

General VOLUNTARY WAIVER PROTECTION

Waiver protection is voluntary but the lender strongly recommend it is taken for all agreements where the borrower needs to work to keep up payments or where the borrower's estate may not be enough to repay the loan easily.

This voluntary waiver protection can be cancelled at no cost within 5 working days from the statement date of the initial disclosure document.

DURATION OF RIGHT

A payment waiver is not insurance. This means that when the loan is repaid the borrower's right to waiver stops because the borrower no longer must make payments. The borrower may lose the right to have payments waived in some other circumstances.

PAYMENT WAIVER AGREEMENT

Agreement made between Direct Cash Orders Limited trading as DCO FINANCE
(the lender)

AND the protected borrowers charged the relevant fee as defined on the loan contract initial disclosure documents

(together with their executors and administrators called "the borrower")

Background

- A Pursuant to the loan agreement referred to in the first schedule the borrower has borrowed or is to borrow the initial unpaid balance from the lender and wishes to guard against certain misfortunes which prevent the borrower from making the payments due under the loan agreement.
- B The lender has agreed that if the borrower pays to it the waiver fee or agrees that the fee may be added to the unpaid balance the lender will waive the periodic instalments payable by the borrower in the event of the occurrence of those misfortunes to the extent set out in this agreement.

The parties agree:

- 1 In consideration of the payment of the waiver fee the lender agrees, subject to the terms, and conditions contained herein, that if, during the period of this agreement, the protected borrower shall suffer any waiver event defined in the second schedule and/or the definitions section of this agreement then the lender will waive payment of the sums specified in the schedule of this agreement (the payments to be waived).
- 2 The Consumer Guarantees Act 1993 will not apply to services required for business purposes.
- 3 If there is a borrower other than the protected borrower or if there is a guarantor, in accordance with section 4 of the Contracts (Privacy) Act 1982 the lender acknowledges that this agreement is intended to confer a benefit on and may be enforced by that other borrower and by the guarantor if the protected borrower is dead or for any reason unable or unwilling to make a claim but this clause does not relieve any borrower from any obligation to provide evidence in support of the claim and does not mean that the lender must waive a payment if the borrower does not carry out all his obligations under this waiver agreement.

Waiver events covered by this agreement:

As defined on the loan contract initial disclosure documents, The protected borrower can pay a fee to be covered for either a FULL waiver or a PARTIAL waiver.

- 1 FULL Waiver covers events: **DEATH, ILLNESS , ACCIDENT , REDUNDANCY**
- 2 PARTIAL Waiver covers events: **DEATH (& Terminal Illness)**

Definitions

Wherever used herein the following words and expressions shall unless the context otherwise requires have the meanings respectively assigned to them. Words of one gender shall include the other genders.

- a "Date this agreement was made" means the date on which this agreement becomes binding on the lender and the borrower.
- b "Event" means death, illness, accident or redundancy of the protected borrower.
- c "Full-time Employment" means working for salary, wages, commission, compensation, fees or employment income for a minimum of 30 hours a week. Such expression shall not apply to (a) self-employed persons or (b) working directors of private companies with respect to employment with such companies unless this agreement so specifies.
- d "Loan agreement" means the loan agreement described in the first schedule
- e "Payments to be waived" means the periodic instalments due under the loan agreement which the borrower is not obliged to pay
- f "Periodic Instalments" means the periodic instalments stated the payments section of the disclosure statement/schedule of payments in the loan agreement and specified in the first schedule hereof.
- g "Protected borrower" means the borrower or guarantor named in the first schedule whose suffering of any event leads to the waiver of payments.
- h "Redundant" or "Redundancy" means the protected borrower's employer has people surplus to its requirements resulting:
 - i From the mechanisation, computerisation, rationalisation, or decrease of business activity, or
 - ii From the closing down of an enterprise or changes in plant, methods, materials or products or
 - iii From reorganisation or
 - iv From other like cause,in any such case requiring a permanent reduction in the number of workers employed on other than a casual, temporary or seasonal basis, and the remuneration of the protected borrower from his employer thereby ceasing.
- i "This Agreement" includes the schedules, conditions and endorsements (if any) of this payment waiver agreement.
- j "Threatened Redundancy" means when notice has been given by the protected borrower's employer of his intention to make some or all of his employees Redundant.
- k "Waiver event" means the event described in the first schedule as being the event upon which the borrower becomes entitled to the waiver.
- l "Working day" has the same meaning as is in the Credit Contracts and Consumer Finance Act 2003
- m "Working director" means the director of a private company who works for not less than 20 hours a week for such company and who owns not less than 20% of the shares in that company.

