

Lease Terms & Conditions

1. DEFINITIONS AND INTERPRETATION

In this Agreement, unless the context otherwise requires:

1.1 Definitions "**Accession**" has the meaning given to it under, or in the context of, the **PPSA**;
"**Business Day**" means any day other than a Saturday or Sunday or a statutory public holiday in New Zealand;
"**Commencement Date**" means the date that the Equipment Schedule is signed by the Lessee.
"**Equipment**" means all equipment listed in on the Schedule together with all replacements and all accessories and parts supplied at any time, together with any further equipment acquired with, in addition to or in substitution for the Equipment or which are at any time incorporated or installed in, or attached to, any of the Equipment and, where applicable, includes all operating systems licences and user systems licences supplied with the equipment by either the manufacturer or the supplier of the equipment and any cabling or other items supplied in the installation of the Equipment;
"**Event of Default**" means any of the events set out in clause 10.1;
"**GST**" means goods and services tax within the meaning of the GST Act or any tax of a similar nature which may be imposed in substitution;
"**GST Act**" means the Goods and Services Tax Act 1985;
"**Guarantor**" means any guarantor who guarantees the obligations of the Lessee to us;
"**Insolvent**" means, in respect of a person: (a) that person is not able to pay its indebtedness as it falls due or otherwise is insolvent; (b) a resolution is passed or order is made or any corporate action is taken or any proceedings are commenced for the liquidation of that person or the appointment of an administrator; (c) that person enters into any arrangement for the benefit of its creditors; (d) a receiver is appointed in respect of any assets of that person; (e) a statutory manager is appointed in respect of that person under the Corporations (Investigation and Management) Act 1989; (f) a distress or execution is levied against all or a material part of that person's assets and is not discharged or stayed within seven days; or (g) an event analogous to (a) to (f) occurs in respect of such person under any applicable law;
"**Lease Agreement**" means an operating lease or a buy and lease back lease agreement as specified in the Schedule;
"**Lease Payment**" means the amount set out in the Schedule;
"**Lease to Own**" means a lease to own agreement as set out in the Schedule;
"**Overdue Rate**" means an interest rate of 2% per calendar month;
"**Payment Date**" means, the monthly anniversary of the Commencement Date until the end of the Term and if in a particular month there is no such date which corresponds to the day of the Payment Date (i.e. a day which is a 31st day of a month) then the Payment Date shall be the last day of that month;
"**PPSA**" means the Personal Property Securities Act 1999;
"**Related Company**" has the meaning in section 2(3) of the Companies Act 1993;
"**Right**" includes any right, authority, discretion, power or remedy;
"**Security Interest**" has the meaning given to it in the PPSA and includes, without limitation, any instrument by way of security or a bill of sale (as defined in any statute), a charge, mortgage, lien, pledge, hypothecation, set off or flawed asset arrangement. It includes: (a) anything that gives a creditor priority ahead of other creditors in respect of any asset; (b) retention of title, other than in the ordinary course of day to day trading; (c) a deposit of money by way of security.
"**Tax**" includes taxes, levies, imposts, deductions, charges, withholdings and duties (including stamp and transaction duties) and any related interest, penalties, fines and expenses, and Taxes will be construed accordingly;
"**Term**" means the term of this Agreement calculated according to clause 3.1;
"**We**" means, unless the context requires otherwise, Simply Leasing Limited and its successors, assigns and transferees (subject to the terms of any assignment or transfer) and "us" and "our" have a corresponding meaning; and
"**You**" means the person or persons named in the Schedule as the Lessee (and, if there is more than one, means each of them separately) and its successors and assigns that we have consented to under clause 20.3 and "your" has a corresponding meaning.

2.2 **Interpretation and Construction:** (a) Any reference to "\$" or "Dollars" is to the lawful currency of New Zealand. (b) Time will be of the essence for the performance by you of your obligations under this Agreement. (c) If the day on which any act, matter or thing to be done under, or pursuant to, this Agreement is not a Business Day, that act, matter or thing: (i) is to be done on the preceding Business Day if it involves a payment (other than a payment which is due on demand); and (ii) is to be done no later than the next Business Day, in all other cases (including a payment which is due on demand). (d) The terms of this Agreement contain all the terms and conditions of this Agreement unless specifically varied in the Schedule. If there is an inconsistency between the Schedule and this Agreement, the Schedule will prevail.

