



1161 State Highway 2 (Wairoa Road)
Whirinaki, Hawke's Bay
Private Bag 6203, Napier
Telephone: (06) 831 0100
Facsimile: (06) 836 6443
("the Company")

APPLICATION FOR CREDIT AND TERMS OF TRADE

If a Sole Trader:

Christian name:

Middle name(s):

Surname:

Date of birth:

Please attach copy of birth certificate, passport or drivers licence

1.2 Ownership:

Name of major shareholders

Address

No. of Shares

- | | | | |
|----|-------|-------|-------|
| 1. | ..... | ..... | ..... |
| 2. | ..... | ..... | ..... |
| 3. | ..... | ..... | ..... |

All Applicants: *Please list details of all charges over assets:*

.....

.....

.....

Professional Consultants:

Bank:

Branch:

Auditors/Accountants:

Solicitors:

Trade References: *Do not give holding or subsidiary companies, banks or solicitors. Detail only trade relationships.*

Company Name

Location

Phone and Fax Numbers

- | | | | |
|----|-------|-------|-------|
| 1. | ..... | ..... | ..... |
| 2. | ..... | ..... | ..... |
| 3. | ..... | ..... | ..... |

Other:

1. Would annual accounts be available if requested? Yes/No

2. Are owners/directors prepared to sign a personal guarantee if required? Yes/No

Guarantors *Full names, addresses and phone numbers are required:*

1.
2.
3.
("the Guarantor")

Buyer/Guarantor to initial each page

PART B

TERMS AND CONDITIONS OF TRADE

1. CONDITIONS OF SUPPLY

- 1.1 The Buyer acknowledges that all goods supplied by the Company to the Buyer are supplied subject to the Company's terms and conditions of trade ("the Terms") as set out herein.
- 1.2 The Buyer agrees to adhere strictly to the Terms in all respects.
- 1.3 The terms can only be varied by agreement in writing between the parties.

2. PAYMENT

- 2.1 The Buyer will make payment of all accounts by the 20th of the month following the month of Invoice without setoff or deduction.
- 2.2 The Buyer acknowledges that failure to pay any account by the due date shall be a breach of the Terms and the Company may in respect of such account, without prejudice to any other rights or remedies it may have, charge penalty interest thereon at the current overdraft rate charged by the Company's bank plus a margin of 5 percent per annum until receipt of payment in full. Penalty interest may be charged from the first day of the month following the date on which payment was due.
- 2.3 The Buyer shall pay or reimburse the Company for all costs and/or expenses incurred by the Company, including costs in instructing a solicitor and/or debt collecting agency and any court or service fees to recover any amount overdue for payment, and such costs and expenses shall bear penalty interest from the date upon which they are paid or incurred by the Company up to and including the date upon which the Buyer shall pay or reimburse the Company.

3. RISK

- 3.1 The risk of any loss, or damage to, or deterioration of goods due to any cause whatsoever shall be borne by the Buyer from the time when the goods are delivered or deemed to be delivered as defined in Clauses 4.1, 4.2 and 4.3.

4. DELIVERY

- 4.1 In the event that the Company agrees in its quotation or acceptance, to sell "free into the Buyer's store" (FIS), delivery shall be deemed complete when the goods are transported to the Buyer's premises or to the place agreed by the Company in its quotation or acceptance.
- 4.2 In the event that the Company agrees in its quotation or acceptance to sell "ex-yard the Company" delivery shall be deemed complete when the Company has placed the goods at the disposal of the Buyer, or delivered the goods into the possession of the freight company transporting the goods on behalf of the Buyer. The Company may agree to arrange freight and/or insurance as agents for and on behalf of the Buyer. All such costs of freight and/or insurance shall be the exclusive responsibility of the Buyer and all sums paid by the Company shall be repaid by the Buyer to the Company immediately upon being invoiced for them. No agreement to arrange freight on behalf of the Buyer shall be deemed to change in any manner the ex-yard nature of the sale.
- 4.3 In the event that the Company agrees in its quotation or acceptance to sell on terms other than in 4.1 or 4.2, delivery is deemed to be complete when title to the goods is passed to the Buyer as agreed by the parties.

