any reason. If we do this, and you are not in default, we will give you thirty (30) days' notice of cancellation in writing.

4.2 **General Review:** We can review and amend any term of a Facility in our discretion on each anniversary of the relevant Commencement Date. We agree, however, to consult with you before doing this.

**5. DATA EXTRACTION**

- 5.1 **Xero/MYOB etc.:** For the purposes of providing any Facility to you, you will grant us access to Xero, MYOB or any other web based accounting package in the required capacity (including by way of Automatic Programming Interface (API)) to enable us to extract the relevant data required in order for us to manage such Facility.

## SCHEDULE 6

### DEFINITIONS & INTERPRETATION

The definition and interpretation terms set out in this Schedule apply to these Terms and Conditions, the General Terms and Conditions, and any Facility Agreement(s).

1. **Definitions:** In these Terms and Conditions, terms defined in the relevant Facility Agreement and the General Terms and Conditions shall bear the same meaning and, unless the context requires otherwise:

**Administration Charge** means the administration charge fee payable per batch of Debts purchased pursuant to an Invoice Finance Facility.

**Adverse Claim** means a lien, security interest, dispute, condition, set-off, abatement, rebate, allowance, discount, credit, defence, counterclaim, deduction or other right or claim of any person other than the Debtor (including a right that would reduce the amount payable in respect of the Debt).

**Amount Outstanding** means, at any time:

- (a) in the case of an Invoice Finance Facility, the aggregate amount of the Purchase Prices for Approved Debts; and
- (b) in the case of a Purchase Order Facility or a Revolving Credit Facility, the aggregate amount of the Drawings; and
- (c) in the case of a Term Loan Facility, the amount of the Loan.

**Approved Debt** means a Debt:

- (a) subject to sub-clause (d), that, (when taken together with all other Debts owed or owing by the same Debtor) falls within the Maximum Debtor Concentration and in circumstances where there are two or more Debts owing by the same Debtor the Debts are ranked in the order in which they have been notified to us;
- (b) subject to sub-clause (d), when taken together with all Debts falls within the relevant Facility Limit;
- (c) in relation to which you are not in breach of any warranty or undertaking contained in a Transaction Document; and
- (d) that is not an Unapproved Debt;

**Associated Rights** includes:

- (a) any security for the payment of any Debt held in association with any Relevant Agreement including any promissory note, bank order, bill of exchange or other negotiable instrument or any guarantee or insurances or any security interest;
- (b) any book of account, invoice, statement, computer disk, records and data or ledger cards in which any Debt or entries relating to any Relevant Agreement are recorded;
- (c) any rights held by you under any retention of title clause and any right to claim any proceeds under that retention of title clause;
- (d) your interest in any Goods or other property the subject of any Relevant Agreement or that is, or is purported to be, subject to any security referred to in this definition;
- (e) all rights, powers and remedies that you have to recover any Debt or to enforce any Relevant Agreement or security specified in this definition, including your rights to take possession of any Goods or other property the subject of any Relevant Agreement and all rights of sale; and
- (f) any right to claim interest and/or costs from a Debtor.

**Availability Period** means, in respect of any Facility, the period commencing on the Commencement Date and expiring on the relevant Expiry Date.

**Borrower** means any person specified as such in the relevant Facility Agreement.

**Cleared Funds** means funds which are immediately available to us for disbursement without limitation of any kind.

**Collection Date** means, in relation to a Debt paid, the date on which we receive Cleared Funds for payment.

**Commencement Date** means the date on which we have confirmed to you in writing that all conditions precedent set out in the relevant Facility Agreement and these Terms and Conditions have been satisfied.

**Contract** means, as the context requires, a contract for the sale or supply of Goods by or to you.

**Credit and Collection Policy** means your credit and collection policies, practices and procedures relating to Contracts and Debts as agreed with us, as modified from time to time with our written consent where such modifications are material (such consent not to be unreasonably or arbitrarily withheld).

**Debt** means the receivable represented by the amount owed to you by a Debtor under a Contract, including any GST or other tax due to you from the Debtor, that has been assigned to us under a Transaction Document and includes all Associated Rights.

**Debtor** means a person or persons obliged to make a payment to you pursuant to a Contract or otherwise in respect of a Debt, existing now or which exists in the future.