1.3 **Construction:** (a) the singular includes the plural and vice versa; (b) one person being "**controlled**" by another means that the other person (whether directly or indirectly and whether by the ownership (legally or beneficially) of capital, the possession of voting power, contract or otherwise): (i) has the power to appoint and/or remove the majority of the members of the governing body of that person or a member or members of the governing body of that person who is or are in a position to cast, or control the casting of, more than one half of the maximum number of votes that might be cast at a meeting of the governing body of that person; (ii) otherwise controls, or has power to control, the affairs and policies of that person; or (iii) is in a position to derive the whole or a substantial part of the benefit of the existence or activities of that person, and "control" will be construed accordingly; (c) "**person**" includes an individual, firm, body corporate or association of persons (whether corporate or not), trust, joint venture and any governmental agency, in each case whether or not having separate legal personality; (d) a reference to a party includes that party's successors and permitted assignees and transferees; (e) a reference to a clause is to a clause of this Agreement; (f) a reference to any legislation or to any provision of any legislation will be deemed to be a reference to that legislation or provision as from time to time amended, re-enacted, consolidated or substituted and, unless the context requires otherwise, will also include any laws issued under any such legislation or provision; and (g) headings are for convenience only and will not affect interpretation.

2. LEASE OF EQUIPMENT

2.1 You agree to lease the Equipment (as specified in the Schedule) on the terms and conditions set out in this Agreement.

2.2 Upon delivery of the Equipment (and installation if applicable) you must sign the Acceptance Acknowledgement in the Schedule acknowledging that you have taken delivery of and accepted the Equipment.

2.3 If Equipment is delivered to you before we sign the Agreement, you must comply with the provisions of this Agreement relating to care, insurance and use of that Equipment as if this Agreement was applicable to that Equipment.

2.4 You are entitled to possession of the Equipment as bailee only in accordance with this Agreement. As bailee, you may quietly possess and use the Equipment without interference from us, in accordance with this Agreement.

3. TERM

3.1 The Term commences on the Commencement Date and, subject to clauses 9.1, 11.1, 15 and 19.4, continues for the number of months specified in the Schedule.

4. RENT

4.1 Throughout the Term you will pay to us the Lease Payment instalments specified in the Schedule.

4.2 On the Commencement Date, you shall pay us two Lease Payment instalments in advance and following that Lease Payment instalments are payable monthly in advance on each Payment Date.

4.3 Lease Payment instalments must be paid in such manner as we may direct you in writing from time to time.

4.4 You must pay each Lease Payment instalment by direct debit in immediately available funds by 4.00pm on the relevant Payment Date to us at: 123-110-0028470-00.

4.5 Your obligation to pay the Lease Payments and other moneys under this Agreement is absolute and unconditional and, without limitation, your payment obligations will continue despite any defect in, breakdown, accident, loss, theft or damage to the Equipment and any act, omission, matter or thing which, but for this provision, might operate to release or otherwise exonerate you from such obligations. Your payment obligations are absolute and are not to be subject to withholding or deduction for any reason (whether by set off, counterclaim or otherwise).

4.6 You must pay to us on demand interest at the Overdue Rate on any amount due to us but unpaid from the date due for payment to the date of payment.

5. REPRESENTATIONS AND ACKNOWLEDGEMENTS

5.1 You represent that: (a) Entry into Transaction: (i) you have the power and are authorised to enter into this Agreement; (ii) this Agreement is valid and binding on you; and (iii) your entry into, and performance of your obligations under, this Agreement do not, and will not, breach any law or any material agreement affecting you; (b) in deciding to lease the Equipment you have relied entirely on your own skill and judgement and not on any advice, information, representations or warranties from us or from any person acting, or purporting to act, on our behalf; and (c) you have not made known to us any specific requirements or purpose for which the Equipment will be used, and you have not received, and/or do not rely on, any representation, condition, warranty or undertaking from us, or from any person acting, or purporting to act, on behalf of us as to the condition, suitability, quality, fitness for purpose or safety of the Equipment.

5.2 You acknowledge that: (a) by signing a Acceptance Acknowledgement you acknowledge that you have examined the Equipment before accepting it and you have satisfied yourself as to the condition of the Equipment and its suitability for your purposes and the compliance of the Equipment with any prescribed safety standards; (b) we have given no representation or warranty regarding the quality, fitness, safety or suitability of the Equipment for any purpose and no person is authorised by us to do so. The supplier is not our agent, nor are we the supplier's agent. Both we and the supplier operate independently and neither have the authority to bind the other or make representations on behalf of the other. No representation by the supplier or manufacturer or any other person is binding on us and that no breach by them will excuse your obligations to us under this Agreement; (c) you do not have

