TERMS AND CONDITIONS

These are the standard terms and conditions of First Collections Limited t/a MFL Services ("MFL")

Unless agreed otherwise in writing, these terms and conditions, as amended or replaced from time to time ("Terms"), apply to all services offered or provided by MFL ("Services")

1. DEFINTIONS AND INTERPRETATION

1.1. In these Terms, unless the context otherwise requires:

"Agreement" means the contract governing the provision of Services to the Client, comprising the Terms, any document incorporating the Terms, the schedule of fees, and any instruction or request for Services;

"Client" means the person(s) to whom MFL has agreed to provide Services;

"Confidential Information" means all information disclosed by either party in connection with the Agreement that is not publicly available and that a prudent business person would expect to be confidential given the nature of the information or the circumstances of its disclosure;

"Creditor" means the person(s) to whom the Debt is owed;

"Debt" means any amount owing by the Debtor that the Client has referred to MFL for collection as part of the Services;

"Debtor" means the person(s) owing the Debt to the Creditor, including any guarantor or other person having liability for the Debt;

"GST" means goods and services tax levied under the Goods and Services Tax Act 1985;

"Schedule of fees" means the document setting out the rates for the provision of Services to the Client, as amended or replaced by MFL from time to time;

"Services" includes the recovery or attempted recovery of Debts and any associated, related, incidental, or consequential Services, as requested by the Client from time to time;

"We" and "our" mean MFL; and

"You" and "your" mean the Client.

1.2. The term "including" and any other similar inclusive expression is deemed to be followed by the words "without limitation".

1.3. Any monetary amount referred to or payable in connection with these Terms is in New Zealand dollars and must be paid in that currency.

2. AGREEMENT TO PROVIDE SERVICES

2.1. MFL agrees to provide the Services to the Client subject to the Terms.

2.2. MFL is appointed as your duly authorised agent for the specific purpose of providing the Services in accordance with the Terms.

2.3. Without limiting the generality of the appointment in clause 2.2, and subject at times to your instructions, you authorize MFL to take any action that we consider to be reasonably necessary to recover Debts and otherwise provide the Services, including doing any of the following:

2.3.1. Incurring disbursements and expenses on your behalf as necessary to provide the Services.

2.3.2. Engaging and instructing, at your cost and at our discretion, third parties to assist with collecting Debts.

2.3.3. Contacting and corresponding with the Debtor or the Debtor's solicitors or other representatives directly.

2.3.4. Enforcing any legal right that the Creditor may have against the Debtor, including under any security interest or interest in real property.

2.3.5. Issuing legal proceedings against the Debtor in the Creditor's name in any court or tribunal having competent jurisdiction regarding the Debt.

2.3.6. Executing agreements with Debtors regarding payment or settlement of Debts.

3. OUR OBLIGATIONS

Subject to your compliance with the Terms, MFL will:

3.1. provide the Services promptly and report to you regularly on progress, in each case as requested by you;

3.2. instruct such other persons as is necessary to assist our provision of the Services, including any barrister, solicitor, or field service agent as may be necessary to recover or secure a Debt;

3.3. seek instructions from the Client before accepting any offer for payment of a Debt where the offer is less than the full amount of the Debt, except in circumstances where it is not reasonably practical to obtain your authority;

3.4. do such other things as may be necessary to execute any judgment obtained against the Debtor(s); and

3.5. promptly deposit all monies received on behalf of the Client into the MFL trust account and, except as otherwise agreed with the Client, account for the same to the Client on a monthly basis after deducting all commissions, fees and disbursements (including GST thereon).

4. OBLIGATIONS & WARRANTIES OF THE CLIENT

4.1. The Client warrants to MFL that:

4.1.1. the Client has read, understands, and agrees to be bound by the Terms;

4.1.2. all Debt(s) referred to MFL for collection are, at the time of referral, due, owing, and payable by the Debtor to the Creditor; and

4.1.3. if the Client is not the Creditor, the Client has full authority to enter into the Agreement and instruct

MFL to provide Services on the Creditor's behalf in accordance with the Terms,

and all such warranties are deemed to be repeated for, and at the time of, each separate instruction by the Client to collect a Debt.