**Discount Percentage** means the percentage discount established by us and specified in the relevant Facility Agreement as the minimum discount applied to the face value of the Debt in the calculation of the Purchase Price.

**Drawdown Date** means, in the case of a Purchase Order Facility, a Revolving Credit Facility or a Term Loan Facility, the date on which a Drawing or Loan is or is to be drawn as specified in the Drawdown Request which, in the case of a Term Loan Facility only, shall not be later than 10 business days after the Commencement Date.

**Drawdown Request** means a notice given under the terms of the relevant Facility substantially in the form of, and containing all relevant information required by, Annexure A or B.

**Drawing** means a principal amount advanced (or to be advanced) under a Purchase Order Facility or a Revolving Credit Facility in accordance with the terms of this Agreement.

**Drawing Term** means, in the case of any Drawing under a Purchase Order Facility, a period of between 30 – 180 days as specified in the Drawdown Request.

**Event of Default** has the meaning set out in the General Terms and Conditions.

**Excess Fee** means the excess fee payable pursuant to an Invoice Finance Facility when the Amount Outstanding exceeds the Facility Limit or the aggregate amount of all Purchase Prices in respect of outstanding Debts owing by any one Debtor exceeds the Maximum Debtor Concentration.

**Expiry Date** means:

- (a) in relation to a Term Loan Facility, the date specified as such in the Facility Agreement; and
- (b) otherwise the date on which any Facility is terminated pursuant to the terms of these Terms and Conditions or the General Terms and Conditions.

**Face Value** means the gross amount charged by you for the sale of Goods or performance of services (including GST and any other tax or charge) less any allowances, discounts or credits allowed to a Debtor before the assignment of a Debt to us.

**Facility** means each facility to be made available on the terms set out in the relevant Facility Agreement, the General Terms and Conditions and these Terms and Conditions.

**Facility Agreement** means each facility agreement between you and us pursuant to which we agree to provide a Facility.

**Facility Limit** means each facility limit detailed for the relevant Facility(s) in a Facility

Agreement, as reduced or cancelled under the relevant terms of such Facility(s) but includes any increased amount approved by us in writing from time to time.

**General Terms and Conditions** means the general terms and conditions applicable to all Transaction Documents.

**Goods** includes property sold by you or services performed by you (as the case may be), the sale or performance of which has given rise to a Debt and any reference to the “sale” or “supply” of Goods includes the performance of services.

**Guarantor** means any person specified as such in the relevant Facility Agreement or who has given a guarantee of all or any part of any indebtedness that you owe us (whether that guarantee is also a guarantee of other indebtedness);

**Invoice** means the invoice or other document evidencing the Debt, specifying the Goods sold or services performed and the amount, method and terms of payment required to be made by the Debtor to you in respect of the Debt and includes any electronic means of storing or conveying such information.

**Interest Payment Date** means:

- (a) the last business day of the month; and
- (b) the Expiry Date.

**Interest Rate** means the interest rate specified for a Facility from time to time.

**Line Fee** means the line fee payable pursuant to a Purchase Order and/ or Revolving Credit Facility.

**Loan** means, in relation to a Term Loan Facility:

- (a) the initial principal amount advanced (or to be advanced) as specified in the relevant Facility Agreement; and thereafter
- (b) the principal amount from time to time drawn down and outstanding.

**Maximum Debtor Concentration** means the limit established by us and specified in the relevant Facility Agreement as the maximum aggregate amount permitted to be owed to you by any one Debtor expressed as a percentage of Approved Debts.

**Purchase Date** means the date that we purchase any Debt from you in accordance with the terms of any Invoice Finance Facility.

**Purchase Order** means the purchase order, invoice or other document evidencing the amount required for the relevant Drawing, specifying the Goods bought and the amount, method and terms of payment required to be made by you to the Supplier in respect of the Drawing.

**Purchase Percentage** means the percentage discount established by us and specified in the relevant Facility Agreement as the minimum discount applied to the face value of the Purchase Order in the calculation of the Drawing.

**Purchase Price** means:

- (a) for an Approved Debt, the amount calculated pursuant to clause 3.1 of Schedule 1; and
- (b) for an Unapproved Debt, the amount calculated pursuant to clause 3.2 of Schedule 1.

**Recourse** means our right to require you to repurchase a Debt under an Invoice Finance Facility.

**Recourse Date** means the date being 90 days after the last day of the month in which the Approved Debt arose or, if that date is not a business day, then the last business day immediately before such date.