title to the Equipment and no agreement or representation has been made which will entitle you to acquire title to the Equipment at a later date, unless we have entered into a Lease to Own with you in which case upon full payment of all monies payable and fulfillment of all terms and conditions at the expiry of the Term, you will acquire ownership of the Equipment upon payment of the sum of \$1.00; (d) you will look to the supplier, and not to us, for any collateral warranty you may require in relation to the Equipment; (e) no intellectual property rights (including, but not limited to, copyrights, patents and trademarks) in the Equipment will pass under this Agreement; (f) where the Equipment includes operating systems licences and/or user system licences, you hold the benefit of any such licences in trust for us and such licences shall be returned to us in accordance with clause 12 on expiration or earlier termination of the leasing of any Equipment under this Agreement; (g) the Equipment is being leased from us wholly or mainly for use in a business carried on by you and accordingly the provisions of the Consumer Guarantees Act 1993 do not apply; and (h) we may act in your name and on your behalf to take any steps necessary to protect our Security Interests.

5.3 To the fullest extent permitted by law, all express and implied terms, conditions and warranties (other than those expressly set out in this Agreement) are excluded.

5.4 The parties acknowledge that, notwithstanding any provisions of the Contractual Remedies Act 1979, the only remedy for misrepresentation, repudiation or breach of contract by us is a remedy for damages. For the avoidance of doubt, you shall not be entitled to cancel or otherwise terminate this Agreement upon the event of a misrepresentation, repudiation or breach of contract by us.

5.5 We are not liable for any damage, injury or loss to any person or property arising from the possession, operation or use of the Equipment.

5.6 You acknowledge that: (a) To the extent permitted by law on our execution of the Agreement we assign to you for the Term the benefit of any express or implied warranty by a manufacturer or supplier in the contract under which we acquired the relevant Equipment; and (b) You must not, however, make or allow to be made any alteration to the Equipment that might invalidate any manufacturer's or supplier's warranty (whether assigned to you by us or obtained by you directly) or which might breach any condition of insurance in respect of the Equipment.

6. GUARANTEE

6.1 In consideration of SLL agreeing to enter into this Agreement with you, we may require you to provide a Guarantor or Guarantors (being person(s) who are acceptable to us). In such event the Guarantors will jointly and severally and unconditionally and irrevocably: (a) guarantee, to SLL as principal obligor(s), and not merely as a surety/sureties, by way of a continuing obligation, the due and punctual compliance by the Lessee with each of the Lessee's obligations, including the payment of all amounts payable by the Lessee, under, or in connection with, this Agreement; and (b) indemnify SLL from and against any liability of the Lessee directly or indirectly arising by reason of: (i) any obligation of the Lessee (including any obligation to pay money) being or becoming void, voidable or unenforceable; or (ii) the Lessee failing to pay any amount payable under, or to perform any obligation under, this Agreement.

The liability of the Guarantor(s) is that of a principal debtor, and not merely that of a surety. The Guarantor's shall provide this guarantee because SLL has agreed or will agree to enter into this Agreement with the Lessee based on the guarantee being given.

6.2 The guarantee and the indemnity in clause 6.1 shall respectively: (a) constitute obligations separate and independent from each other and from the other obligations under this Agreement; and (b) give rise to separate and independent causes of action.

6.3 No release, delay, granting of time, forbearance, compromise or any other indulgence given by SLL to the Lessee, or amendment, alteration, compounding, compromise, release, abandonment, waiver or other variation of any of the provisions of this Agreement, or any other thing by which any of the Guarantor(s) would have been released, if the Guarantor(s) had been surety only or otherwise, shall discharge, release, prejudice or affect the liability of any of the Guarantor(s) as guarantor(s) or indemnifier(s).

6.4 As between the Guarantor(s) and SLL, the Guarantor(s) may for all purposes be treated as the Lessee, and SLL shall be under no obligation to take any proceedings against the Lessee or exhaust any of the Lessee's, powers or remedies against the Lessee before pursuing or enforcing this guarantee and indemnity against any of the Guarantor(s).

6.5 The Guarantor(s): (a) shall not claim in the liquidation of the Lessee in competition with SLL; (b) shall not exercise any right of subrogation or contribution, require marshalling, or claim the benefit of any security now or in the future held by SLL; (c) authorises SLL to claim in the Lessee's liquidation for all debts owing to the Guarantor(s); (d) waives in favour of SLL all its/their rights against SLL or the Lessee (or both) to the extent necessary to give effect to the provisions of this section 6; and (e) to the fullest extent permitted by law, waive(s) such of the rights of the Guarantor(s) as surety or indemnifier (legal, equitable, statutory or otherwise) which may at any time be inconsistent with any of the provisions of this guarantee and indemnity.