4.2. The Client will:

4.2.1. give MFL clear written instructions in respect of each Service requested. If the Client gives oral instructions at any time, MFL will confirm such instructions in writing at the earliest opportunity;

4.2.2. when issuing any instruction for the performance of a Service, provide MFL with all relevant information concerning the Debt(s) and Debtors, including documentation and other material supporting and relating to the Debt(s) and confirming the contact details of the Debtors;

4.2.3. be deemed to have authorised MFL to use the information you provide to MFL for any proper purpose, and to have undertaken to MFL that reasonable steps have been taken to advise the Debtors that delinquent Debt(s) would be referred to a debt collection company;

4.2.4. inform MFL immediately if you become aware of any change to any information you have provided to MFL, or any changes of the Client's address, contact phone numbers, or any communication between the Client and Debtor;

4.2.5. immediately notify MFL of any payment paid direct to you or other reduction or settlement of a Debt; and

4.2.6. not agree any arrangement with the Debtor for partial or full payment or settlement of the Debt without first notifying MFL.

5. PAYMENT

5.1. You will pay MFL the commission, disbursements, fees, and other charges for Services set out in the Schedule of fees or as otherwise agreed in writing by MFL, including any GST payable in respect of the Services.

5.2. Commission is payable on any payment made by or on behalf of a Debtor in full or partial repayment of a Debt, and on any credit raised, goods returned, or contra issued by you in full or partial settlement or reduction of a Debt, unless agreed to otherwise by MFL.

5.3. Except where prior arrangements have been made, MFL may deduct its respective commissions, fees, disbursements and GST (if any applicable) out of monies collected on behalf of the Client.

5.4. Where commissions, fees, disbursements and GST (if applicable) are not deducted out of monies collected on behalf of the Client, the Client shall pay all invoices issued for commissions, fees, disbursements and GST (if applicable) 14 days following the date of the invoice.

5.5. If payment of an invoice is not made by the due date, MFL may do any or all of the following:

5.5.1. Charge interest at 2% per month (compounding monthly) on the balance of the invoice outstanding from the due date for payment to the date on which the amount is paid (both before and after judgment).

5.5.2. Charge you for any costs we incur as a result of your failure to pay on time, including debt collection costs and the costs of legal action including lawyers' costs on a solicitor-client basis.

5.5.3. Refer details of the account to a credit reference agency.

5.5.4. Cease providing Services.

5.6. You acknowledge that our payment to you may be based on uncleared funds and you agree that if any such funds are dishonoured, you will immediately refund the amount of our payment to MFL on request.

5.7. The Client acknowledges that MFL trust account will be interest bearing and that any interest shall accrue to the benefit of MFL. MFL will be responsible for all bank fees, government taxes, and duties arising from the operation of the trust account.

5.8. Filing fees and any known costs for legal collection will be paid for in advance. This excludes MFL fees which are only paid after services are rendered.

5.9. Where periodic updates are requested, these will be done every quarter at no cost. Ad hoc reports will be provided upon request at a fee of $40.00 per file.

6. PRIVACY ACT

The Client warrants to MFL that all information concerning Debtor(s) has been collected, obtained, trusted, and disclosed in accordance with the Privacy Act 1993 and the Credit Reporting Privacy Code 2004.

7. INDEMNITIES & EXCLUSION OF LIABLITY

7.1. The Client agrees to defend, indemnify and hold harmless MFL, its officers, directors, shareholders, employees, and agents from and against any and all damage, loss, cost, liability, tax, and expense whatsoever (including reasonable barristers and/or solicitors fees, all and any actual court costs and associated fees and expenses and all disbursements) incurred by MFL relating to the provision of the Service by MFL to the Client and/or the supply of information by the Client to MFL.

7.2. The Client acknowledges that:

7.2.1. the Service provided to it by MFL may in whole or in part represent or be based on information provided from third parties (including private organisations or individuals and government agencies or departments), public registers or publicly available information sources; and

7.2.2. MFL, its officers, directors, shareholders, employees, and agents shall not be responsible for the accuracy of the information provided to it from such third parties, public registers or publicly available information sources. The Client agrees that when acting upon the information it does so entirely at its own risk.