5. CLAIMS

- 5.1 If an order is correctly executed a return may be accepted at the Company's option. Consent by the Company must be in writing. A return charge may be made to cover clerical and other expenses, and the Buyer shall pay any delivery or insurance charges applicable.
- 5.2 All claims and requests for credit must be presented in writing within 21 days of invoicing. Claims will be processed in accordance with Company procedures, which require relevant invoice numbers to be quoted. The Buyer shall make payment of any invoice on the due date without set off or deduction unless the Company notifies the Buyer in writing, that the claim or request for credit has been accepted. Where the Company has accepted validity of a claim or request for credit, clauses 2.2 and 2.3 shall not apply.
- 5.3 Goods are supplied subject to all conditions, warranties and limitations implied by law, provided however that the extent of the Company's liability shall be limited to replacement of faulty materials only.

Buyer/Guarantor to initial each page

- 5.4 It is expressly agreed that the Company is not liable for any damage (including any extra processing or value adding costs) incurred by the Buyer consequential on or resulting from any goods being found defective or in any way unsuitable.
- 5.5 When supplying products outside the Company's general range and manufactured specifically to the Buyer's specifications or other requirements, the Company reserves the right to deliver up to 10% over or under the quantity so ordered.
- 5.6 The Buyer confirms by acceptance of the Terms that the Buyer is purchasing the goods for the purpose of a business only and not for private or domestic use and the terms of the Consumer Guarantees Act 1993 shall not apply.
- 5.7 No warranty is given by the Company as to the fitness or suitability of the goods for the purpose for which the Buyer may require the same and no liability shall be attached to the Company should the goods be found not to be so fit or suitable by the Buyer.
6. VARIATION OF CONDITIONS
- 6.1 These the Terms or any conditions of sale can only be varied by agreement in writing between the parties.
7. TERMS
- 7.1 These the Terms shall be deemed to be included as terms in any contract resulting between the parties and in the case of any conflict arising between these terms or the terms of the Buyer's order or any other contract then the Terms shall prevail.
- 7.2 These the Terms constitute the entire agreement between the parties as to its subject matter and supersedes and cancels any previous agreement, understanding or arrangement whether written or oral.
8. OWNERSHIP OF GOODS
- 8.1 Ownership of all goods supplied by the Company shall remain with the Company until payment for the goods and all other sums owing to the Company by the Buyer are made in full. The Company is entitled to the proceeds of any sale of the goods.
- 8.2 The Company supplies the goods to the Buyer on the condition that the Company has a Purchase Money Security Interest ("PMSI") in the goods in terms of the Personal Property Securities Act 1999 ("PPSA").
- 8.3 The Buyer will store the goods in a manner, which makes them readily identifiable as the Company's goods and shall not remove, deface or obliterate any serial numbers or distinctive markings, which identify the goods with the Company.
- 8.4 The security interest in any goods that subsequently change form or become part of a product or mass, continues in the new form, product or mass if the goods are so manufactured, processed, assembled, or commingled that their identity is lost in the new form, product or mass.
- 8.5 Notwithstanding that the goods supplied by the Company to the Buyer may be installed within premises of the Buyer or otherwise, they shall remain fittings, which are removable, and not fixtures in the event of any doubt. The Company may disconnect or sever the goods as may be necessary to remove them and shall not be liable for any damage caused in doing so.
- 8.6 The Company at any time, may enter into the Buyer's premises in which the goods are stored or kept, without giving notice and without being in any way liable to the Buyer or any other person or company claiming through the Buyer, if the Company has sufficient cause to exercise its rights under Section 109 of the PPSA.
- 8.7 The rights and obligations contained in Sections 114, 132 and 133 of Part 9 of the PPSA do not apply between the Company and Buyer.
- 8.8 The Buyer will assist the Company by completing any formalities and providing any information required by the Company so that the company may establish and maintain the best security position that it is entitled to under the PPSA.
- 8.9 The Buyer in terms of Section 148 of the PPSA waives its right to receive a verification statement.
- 8.10 The Buyer shall keep the goods in good order and condition and where reasonable under cover and fully insured for any loss or damage howsoever caused until the lapsing of the Company's rights in terms of the PPSA to the goods.
- 8.11 The Buyer shall be liable to pay to the Company the cost of repair of any goods damaged and requiring repair after repossession including any loss in value.
- 8.12 The-Company may allocate all amounts received by the buyer in any manner it determines including any manner required to preserve any purchase money security interest in the goods.