Terms and Conditions of this Waiver Agreement

Notice of Claim.

- 1** Notice of claim must be given by the protected borrower or the borrower to the lender as soon as possible after the protected borrower becomes aware of the waiver event but in any case within 28 days of the occurrence of the waiver event by completing a claim form and providing it to the company. A claim form may be requested from the company by telephone, fax or e-mail. It is the responsibility of the borrower and the protected borrower to obtain the claim form and to complete the claim.

Borrower to take precautions

- 2** The borrower must take all reasonable precautions to prevent any event, which might give rise to a claim.

Proof of Claim and Requirements

- 3** The protected borrower or the borrower shall provide to the lender all proof of the claim including (but not by way of limitation) such medical evidence as the lender may reasonably require from time to time to enable the lender to deal with the claim, such proof and evidence being provided at the expense of the borrower.
- a The protected borrower shall as soon as possible after the occurrence of the waiver events of Illness or Accident in respect of which a claim is made obtain and follow the advice from a registered Medical Practitioner.
 - b The protected borrower shall in respect of an illness or accident claim submit to such medical examination(s), if any, as the lender may from time to time require such examination(s) being carried out by Medical Practitioner(s) appointed by the lender and at the expense of the lender. The lender may at its sole discretion decline any liability under this agreement if the protected borrower fails or refuses to attend such medical examination(s) or supplies incorrect or misleading information to such Medical Practitioner(s) or both.
 - c In the case of a claim for Redundancy the protected borrower shall produce written evidence from the employer who officially notified him that his job has become Redundant together with written evidence that he has registered with the New Zealand Employment Services seeking a new position, and shall continue to provide such written evidence monthly from the New Zealand Employment Services until he commences other work or the Indemnity provided herein is exhausted, which ever occurs first.

Settlement of Claims

- 4** Upon receiving proof to its satisfaction of the occurrence of a waiver event the lender will waive the periodic instalments due during the waiver period. However, if:
- a The lender is liable to waive instalments under the terms of this agreement for any waiver event of Accident, Illness or Redundancy for any period ("the current waiver period) and
 - b Before or within 3 weeks of the expiry of the current waiver period the protected borrower becomes entitled to a further waiver or waivers as a result of a different waiver event of Accident, illness or redundancy and
 - c At or within 3 weeks of the expiry of the current waiver period the protected borrower would otherwise become entitled to further waivers as a result of the different waiver event
- the lender shall be liable only to waive instalments in total for not longer than the maximum period of waiver for the current waiver period if the waiver period or periods for the different waiver event or events would otherwise add up to that maximum period.