**Relevant Agreement** includes any Contract, Invoice and any other present or future agreement, receipt, acknowledgement, and other record or document giving rise to or being a written record or memorandum of Debts that have not been reassigned by us to you.

**Representative** means your executor, administrator, trustee in bankruptcy, liquidator, administrative receiver or other person for the time being entitled by law to manage your assets, business or other affairs.

**Retention Payment Date** means seven (7) days after the Collection Date.

**Review Date** means the date specified in the relevant Facility Agreement.

**Supplier** means a person or persons to whom you are obliged to make a payment pursuant to a Contract or otherwise in respect of a Purchase Order, existing now or which exists in the future.

**Unapproved Debt** means either:

- (a) a Debt that is not approved by us; or
- (b) a Debt that is an Unapproved Debt pursuant to these Terms and Conditions,

**you** or **your** means the person named as Borrower and where the context requires means the Borrower and each Guarantor; and

**we** or **us** or **Lock Finance** means Lock Finance Limited.

- 2.2 **Construction & Interpretation:** In these Terms and Conditions, the terms regarding construction and interpretation set out in the General Terms and Conditions shall apply mutatis mutandis.



**ANNEXURE A**  
**FORM OF DRAWDOWN REQUEST**  
(Purchase Order Facility)

**Drawdown Request**

We refer to the Facility Agreement dated [ ] (the **Facility Agreement**). Unless the context otherwise requires, terms defined in the Facility Agreement have the same meaning in this notice.

Under the terms of the Facility Agreement, we give you irrevocable notice as follows:

**1 Purchase Order Drawing**

- (a) we wish to draw on [ ] (being the Drawdown Date) under the Purchase Order Facility to fund Purchase Order(s) (copies of purchase order, supplier invoice and bill(s) of lading (if available) attached for each Purchase Order requested to be funded);

*[NOTE: date must be a business day.]*

- (b) the amount of the Drawing requested is \$[ ] (being the aggregate value of the Purchase Orders multiplied by the Purchase Percentage); and

- (c) the Drawing Term requested is [30-180] days.

**2. We represent that:**

- (a) *[(except as disclosed in paragraph (c) below]* our representations in the Transaction Documents are true as though they had been made at the date of this Drawdown Request and each Drawdown Date specified above in respect of the facts and circumstances then subsisting; *[and]*

- (b) *[(except as disclosed in paragraph (c) below]* no Event of Default is subsisting or will result from any Drawing; *[and]*

- (c) [details of the exceptions to paragraphs (a) and (b) are as follows: [ ], and we [have taken/propose] the following remedial action [ ];]

*[NOTE: Inclusion of a statement under paragraph (c) will not prejudice the conditions precedent in the Facility Agreement.]*

**SIGNED** on behalf of  
[ ] **LIMITED**

By:

[Authorised Officer]

**DATE**

**ANNEXURE B**  
**FORM OF DRAWDOWN REQUEST**  
(Revolving Credit or Term Loan Facility)

**Drawdown Request**

We refer to the Facility Agreement dated [ ] (the **Facility Agreement**). Unless the context otherwise requires, terms defined in the Facility Agreement have the same meaning in this notice.

Under the terms of the Facility Agreement, we give you irrevocable notice as follows:

- 1 we wish to [make a Drawing]draw the Loan on [ ] (being the Drawdown Date) under the [Revolving Credit/Term Loan] Facility. [The amount of the Drawing requested is \$[ ]];

[NOTE: date must be a business day.]

- 2 we request that the proceeds be remitted to account number [ ] at [ ];

- 3 we represent that:

(a) [(except as disclosed in paragraph (c) below] our representations in the Transaction Documents are true as though they had been made at the date of this Drawdown Request and the Drawdown Date specified above in respect of the facts and circumstances then subsisting; [and]

(b) [except as disclosed in paragraph (c) below] no Event of Default is subsisting or will result from the [Drawing/Loan]; [and]

(c) [details of the exceptions to paragraphs (a) and (b) are as follows: [ ], and we [have taken/propose] the following remedial action [ ];]

[NOTE: Inclusion of a statement under paragraph (c) will not prejudice the conditions precedent in the Facility Agreement.]

**SIGNED** on behalf of  
[ ] **LIMITED**

By:

[Authorised Officer]

**DATE**