

Farmlands Co-operative Society Limited

Disclosure Statement



535 Wairakei Road
PO Box 271, Christchurch 8140
New Zealand
Freephone: 0800 200 600
Email: farmlands@farmlands.co.nz
www.farmlands.co.nz

Terms and Conditions

Initial disclosure statement under section 17 of the Credit Contracts and Consumer Finance Act 2003 for revolving credit contracts.

IMPORTANT – This document only applies if the contract between us is a “consumer credit contract” (as that term is defined in the Credit Contracts and Consumer Finance Act 2003). If your contract is not a consumer credit contract, this document does not apply to you. This document sets out key information about the “consumer credit contract” between us relating to the use of your Farmlands Card and your Farmlands Account (which will be on the terms set out in the Farmlands Shareholder Terms and Conditions). You should read it thoroughly. If you do not understand anything in this document, you should seek independent advice. You should keep this disclosure statement and a copy of the contract in a safe place. A copy of the current Farmlands Shareholder Terms and Conditions can also be found on our website.

The law gives you a limited right to cancel the contract between us. See below for further details of your right to cancel. Note that strict time limits apply.

You are protected by responsible lending laws. Because of these protections, the recommendations given to you about this contract and your use of the Farmlands Card and Farmlands Account are not regulated financial advice.

FULL NAME AND ADDRESS OF CREDITOR

Farmlands Co-operative Society Limited is the person providing you with credit.

You may send notices to us by:

- writing to us at our postal address; or
- sending an email to the address specified below.

Name: Farmlands Co-operative Society Limited
Physical address: 535 Wairakei Road
Burnside, Christchurch 8053,
New Zealand
Postal address: PO Box 271
Christchurch 8140
New Zealand
Email: farmlands@farmlands.co.nz

CONTINUING DISCLOSURE

Continuing disclosure statements

We will provide you with regular statements. The statements will give you information about your Farmlands Account (e.g. any interest or fees charged during the statement period) and the amount and timing of your next payment. Statements will be provided monthly.

INITIAL UNPAID BALANCE

This is the amount that you will owe us if your application for a Farmlands Account is accepted (including any fees charged by us).

\$200 being part of the cost of your 500 shares in Farmlands Co-operative Society Limited, which you have chosen to charge to your Account and will be debited to your first monthly statement. The remaining \$300 will be charged as \$100 debits to each of your next three monthly statements, unless the shares are paid for in full on application.

PAYMENTS

Minimum payment

You must pay the entire unpaid balance of your Account owing as at the end of each statement period, on the 20th of the following month. The amount due and statement period will be specified in each monthly statement.

When payments are due

Payments must be made monthly, on the 20th of the month following purchase. The date that payments are due will be specified in your monthly statement for the Account.

Credit Limit

The initial Credit Limit for the Account will be the credit limit amount requested by you in your application (unless a lower amount is notified in writing by us when confirming your application is accepted). You must ensure the balance of the Account does not exceed the Credit Limit. If the Credit Limit is exceeded, you must pay the excess amount immediately.

CREDIT DETAILS

Interest free period

We will not charge interest on any amount charged to the Account until after the amount has become due for payment (i.e. no interest will be payable from the date you make a purchase until the 20th of the month following that purchase, unless the Credit Limit is exceeded). If any amount is not paid on the due date, default interest will begin to accrue on the amount overdue from the due date for payment (i.e. after the 20th of the month following purchase or immediately after the Credit Limit is exceeded) as set out below.

FEES AND CHARGES

The following credit fees and charges (which are not included in the initial unpaid balance) are, or may become, payable under, or in connection with, your contract. They will be debited to the Account when they become payable. The contract allows us to vary these fees and charges. At least one active Farmlands Card must be linked to each account.