6.6 The obligations of the Guarantor(s) under this guarantee and indemnity shall not be conditional, contingent or dependent upon the validity or enforceability of the obligations of any other person, and shall be and remain binding notwithstanding that any other person has not executed, or properly executed, this Agreement or given this guarantee and indemnity.

6.7 The obligations of the Guarantor(s) under this guarantee and indemnity shall remain in force until all amounts payable by the Lessee under this Agreement have been paid and until all other obligations imposed on the Lessee have been complied with. Such obligations shall not be reduced or affected by the death, insolvency, liquidation or dissolution of the Lessee or the Guarantor(s) or any of them.

7. PURCHASE OF GOODS FROM YOU

7.1 If, at or prior to the Commencement Date, you are to sell us the Equipment and lease the Equipment back from us, the following shall apply: (a) You agree to sell, and we agree to buy, the Equipment at the price referred to in the Schedule and title to the Equipment shall pass on the Commencement Date. The price is to be expressed exclusive of GST, which will be payable in addition to the price. You will provide us with an invoice in relation to the sale of the Equipment. (b) You undertake and warrant that, at the Commencement Date: (i) you have the right to sell the Equipment and that you are registered for GST; (ii) subject to the terms of this Agreement, we will have and enjoy quiet possession of the Equipment; (iii) the Equipment is free from any Security Interest at the time of passing of title. (c) You represent and undertake at the Commencement Date as to the quality and fitness for the particular purposes of Equipment supplied under this Agreement as follows: (i) you acknowledge that you are in the best position to ascertain that the Equipment is of the quality and fitness required and also acknowledge that we rely on your skill and judgement, and you represent that the Equipment is of a suitable quality and fitness; (ii) in the case of a sale of a specified article under its patent or other trade name, you undertake as to its fitness for any particular purpose; (iii) where the Equipment is bought by description, the Equipment will be of merchantable quality; (iv) the Equipment is free from any defect making it unmerchantable; (v) title in the Equipment passes to us at the Commencement Date irrespective of when or whether the Equipment is delivered to us. (d) We are not bound to accept delivery of the Equipment by instalments. (e) Where the Equipment is delivered to us, we are deemed to have accepted the Equipment unless we immediately notify you to the contrary and return the Equipment to you. You will be liable for the reasonable costs of such return, but without prejudice to the rights of either party to claim against the other for any breach of this Agreement. (f) Any trade usage, special agreement or course of dealing between the parties at variance with the terms of this Agreement will be set out in writing in the Schedule.

8. USE OF EQUIPMENT

8.1 In addition to any of your other obligations under, or pursuant to, this Agreement, you will: (a) keep the Equipment in good order and repair (fair wear and tear excepted) and properly operated and serviced; (b) not sell, assign, transfer or otherwise dispose of (whether by security or otherwise) or attempt to do so, or create, or allow to exist, any Security Interest over, any Equipment; (c) not alter any identifying markings on the Equipment; (d) allow us to inspect the Equipment at any reasonable time and on reasonable notice; (e) not alter or make any addition or modification to the Equipment without our prior written consent; (f) notify us in writing: (i) seven days prior to any change of name, of the proposal to change your name; and (ii) immediately, of any change in your address, telephone or facsimile numbers or Authorised Signatories; (g) notify us immediately in writing following any loss of, or damage to, the Equipment or any default under this Agreement; (h) not use or install the Equipment in any manner that would lead to the Equipment becoming a fixture or an accession to any property that is not Equipment without our consent. If any of the Equipment becomes affixed to any other property without our consent in a manner in which we consider may prejudice or rights, you must take such action as we reasonably require to preserve our rights in, and title to, that Equipment. If we agree to allow the Equipment to be affixed to any property, we may require you to obtain the consent of the owner or the lessor (if the lessor is not the owner) of the property to which the Equipment will be affixed prior to the Equipment being affixed. In such event, if there is a change of the owner or lessor in relation to the property to which the Equipment are affixed you must promptly obtain the consent of any person who from time to time becomes the owner or the lessor; (i) comply with all relevant statutes, regulations and other laws relating to the use, regulation or licensing of the Equipment and pay all requisite fees and charges; and (j) notify us in writing if the Equipment is not located at your place of business as specified in the Schedule and you must tell us where it is located and you must not change the location without our prior written consent; and (k) You must do any other things which we reasonably require to: (i) protect our interest in the Equipment; and (ii) assist us in exercising any of our legal rights under the Agreement, including, without limitation, executing documents.