9 INFORMATION

- 9.1 The Buyer warrants that the information contained in this application is accurate and complete in all material respects and that it may be held and used by the Company to enable it to: obtain a credit check of the Buyer; consider this application; administer the Buyer's account (if the application is approved); monitor the Buyer's creditworthiness on an ongoing basis; recover any monies due to the Company by the Buyer or to assist the Company in the exercise of any of its other rights, powers and remedies.
- 9.2 The Buyer authorises any party to provide such information to the Company as the Company may require in relation to its credit enquiries and this authorisation may be produced for the purposes of making such enquiries. The Buyer further authorises the Company to furnish to any other person details of this application and of any subsequent dealings that the Buyer may have with the Company as a result of this application being accepted by the Company.
- 9.3 The Buyer agrees to continue to make at all times full and accurate disclosure to the Company of any information that may materially affect the Company's decision to continue to grant credit to the Buyer.
- 9.4 The parties agree that the Buyer may sign and submit this credit application to the Company by facsimile or other electronic means and if accepted by the Company this will form a binding agreement between the parties.

10 FORCE MAJEURE

- 10.1 In the event of any prevention or delay in the production, shipment or delivery of the goods on account of strikes, lockouts, labour disturbances, accidents of machinery, delays en route, restrictions of government or statutory authorities, war, acts of god, shortages of supply or manufacturers' delays or any causes whatsoever beyond the reasonable control of the Company then the Company shall not be liable for any delay or non-delivery of all or any part of the goods and the Buyer shall be bound to accept either:
- 10.1.1 the delayed delivery of goods within a reasonable time of the projected delivery date;
- 10.1.2 accept the cancellation of all or any part of the contract as the case may be and the Company shall not be liable for any loss sustained by the Buyer.

11. ARBITRATION

- 11.1 Any dispute arising out of or relating to this contract which is not resolved by discussion or mediation shall be determined by arbitration in accordance with the Arbitration Act 1996. Such arbitration shall be before a sole arbitrator agreed upon by the parties. If they are unable to agree upon an arbitrator within five working days, either party may ask the President of the Hawke's Bay branch of the New Zealand Law Society to appoint an arbitrator.

Buyer/Guarantor to initial each page

IN CONSIDERATION OF THE COMPANY PROVIDING GOODS OR SERVICES ON CREDIT, THE BUYER AGREES TO, AND ACCEPTS, THE COMPANY'S TERMS AND CONDITIONS OF TRADE CONTAINED IN THIS DOCUMENT.

Signed by the Buyer

Companies and Incorporated Bodies *

Signed for and on behalf of the Buyer:

By its Directors/Authorised persons:

Signature of Director/Authorised Person

(print name in full)

Signature of Director/Authorised Person

(print name in full)

Signature of Witness: _____

Full Name of Witness: _____

Occupation of Witness: _____

Town/City of Witness: _____

Dated at _____ this _____ day of _____

** This document must be executed by a company in accordance with its constitution. If two directors sign then no witnessing is required. In all other circumstances this document must be witnessed.*

Or individual, sole trader, partnership, trust

Full Name _____

Signature _____

Full Name _____

Signature _____

Signature of Witness: _____

Full Name of Witness: _____

Occupation of Witness: _____

Town/City of Witness: _____

Dated at _____ this _____ day of _____

Buyer/Guarantor to initial each page

GUARANTEE:

Warning: This deed creates a liability for the Guarantor for all of the obligations of the Buyer to the Company. The Guarantor is advised to take independent advice before signing this guarantee.