Exclusions

5 General

- a The lender is not obliged to waive periodic instalments in respect of (and a waiver event is not) any event
 - i Attributable wholly or in part to any illness, injury, disability or physical, psychiatric or psychological condition of the protected borrower which existed before when this agreement was made and was not disclosed **in writing** to the lender immediately before this agreement was made.
 - ii Arising from air travel other than as a fare paying or ticket holding passenger in an aircraft fully licensed for the carriage of passengers for hire or reward and operated by a regular airline or established charter service.
 - iii Resulting from the protected borrower person taking part in parachuting, hang-gliding, racing on horseback, underwater activities involving oxygen-breathing apparatus, rugby union or rugby league football or a criminal act or competitive motor sport of any kind.
- b If the result of any waiver event is aggravated or prolonged by any physical disability or condition which existed prior to the inception of this agreement of which the protected borrower has notified the lender in writing immediately before this agreement was made the amount to be waived in respect of such result shall be an amount which would have been due if such result had not been so aggravated or prolonged reduced by an amount the lender reasonably decides is proportionate to the aggravation or prolongation caused by the disability or condition.
- c The lender is not bound to waive payment of any instalment if at the time of the waiver event in respect of which the borrower claims waiver:
 - i If the debtor has paid a waiver fee in advance for the term of the loan and if the debtor is in arrears in the amount of not less than the amount of three instalments under the loan agreement but this exclusion shall not apply if the borrower is strictly keeping to the terms of any arrangement to clear arrears or make periodic instalments in reduction of arrears or
 - ii If the debtor is paying the waiver fee as part of each instalment and if the debtor is in arrears in the amount of not less than one instalment under the loan agreement but this exclusion shall not apply if the borrower is strictly keeping to the terms of any arrangement to clear arrears or make payments in reduction of arrears or
 - iii The borrower is in breach of any arrangement to clear arrears or make payments in reduction of arrears
- d The lender is not bound to waive payment of any instalment if the borrower has not told the truth or has misled the lender in applying for the loan or before signing this agreement

Death

- e The lender is not obliged to waive periodic instalments if the protected borrower dies by his own hand, whether the protected borrower at the time is sane or insane, within 12 months of this agreement being made.

Illness and Accident

- f The lender is not obliged to waive periodic instalments in respect of (and a waiver event is not) any event
- i Arising from
 - A The protected borrower's attempted suicide
 - B Pregnancy or childbirth unless
 - (a) The protected borrower is disabled as an abnormal result of such pregnancy or childbirth and
 - (b) Such abnormal result is not caused by the protected borrower's use of alcohol or drugs which have not been prescribed by a registered medical practitioner.
 - (c) The protected borrower person being under the influence of alcohol, narcotics or drugs (including but not by way of limitation) those drugs known as "party pills", but that this exclusion (c) will not apply in respect of any drug taken according to the prescription of or administered by a Registered Medical Practitioner.
 - ii Which is any illness due wholly or in part to psychiatric or psychological illness unless the protected borrower is able to prove on the balance of probabilities that the protected borrower was not suffering from the illness or disease at the commencement date of this agreement or the protected borrower has disclosed the existence of the illness or disease **in writing** before the lender entered into this agreement.
 - iii Any illness or injury which the protected borrower has suffered or been treated for within 6 months immediately preceding the commencement date of this agreement and which requires treatment within 6 months after this agreement is made unless that illness or injury is already provided for in an existing payment waiver agreement or consumer credit contract with the lender and full disclosure has been made **in writing** before this agreement was made.

Redundancy

- g No waiver shall be granted on the occurrence of redundancy in the following circumstances:
- i The protected borrower having been made redundant as a result of his being (or having been) unable or unwilling to accept any
 - A Alteration of status, title, job description or occupation if that alteration did not include a decrease in normal annual salary or wages of more than 5%.
 - B Transfer to another place of work if the employer was willing to pay the costs of the removal
 - ii Redundancy or Threatened Redundancy of which the protected borrower knew or should have known at the Commencement Date of Cover.
 - iii Redundancy occurring outside New Zealand.
 - iv Redundancy due to cessation of a season where the work is of a seasonal nature (e.g. including but not restricted to fruit picking, shearing, working in a freezing works) or where the work is for a contractual period.
 - v Redundancy occurring within 30 days of the making of this agreement.
 - vi Redundancy due to war, invasion, act of foreign enemy hostilities (whether war being declared or not), civil war, rebellion, revolution or insurrection, or military or usurped power.
 - vii The protected borrower is self-employed or a working director.
 - viii Redundancy from
 - (1) Temporary seasonal casual or fixed term employment, or from employment that was part-time (i.e. less than 30 hours per week) or
 - (2) Employment held for less than 12 consecutive months before redundancy occurred although if the borrower shall have been with two employers and has worked for at least 14 of the previous 15 months prior to the Redundancy and for the latter employer at least 7 months at the time of the Redundancy then this exception shall not apply.
 - (3) Redundancy occurring a second time during the term of this agreement.