8.2 **Insurance:** Unless it is specified in the Schedule, you must ensure that times, you: (a) insure, and keep insured: (i) the Equipment against loss, fire, accident, theft and damage for an amount equal to the full insurable value of the Equipment; and (ii) us against all liability however arising in respect of any insurance referred to in (i) above, with a reputable insurer; (b) deliver to us copies of all relevant policies of insurance; (c) pay promptly all premiums in respect of such policies; (d) permit us to receive all insurance moneys and the execution of this Agreement shall be adequate proof of our authority to receive these moneys; and (e) not do or permit or suffer to be done anything which may prejudice any such insurance.

9. CASUALTY OCCURRENCE

9.1 If, in our opinion, all of the Equipment is lost, stolen or damaged beyond economic repair, you will (unless we agree to appropriate substitute Equipment): (a) promptly notify us; and (b) pay to us on demand: (i) the sum of the amounts which would be calculated under clause 11.4(b), (c) and (d) in so far as those amounts relate to that Equipment; and (ii) the then present value (calculated using the discount rate referred to in clause 11.4(c)) of our residual interest in the Equipment assumed by us in calculating our return at the commencement of this Agreement.

9.2 If part only of the Equipment is lost, stolen or damaged beyond economic repair, clause 9.1 will apply (with the necessary modifications) in respect of that part of the Equipment except that you may elect to replace or repair the Equipment at your cost.

9.3 Upon receipt by us of payment for the loss (including where stolen) of, or damage to, Equipment under this clause 9: (a) the leasing of any Equipment or the relevant part of the Equipment (as the case may be) under this Agreement and our obligations under this Agreement in relation to the leasing of that Equipment will terminate; (b) the leasing of any remaining Equipment will continue at a new Lease Payment, commencing on the next occurring Payment Date, being the Lease Payment otherwise payable less the proportion of the Lease Payment payable under clause 9.2 (computed by reference to the mechanism contained in clause 11) in respect of the Equipment which has been lost, stolen or damaged (as the case may be); and (c) we will make a pro rata adjustment to the Lease Payment paid in respect of the Equipment lost, stolen or damaged beyond economic repair for the period from the receipt of the payment referred to in clause 9.1 to the next occurring Payment Date.

9.4 If, after you have paid all moneys due under clauses 9.1 and 11.4(b),(c) and (d), we receive insurance proceeds in respect of the Equipment, those proceeds will be credited to you to the extent of any payment received from you under clause 9.1(b)(ii) or 11.4(c).

10. DEFAULT

10.1 An Event of Default occurs if: (a) you fail to pay any Lease Payment or other amount payable under this Agreement when due or you do not perform on time any of your other obligations under this Agreement; (b) you become Insolvent; (c) you stop payment of any of your debts; (d) you sell, assign, transfer or otherwise dispose of (whether by way of security or otherwise) or create, or allow to subsist, a Security Interest over the Equipment; (e) any present or future monetary obligation of yours to any person in excess of \$5,000 is not satisfied when due or at the end of any period of grace or becomes prematurely payable; (f) distress or execution is levied or issued against any Equipment; (g) any judgment of any court against you remains unsatisfied for more than seven days; (h) you cease to carry on your business or a material part of it or threaten to do so; (i) any one or more of your representations in this Agreement is or becomes untrue, incorrect or misleading in any material respect during the continuance of this Agreement, as determined by us in our absolute discretion; (j) If you have entered into a Lease Agreement you fail to deliver up the Equipment at the end of the Term; or (k) you undergo a change of control without our prior written consent.

11. TERMINATION

11.1 We may give you notice terminating the Agreement and our obligations in relation to the leasing of that Equipment if an Event of Default occurs.

11.2 If we have entered into a Lease to Own agreement with you, the following provisions shall apply: (a) Upon full payment of all monies payable and fulfilment of all terms and conditions at the expiry of the Term set out in clause 11.4 (except for clause 11.4(a)), you will acquire ownership of the Equipment upon payment of \$1.00; and (b) You may request that the Lease to Own agreement be terminated earlier than the end of the Term. If we agree at our discretion to terminate that lease early in such case you must comply with clause 11.4.

11.3 If we have entered into a Lease Agreement with you, you may not terminate the Agreement and return the Equipment until the expiry of the Term.

11.4 Upon termination of this Agreement you will immediately: (a) return the Equipment to us in accordance with clause 12; (b) pay to us on demand all moneys then payable under this Agreement; (c) pay to us on demand as liquidated damages (which you acknowledge to be a genuine pre-estimate of our loss) the present value of future rent instalments payable for the balance of the Term, calculated by applying to each such instalment a discount rate (determined by us in good faith) equal to the rate of interest implicit in the applicable lease transaction; and (d) pay to us on demand any early repayment or other break costs incurred by us or a secured or financing party or the owner of the Equipment in pre-paying any funding arrangements in connection with the purchase and leasing of the Equipment to you.