Fee	Amount	Description
Annual Account Fee	\$72 + GST per card, per year	Charged in January each year for the period 1 January to 31 December (appears on your February statement).
New Additional Card Fee	Prorated portion of the Annual Card Fee.	If you get a new card during the year, you'll only pay for the remaining months of that calendar year - not the full annual fee. How it's calculated: $(\text{Annual fee}/12) \times \text{number of full months left remaining until 31 December (starting from the month after your card is approved)}$. Example: If your card is approved in June, you'll be charged for 6 months (July to December). Calculation: $(\$72 \div 12) \times 6 = \$36 + \text{GST}$.
Replacement Farmlands Card	One off fee of \$10 + GST	If your card is lost, stolen or damaged and you require a replacement. Payable when your replacement Card is issued.
Paper Statement Fee	\$4.20 + GST	If you elect to receive your monthly account statement(or any other statement) posted to you in hard copy, we will charge you a fee for each statement posted to you to cover our costs for doing so. No charge if your monthly statement is emailed to you.

WHAT COULD HAPPEN IF YOU FAIL TO MEET YOUR COMMITMENTS

Security interest

We retain ownership of any goods purchased using your Card or your Farmlands Account until you have met all of your commitments under the contract in relation to those goods. This is a security interest in the goods in terms of the Personal Property Securities Act 1999. If you fail to meet your commitments under the contract, we may be entitled to repossess and sell those goods. If we exercise our rights under the security, you would still remain liable to us for any additional amounts exceeding the proceeds of sale from the repossessed goods. If you give anyone else a security over goods we own without our consent, you would be in breach of the contract and we may be entitled to repossess the goods and take any other action set out in the contract.

Default interest charges and default fees

You must pay default interest charges in the event of a default in payment and while the default continues, or in the event of you causing the Credit Limit to be exceeded and while the Credit Limit is exceeded. The default interest rate is 24% per annum. Default interest charges are calculated by multiplying the amount in default or in excess of the Credit Limit at the end of the day by a daily default interest rate. The daily default interest rate is calculated by dividing the default interest rate by 365. Default interest is debited to your Account monthly.

Default fees

In the event you breach the contract between us, or on the enforcement of the contract, the following default fees and charges are payable. The contract allows us to vary these fees and charges.

- The reasonable cost of collection, including administration collection costs and collection commissions.
- All legal fees incurred by us in the event of legal action becoming necessary.

RIGHT TO CANCEL

You are entitled to cancel the contract for your Account by giving us notice.

Time limits for cancellation

When you first open your Farmlands Account you have the right to cancel the contract for any reason. You have 10 working days from when you receive confirmation that your account has been activated to cancel the contract (you will still need to pay for any purchases made on your Farmlands Card or Account in that time).

How to cancel

To cancel, you must give us written notice that you intend to cancel the contract by—

- giving notice to us (or our employee or agent) ; or
- posting the notice to us (or our agent); or
- emailing the notice to our email address.

You must also:

- return to us any advance and any other property received by you under the contract, including any goods purchased using your Card or your Farmlands Account (but you cannot do this if you have taken possession of any such goods or have used your Card or the Account to purchase services that have been performed); or
- pay the cash price of the property or services (or the balance of the cash price after deducting any amount you have already paid) within 15 working days of the day you give the cancellation notice.

What you may have to pay if you cancel

If you cancel the contract, we can charge you:

- the amount of any reasonable expenses we had to pay in connection with the contract and its cancellation (including legal fees and fees for credit reports, etc); and
- interest for the period from the day you received the property or services until the day you either pay the cash price for the property or services or return the property to us.

WHAT TO DO IF YOU SUFFER UNFORSEEN HARDSHIP

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

To apply for a hardship variation, you need to:

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

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

DISPUTE RESOLUTION

Name of dispute resolution scheme: Financial Dispute Resolution Service

It is free to make a complaint to this independent dispute resolution scheme. This scheme can help you to resolve any disagreements you have with us.

Contact details of dispute resolution scheme:

Phone: 0508 337 337

Website: www.fdrs.org.nz/

Business address: Level 4, 142 Lambton Quay, Wellington 6011.

REGISTRATION OF FINANCIAL SERVICE PROVIDER REGISTER

Creditor registration name: Farmlands Co-operative Society Limited
Trading names: Reliance, NRM, Farmlands

Registration number: FSP42842