7.3. MFL shall take all care in the preparation of reports provided to the Client as part of the Services but does not warrant in any way nor assume any liability for the accuracy or completeness of those reports.

7.4. MFL shall be under no liability to the Client or any other person in respect of loss, cost, or damage of any kind suffered by the Client including loss of profits, revenue, income, and opportunity, and any indirect, special, consequential, or other economic loss or damage arising out of or relating to:

7.4.1. the provision of the Services to the Client; or

7.4.2. the delay in providing or the failure to provide any Service to the Client, including any failure to collect a Debt (in whole or in part) or exercise any right of the Creditor.

8. INTELLECTUAL PROPERTY

8.1. MFL does not transfer any right, title, or interest in any copyright, trademarks, or other intellectual property rights relating to the Services. All intellectual property rights in the Services, including in any reports produced for the Client, remain with MFL.

8.2. The Services may not be reproduced or copied in any form whatsoever without the prior written consent of MFL. The Services are protected by copyright under the Copyright Act 1994, with all rights reserved.

8.3. Nothing in this clause 8 will prevent the Client from retaining a printout of any report that the Client may have obtained from MFL or its electronic online information system for the Client's own internal use.

9. TERMINATION

9.1. MFL reserves the right to terminate the Agreement immediately on notice to you and cease all action forthwith, in its absolute discretion.

9.2. MFL reserves the right to charge a cancellation fee limited to 5% of the outstanding balance of any Debt, if the Client, at any time, terminates or withdraws its collection instructions.

9.3. The Client may terminate the Agreement by giving no less than 30 days' written notice to MFL.

9.4. Notwithstanding the termination of this Agreement:

9.4.1. the Client shall remain liable to pay all outstanding charges owing to MFL under these Terms which have been incurred by the Client prior to termination, in addition to any default interest and collection costs including legal costs on a solicitor/client basis; and

9.4.2. the indemnity provided by the Client under clause 7.1 will continue after termination and cover any liability incurred by MFL as a result of Services provided to the Client before termination.

9.5. Without limiting the generality of clause 9.4, if you terminate the Agreement while legal proceedings relating to any Debt remain on foot, you will be liable for all costs associated with withdrawing or discontinuing those proceedings or withdrawing or changing counsel.

10. FORCE MAJEURE

Each party releases the other party from any claim, liability or responsibility under this Agreement concerning the other party's failure or delay under this Agreement where such failure or delay is due to any circumstances whatsoever which is not reasonably within the control of either party (whether actual or contemplated), including any act of God, flood, fire, explosion, earthquake, breakdown of plant, casualty, accident, war, revolution, civil commotion, act of a public enemy, blockage, embargo, injunction, law order, proclamation, regulation, ordinance, demand or other requirement of any government or government subdivision authority or representative or any strike, labour or industrial dispute whether or not either party would be able to influence or procure the settlement thereof.

11. CONFIDENTIALITY

The parties will keep all Confidential Information strictly confidential and will only disclose and use Confidential Information to the extent reasonably necessary for MFL to provide the Services. This obligation will survive termination of the Agreement and will continue for a period of 12 months thereafter.

12. OTHER TERMS

12.1. MFL reserves the right to review and amend these Terms and the Schedule of fees, at any time, in its absolute discretion. Any amendment to these Terms or the Schedule of fees will take effect immediately after we give you notice of the amendment.

12.2. The failure of either MFL or the Client to enforce any provision of this Agreement at any time shall not operate as a waiver of that provision in respect of the particular act or omission or any other act or omission. No waiver will be effective unless recorded in writing.

12.3. The Client may not assign or otherwise transfer any right or liability under the Agreement without our prior written consent (such consent not to be unreasonably withheld). MFL may, in its absolute discretion, assign or otherwise transfer the benefit of, or any right under, the Agreement by giving notice to the Client.

12.4. The Agreement is governed by the laws of New Zealand and the courts of New Zealand have exclusive jurisdiction in respect of any matter arising under the Agreement.