11.5 Following termination of the lease of any Equipment under this Agreement, we must take all reasonable steps to mitigate (at your cost) our loss (for example, by offering the Equipment for resale or by attempting to re-lease the Equipment). Provided you have paid the moneys due to us under clause 11.4 we will refund to you any amount mitigated (after recovery of the residual value of that Equipment assumed by us in calculating our return at the commencement of this Agreement and deducting all costs and expenses we incur in mitigating our loss).

11.6 Any termination of the lease of any Equipment under this Agreement, or any payment by you, does not affect any other rights or remedies we have under this Agreement including any other right or remedy we have for amounts due to us which remain unpaid.

12. RETURN OF EQUIPMENT

12.1 Subject to clause 11.2, At the expiration of this Agreement or earlier termination (for whatever reason) of any lease of Equipment you will, at your expense, deliver up the Equipment in good working order and undamaged condition (fair wear and tear excepted) to such place in New Zealand as we may reasonably direct in writing.

12.2 If you do not deliver up the Equipment in accordance with clause 12.1, we (or our employees or agents) may enter any premises where we reasonably believe the Equipment may be located and you will provide all reasonable authority and assistance to enable recovery of the Equipment by us including ensuring your Related Companies or entities provide all reasonable authority and assistance to enable recovery of the Equipment by us in relation to any Equipment in their possession or control. In such event, you release us from any liability or damage incurred in retaking, or attempting to retake, possession of the Equipment.

13. COSTS, TAXES AND COMMISSIONS

13.1 You will pay or reimburse us for: (a) all Taxes (including GST but excluding income tax) and other duties payable in connection with this Agreement or any payment, receipt or other transaction arising under this Agreement; (b) our reasonable costs, including out of pocket expenses incurred by us, in complying with any demand made by you under section 162 of the PPSSA; (c) any expenses which we may reasonably incur in retaking, or attempting to retake, possession of the Equipment; (d) any moneys which we may reasonably think fit to pay to make good any failure by you to comply with any of your obligations; and (e) any costs or expenses (including legal costs and expenses on a full solicitor own-client basis) reasonably incurred by us in connection with the protection of the Equipment or the enforcement or attempted enforcement of our rights under this Agreement.

13.2 You agree to us paying commission, fees or other remuneration to any broker, agent, dealer or other person who introduces you to us or vice versa.

13.3 You indemnify us against any liability or additional liability which we may incur for Tax (including GST and default or penalty GST but excluding income taxes), fees, charges, imposts, levies or excise or withholding taxes payable to any governmental body or local authority by reason of: (a) our purchase of any Equipment; (b) this Agreement; (c) any payment, receipt or other transaction arising out of our purchase of any Equipment or this Agreement; or (d) the use of the Equipment by you.

13.4 You agree that: (a) the basic consideration does not include GST; (b) in addition to the basic consideration, you will pay us the amount of all GST chargeable on any taxable supply by us under this Agreement; and (c) any amount of GST payable by you pursuant to this Agreement will be payable on the date on which the relevant supply is deemed to take place under the GST Act. For the purposes of this clause 13.4: (a) "basic consideration" means any and all consideration (whether in money or otherwise) to be paid or provided by you for any supply of goods or services by us under this Agreement (other than tax payable pursuant to this clause); and (b) "goods", "services", and "taxable supply" have the meanings ascribed to them by the GST Act.

13.5 If, for any reason, we are deemed or assessed to have received gross income in respect of the collection of any default or penalty GST, you will gross up the amount by paying to us such additional payment which, after any deductions or withholdings (including any in relation to the payment under this clause), will result in the receipt by us of the full amount which would otherwise have been received had that assessment not been made, together with any other amounts payable in respect of the gross income such that we will then be in the position we would have been in had the GST been paid on the due date.

13.6 If, for any reason, any deduction or withholding for or on account of any Tax (a "Tax Payment") is required by law to be made from or in relation to any amount paid or payable by you to us under this Agreement, you will gross up the amount by paying to us such additional amount which, after the Tax Payment (including any in relation to the payment under this clause), will result in the receipt by us on the due date of the full amount as we would have been entitled to receive and retain absent any requirement to make any such Tax Payment.