Termination of Waiver

- 6 The right to waiver shall automatically terminate on the earlier of
- a The expiry of the Loan agreement.
 - b The repayment of the unpaid balance under the Loan agreement.
 - c Any collateral which provides security under the loan agreement having been seized pursuant to a security interest for breach of the loan agreement unless the borrower is or was not in arrears in his periodic instalments or otherwise in financial default under the loan agreement at the time of such seizure and remains in financial compliance at the time the event occurs.
 - d This agreement being cancelled by the protected borrower or the lender.
 - e Five years from the date of the loan agreement.

Limitation of Liability under this Agreement

- 7
- a The maximum total aggregate liability of the lender to waive payments under this agreement for any one protected borrower shall be the lesser of the unpaid balance at time of the occurrence of the waiver event or \$50,000.
 - b The lender's liability to waive payments in respect of any one redundancy is limited to a total sum of \$10,000 or the total of the instalments for 6 months of liability which ever is the lesser.

Cancellation

- 8
- a The protected borrower may at any time cancel this agreement by giving seven days notice in writing to the lender. After such cancellation, if any part of the waiver fee has been paid for any period after the cancellation takes effect, the lender will refund to the borrower 80% of any unexpired portion of that part on a pro-rata basis. No refund will be made if the lender has waived payment of any periodical instalment under this agreement.
 - b The lender may at any time cancel this agreement by giving seven days notice in writing to the protected borrower. After such cancellation, if any part of the waiver fee has been paid in advance, the lender will refund to the borrower any unexpired portion of that part on a pro-rata basis less the total of any periodical instalments waived by the lender under this agreement. The lender may not cancel this agreement while the borrower is receiving the benefit of waiver of any periodical instalments as a result of a waiver event.
 - c The cancellation envisaged in sub-clauses (a) and (b) of this clause shall be effective as from 4pm on the seventh day after posting or personal delivery of the notice of cancellation to the other party at its last known address.

General

- 9
- a Disappearance of the protected borrower. Death shall not in any way be presumed by the disappearance of the protected borrower except in the event of the total loss of the ship or aircraft on which such protected borrower is proved to have been travelling.
 - b Conditions Precedent. The
 - i Due observance and fulfilment of the terms, provisions, conditions and endorsements of this agreement by the protected borrower in so far as they relate to anything to be done or complied with by the protected borrower and
 - ii Truth of the statements and answers in any claim form or in any statement in support of a claim shall be conditions precedent to any liability of the lender to grant any waiver under this agreement.
 - c Jurisdiction. This agreement is governed by New Zealand law and the parties irrevocably submit to the sole jurisdiction of the New Zealand courts.
 - d Assignment. If the lender assigns the loan agreement or the right to receive the periodic instalments under the agreement to any other party, the lender may assign its obligations under this agreement together with any waiver fee paid in advance for any period after the date of assignment to that other party and if it does so, it will not longer be liable hereunder. Any such assignment shall carry with it the borrower's rights to waiver under this agreement.
 - e Pursuant to the Privacy Act 1993 the following is brought to the borrower's attention:
 - i The application for waiver rights collects personal information about the borrower.
 - ii The information is collected to evaluate the cover the borrower seeks.
 - iii The intended recipient of the information is the lender or such agents that it might appoint from time to time to carry out its obligations and act on its behalf under this plan.
 - iv The information being collected by the lender is held at the offices of the lender at **14 Hartham Place, Porirua Wellington.**
 - v The borrower must provide the information pursuant to the borrower's duty to disclose all material facts relevant to the waiver rights sought and is mandatory.
 - vi The failure to provide this information may result in the borrower's application for right to any waiver being declined or those rights becoming voidable or void from the beginning.
 - vii The borrower has rights of access to, and correction of the information, subject to the provisions of the Privacy Act 1993.