I/We

_____ of _____
 _____ of _____
 _____ of _____
 (full name of Guarantor) (home address)

being a director/shareholder/s of the Buyer, request Pan Pac Forest Products Limited (the Company) to provide goods and/or services on credit to the Buyer; and in consideration of the Company so doing, I/we personally guarantee (jointly and severally):

1. The due and punctual payment by the Buyer of all moneys as and when the same shall become due and payable by the Buyer to the Company in respect of the goods or services.
2. All other obligations and due performance of the Buyer under the Terms.
3. If the Buyer defaults in the due and punctual payment of the moneys referred to in clause 1 or defaults in the due and punctual observance of any of the obligations under the Terms and Conditions referred to in clause 2, I/we shall pay such moneys owing to the Company whether or not demand has been made and/or indemnify the Company for any loss suffered by the Company directly or indirectly resulting from any default of the performance of any of the obligations under the Terms and Conditions and will pay to the Company upon demand the amount of any such loss.

I/We confirm that:

1. My/Our liability under this guarantee shall be a continuing guarantee and shall be in full force and effect and irrevocable until discharged in writing.
2. If there is more than one Guarantor, my/our liability under this guarantee shall be joint and several.
3. I/We shall be entitled to terminate this guarantee by written notice to the Company and shall not be liable for payment of any goods delivered to the Buyer by the Company after the date of such notice.
4. My/Our liability shall continue notwithstanding that any guarantor may cease to be a shareholder/director or officer of the Buyer and notwithstanding any change in the legal status or constitution of the Buyer
5. My/Our obligations under this guarantee are principal obligations and are in addition to, and are not in substitution for or collateral to, any security or right that the Company may have in respect of the moneys due or the obligations of the Buyer under the Terms and Conditions. The Company may enforce this guarantee without first taking steps against the Buyer or any other person.
6. My/Our liability shall continue and shall not be discharged, diminished or affected by the Company giving any time, indulgence, extension or credit, waiver or consent at any time to the Buyer or by any variation, modification, amendment to any agreement in respect of the supply of goods or services or by the illegality and invalidity or unenforceability of any agreement relating to the supply of goods or services, or the enforcement or failure to enforce any rights under this guarantee.
7. My/Our liability shall continue and shall not be discharged, diminished or affected in the event of the dissolution of the Buyer or the appointment of any receiver. In the event of the dissolution of the Buyer, I/we shall not, without the prior written consent of the Company take, accept or hold any security from the Buyer or take steps to receive or accept any money or other property or exercise or enforce rights in respect of any indebtedness of the Buyer to me/us or claim or provide in the dissolution of the Buyer in competition with the Company, and if I/we receive any such security, money or property, I/we shall pay or transfer it to the Company immediately.

Buyer/Guarantor to initial each page

8. As a separate, addition and continuing obligation, I/we unconditionally and irrevocably undertake with the Company that should this guarantee be invalid, unenforceable or illegal for any reason whatsoever (including but not limited to, by reason of any provision being or becoming void, unenforceable or otherwise invalid under any applicable law), then, I/we will, as a sole, original and independent obligor, upon demand, make payment of the amounts referred to in this guarantee by way of full indemnity and will indemnify the Company against all losses, claims, costs, charges and expenses which the Company may be subject to or may incur whilst acting in good faith under or in connection with this guarantee.

Executed as a deed

Signed by the Guarantor/s:

Full Name _____

Signature _____

Full Name _____

Signature _____

Full Name _____

Signature _____

Dated at _____ this _____ day of _____

Signature of Witness: _____

Full Name of Witness: _____

Occupation of Witness: _____

Town/City of Witness: _____

(NB Witnesses must be independent of the guarantor/s)

Buyer/Guarantor to initial each page