14. INDEMNITIES AND COSTS

14.1 In addition to any other indemnities in this Agreement, you continually indemnify us against: (a) any loss of, or damage to, the Equipment, however arising; (b) any claim for breach of intellectual property rights arising in connection with the Equipment or its use; (c) any loss arising from all or any part of this Agreement being invalid, void, voidable or unenforceable for any reason; and (d) any loss or liability (including loss of business, loss or damage to any property or liability for any death or injury to any person) incurred by us resulting from the possession, use or operation of the Equipment by you.

14.2 Each indemnity in clause 14.1 is a separate and independent obligation and continues after termination of this Agreement.

14.3 Each indemnity in clause 14.1 includes, in each case, in addition to any amount described in that clause and without limiting the generality of that clause, legal costs and expenses on a full solicitor-own client basis.

15. EXTENSION OF TERM

15.1 In respect of each Lease Agreement, the Term will be automatically extended for a further term of one month unless: (a) you deliver to us written notice at least three month's but no more than six months prior to the expiration of the Term of your intention to either return the Equipment or renew the lease of the Equipment for a specific period at the expiration of the Term; and (b) you deliver the Equipment to us at your expense in accordance with clause 12.1 on or before the expiry of the Term (unless we have agreed with you in writing to renew the lease of the Equipment for a further period).

15.2 If you do not return the Equipment at the expiration of the extended period referred to in clause 15.1, the Term will be further extended until such time as: (a) we terminate the leasing of the Equipment by notice in writing to you; or (b) you terminate the leasing of the Equipment by first giving us at least one month's written notice and delivering up the Equipment to us in accordance with clause 12.1.

16. INFORMATION

16.1 As and when requested by us (and, in the case of (a) below, in any event within 120 days of the end of your financial year), you will provide us, with: (a) (if you are a company) a copy of your latest financial statements (audited where your financial statements are audited, if applicable); and (b) such other reports or financial information, or other information in relation to the Equipment or insurances relating to it, as we may reasonably request.

16.2 The Lessee and any Guarantor authorises SLL and its assigns to: (a) collect, retain and use personal information about them, for the following purposes: (i) assessing their credit worthiness; (ii) attending to the financing, whether directly or indirectly, the Agreement and enforcing SLL's rights thereafter; (iii) to market and/or information the Lessee about the goods and services provided by SLL and the supplier; (b) provide information to any person for the following purposes: (i) to employees and agents of SLL, the supplier and any other person in the ordinary course of business; and (ii) to credit agencies for the purpose of maintaining proper or effective records and for credit checking the Lessee and any Guarantor.

17. CONFIDENTIALITY

17.1 We must each keep confidential all information about each other which is in its nature, or is advised by the other party in writing to be, confidential and which comes into our respective possession.

17.2 Neither of us is permitted to disclose any confidential information about the other without the prior consent of the other unless: (a) that information has become publicly available; (b) disclosure is required by law; or (c) disclosure is to any other person participating, or potentially participating, in the funding, discounting or assignment of the Equipment or this Agreement provided that party undertakes to comply with this condition.

18. NOTICES

18.1 Any notices or other communications to a party may be given by hand delivery, pre-paid mail or facsimile transmission to the address or facsimile number of that party as set out in the Schedule or as last notified by that party to the other.

18.2 Any such notices or communications sent: (a) if it is delivered, when it is left at the relevant address; (b) by pre-paid mail will be deemed to be received on the third Business Day after posting; and (c) by facsimile will be deemed to be received on production of a transmission report from the transmitting machine indicating a successful transmission of the facsimile.

19. MISCELLANEOUS

19.1 If any provision of this Agreement is or becomes illegal, invalid or unenforceable, such provision shall, to the extent permitted by law, be severed and the remaining provisions will continue unaffected.

19.2 This Agreement is governed by the laws of New Zealand. We both agree to submit to the exclusive jurisdiction of the courts of New Zealand.

19.3 No waiver by a party of any default or breach by the other party will affect the rights of that party in respect of any further or continuing default or breach.

19.4 We may, in our absolute discretion, vary any terms of this Agreement (including a variation of the Term or of the Equipment).

19.5 No variation of this Agreement will be effective unless it is in writing and signed by us (or on our behalf) and by you (or on your behalf).

19.6 This Agreement forms the entire agreement between us and you.

19.7 By way of security for our interest in the Equipment and the performance of your obligations under this Agreement, you irrevocably and separately appoint us, and each of our duly authorised officers or attorneys, as your several attorneys to do anything you are required or entitled to do, under this Agreement. No person dealing with an attorney is bound to inquire whether the attorney is exercising, or has exercised, a power properly. The exercise of a power by an attorney is valid despite any irregularity in the appointment of that attorney or the exercise of that power.

