



**Obligations of Baycorp (NZ) Limited** (hereinafter referred to as 'BAYCORP')

**BAYCORP will:**

1. Upon receipt of files and documents take all action necessary, short of taking legal proceedings, to give effect to the instructions of the Client including where instructed, to arrange for the preparation and service of such documents as may be necessary to initiate legal proceedings against the debtor(s) for the enforcement of the debt(s).
2. Instruct, at the cost of the Client, such other persons as is necessary to assist in carrying out its obligation to recover and secure the debt(s), including any barrister, solicitor or field service agent as may be necessary to assist, where instructed, in the commencement of and conduct of legal proceedings against the debt or debts or performance of a field visit.
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 where the circumstances are such as to require immediate acceptance of the offer, in which case, BAYCORP may accept such an offer in settlement of the debt as it considers reasonable in the circumstances.
4. Do such other things as may be necessary to execute any judgment obtained against the debt(s).
5. Promptly deposit all money received on behalf of the Client in the National Service Centre Group 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).

**Obligations of the Client**

The Client will:

1. Give written instructions utilising the standard instruction forms provided by BAYCORP and if the Client gives oral instructions at any time, the Client will confirm such instructions in writing on the standard instruction forms at the earliest opportunity and if this is not done, the standard terms and conditions in force at the time the instructions are given shall be deemed to apply to the instructions.
2. In accordance with any Fees Schedule notified to the Client by BAYCORP from time to time, pay BAYCORP:
  - (a) commission on any, money receipted in the National Service Centre Group Trust Account, payments received directly by the Client, credits agreed by the Client, or any other matter acceptable to the Client in reduction of any debt, plus any goods and services tax if applicable.
  - (b) fees (including any search fee for locating the Client where the Client fails to advise of its address or a change of address) and disbursements as advised from time to time plus any goods and services tax applicable to the supply of its services.
3. Pursuant to clause 4 of the obligations of BAYCORP the Client acknowledges that any funds deposited and subsequently paid to them may not be cleared funds. Should the Bank subsequently not honour the relevant transaction(s), the Client undertakes to refund to BAYCORP such amount upon demand.

4. Provide BAYCORP with all relevant information concerning the debt(s) and the parties responsible for the debt(s) and authorise BAYCORP to use the information for any proper purpose and undertakes to BAYCORP that reasonable steps have been taken to advise of the debtors that delinquent debt(s) would be referred to a credit reference agency.
5. Indemnify BAYCORP and such other persons as they may instruct against all losses, costs, expenses, liabilities, actions and proceedings:
  - (a) arising out of any repossession or seizure of assets carried out on behalf of the Client;
  - (b) arising out of any action taken by one or both of them to give effect to the instructions of the Client;
  - (c) concerning the information or the use of information supplied to BAYCORP by the Client.
6. Advise BAYCORP immediately upon payment towards a debt being made by the debtor directly to the Client, or any communication between the Client and debtor. The Client will also advise BAYCORP of any changes of the Client's address.
7. Adopt appropriate anti virus measures and security precautions to prevent unauthorised use and access to the Internet On-Line facility and at all times keep access to the Internet On-Line facility secure.

**Other Terms**

Except where prior arrangements have been made, BAYCORP may deduct their respective commissions, fees, disbursements and goods and services tax (if any applicable) out of any money collected on behalf of the Client. Where commissions, fees disbursements and goods and services tax (if applicable) are not deducted out of any money collected on behalf of the Client, the Client shall pay all invoices issued for commissions, fees, disbursements and goods and services tax (if applicable) on the 20th of the month following the month in which the invoice was issued. If payment is not made on the due date for payment specified here, the Client shall pay interest on the balance outstanding at 2% per month on the balance of the invoice outstanding from the due date of payment to the date on which the amount is paid. Furthermore, details of the account may be referred to a credit reference agency.

BAYCORP reserve the right to terminate this agreement and cease all action forthwith at their discretion.

BAYCORP reserve the right to review the rates of their commissions, fees and disbursements.

BAYCORP reserve the right to charge a closure fee limited to 5% of the outstanding balance of any debt, if the Client, at any time, terminates or withdraws the collection instructions.