20. ASSIGNMENT AND AGENCY

20.1 You acknowledge that we may enter into this Agreement as principal or agent for some other person, and that the other person has or may acquire property in the Equipment.

20.2 We may sell, assign, transfer or otherwise dispose of (whether absolutely or by way of security) to any person all or any of our rights under, or in respect of, this Agreement or the Equipment.

20.3 You may not, without our prior written consent, sell, assign, transfer or otherwise dispose of (whether absolutely or by way of security), all or any of your rights under, or in respect of, this Agreement or the Equipment.

20.4 This Agreement binds you and your successors, executors, administrators and assignees and shall enure for our benefit and the benefit of our successors, assignees and transferees.

21. BLANKS AND CORRECTIONS

You authorise us to complete any blank spaces in the Agreement relating to the Commencement Date and the serial numbers and other identification of the Equipment. You also authorise us to rectify any details in the Schedule to correct any manifest errors.

22. PERSONAL PROPERTY SECURITIES ACT 1999

22.1 You acknowledge that this Agreement creates a Security Interest in the Equipment as security for your obligations to us under this Agreement and this Security Interest is registrable in the Personal Property Securities Registry.

22.2 You agree that you will promptly, at our request and at your cost, sign and deliver any documents that we require and do all such things as we may reasonably require under the PPSSA so that we shall have a perfected first ranking Security Interest in all the Equipment under the PPSSA and you agree to indemnify us for any costs we incur in registering or maintaining that Security Interest and/or (if relevant) exercising the rights in Part 9 of the PPSSA.

22.3 You shall not, without our prior written consent, consent to or enter into any agreement which permits any supplier or any other person to create or to register any security interest under the PPSSA in respect of the Equipment which ranks in priority to our rights as first ranking security holder.

22.4 You waive any right to receive a copy of a verification statement (as defined in the PPSSA) under the PPSSA and agree to the extent permitted by law that: (a) You acknowledge that it is the intention of the parties that part 9 of the PPSSA will not apply to the Agreement. However, if at law this is not the case you agree that: (i) If, at any relevant time, our security interest in the Equipment does not have priority over all other secured parties in respect of the Equipment, the parties, for the purposes of section 109(1) of the PPSSA are deemed, in accordance with the entitlement to do so under section 107(1) of the PPSSA, to have contracted out of that section but specifically on the basis that, for the purposes of the Agreement and the operation and application of PPSSA, that section 109(1) (but amended only by the deletion of the words "with priority over all secured parties") is reinstated and contracted back into; and (ii) Where we have rights in addition to those in Part 9 of the PPSSA, those rights shall continue to apply, (b) sections 114(1)(a), 117(1)(c), 120(1), 122, 128, 133 and 134 of the PPSSA will not apply to any arrangements between us which are for your benefit, or place any obligations on us in your favour, shall not apply; and (c) you will have none of the rights referred to in sections 116, 119, 120(2), 121, 125, 127, 129, 131 and 132 of the PPSSA and you waive your rights to object under section 121 and to redeem under section 132.

23. PRIVACY ACT 1993

23.1 The Applicant(s), including its directors, authorise Simply Leasing Limited

1. To collect, retain and use personal information about the applicant(s) and its directors including the information contained in this application for the following purposes:

a. Assessing the applicant(s) and its directors creditworthiness; and

b. Attending the financing, whether directly or indirectly of the applicants contract(s) and enforcing Simply Leasing's rights thereafter.

2. To provide information:

a. To any person for the foregoing purposes;

b. To employees and agents of Simply Leasing and any other person in the ordinary course of business for any of the foregoing purposes; and

c. To credit agencies for the purpose of maintaining proper and effective records.

23.2 The applicant(s), including its directors, understand that Simply Leasing Limited is asking for personal information to use Veda Advantage's credit reporting service to credit check me/us. I/we understand that:

1.Veda Advantage will give Simply Leasing Limited information about me/us for that purpose.

2. Simply Leasing Limited will give my/our personal information to Veda Advantage and that Veda Advantage will hold that information on their systems and use it to provide their credit reporting service. When other Veda Advantage customers use the Veda Advantage Credit reporting service, Veda Advantage may give the information to those customers.

3. Simply Leasing Limited may use Veda Advantages credit reporting services in the future for purposes related to the provision of credit to me/us. This may include using Veda's monitoring services to receive updates if any of the information held about me/us changes.

4. If I/we default in payment obligations, information about the default may be given to Veda Advantage, and

5. Veda Advantage may give information about the default to other Veda Advantage customers.