

Product Disclosure Statement

IN RESPECT OF THE ISSUE OF FIRST RANKING SECURED DEBENTURE
STOCK BY FINANCE DIRECT LIMITED

15 November 2023



This document gives you important information about this investment to help you decide whether you want to invest. There is useful information about this offer on <https://disclose-register.companiesoffice.govt.nz/>

Finance Direct Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.

This document replaces the Product Disclosure Statement dated 16 March 2023.

Section 1: Key Information Summary

What is this?

This is an offer of first ranking secured Debenture Stock. Secured Debenture Stock are debt securities issued by Finance Direct Limited (**Finance Direct, Company, we, our, or us**). You give the Company money, and in return, the Company promises to pay you interest and repay the money at the end of the term. If the Company runs into financial trouble, you might lose some or all the money you invested.

About Finance Direct Limited

The Company was established in September 1999 and specialises in making loans to the consumer and retail finance sector. Money raised from the issue of Debenture Stock will be used to support the Company's lending operations directly to clients of the Company. In 2015, the Company introduced a peer-to-peer lending service through Lending Crowd Limited (**Lending Crowd Limited or Platform**). Operating through this Platform, the Company directly lends funds to borrowers via a special purpose trustee company, Lending Crowd Trustee Services Limited (**Lending Crowd Trustee Limited**).

Starting from November 15th, 2023, the Company has made the decision to wind down Lending Crowd Limited as the projected costs associated with expanding the Platform's technological capabilities would not align with its peer-to-peer business model. While maintaining Lending Crowd Limited's peer-to-peer licensing, the loan book will be gradually wound down over the next three to five years. No new loans will originate on the Platform from November 15, 2023. Despite the closure of the Platform, Finance Direct Limited remains committed to supporting lending operations and preserving our reputation as a niche lender.

Key terms of the offer of Debenture Stock

Description of Debenture Stock	This offer comprises the issue of first ranking secured Debenture Stock.
Term	The Debenture Stock shall be issued for fixed terms ranging between three months and five years.
Interest payments	<p>Fixed interest rates are applicable to Debenture Stock and will vary depending upon the fixed term selected. Details of the current fixed interest rates may be found at www.financedirect.co.nz or are available upon request from the Company.</p> <p>Interest rates are set on a regular basis after considering current market conditions, the rates being offered by competitors and the company's funding requirements.</p>
Early repayment	<p>The Company reserves the right, at its absolute discretion, to repay the Investment prior to the expiry of the fixed term of the Investment.</p> <p>If the Company agrees to repay the Investment to the Investor prior to the Maturity Date, the Company reserves the right at its discretion to adjust the interest rate applicable to the Investment to the current rate offered by the Company for the nearest term upon which those funds have been held by the Company.</p> <p>The Company may also charge an investment break fee set by the Company from time to time (currently \$150)</p> <p>Further information regarding early repayment can be found in Section 2 of this PDS (Terms of the offer).</p>
Offer opening and closing dates	<p>The offer opened on 22 September 2016.</p> <p>This is a continuous offer. There is no closing date.</p>

Who is responsible for repaying you?

The Company is responsible for repaying you. Our obligation to repay is guaranteed by our subsidiary company, Lending Crowd Limited, which has granted security over its assets in support of the guarantee.

No other members of the Finance Direct group of companies are guarantors of the Debenture Stock. Further information regarding Lending Crowd Limited's guarantee can be found in section 4 of this PDS (Key features of the Debenture Stock).

How you can get your money out early

An Investor has no right to require the Company to repay the Investment prior to the expiry of the fixed term of the Investment. However, the Company reserves the ability, at its absolute discretion, to permit the early repayment of Debenture Stock before the Maturity Date in the event of death or financial hardship.

The Company does not intend to quote the Debenture Stock on a licensed market in New Zealand and there is no other established market for trading them. This means that you may not be able to sell your Debenture Stock before the end of their term.

How Debenture Stock rank for repayment

The claims on the assets of the Company that will or may rank ahead of your claim if the Company is put into liquidation or wound up are:

- claims by preferential creditors. Preferential creditors are determined by reference to the Companies Act 1993;
- claims by holders of prior security interests; and
- the Supervisor's, or any receiver appointed by the Supervisor, remuneration, costs, charges, expenses, and liabilities.

Further information regarding how the Debenture Stock rank on the liquidation of the Company can be found in Section 4 of this PDS (Key features of the Debenture Stock).

What assets are the Debenture Stock secured against?

The obligations of the Company to Investors in respect of the Debenture Stock are secured by a security interest in all the Company's Personal Property and a charge over the Company's Other Property pursuant to the Trust Deed granted by the Company in favour of the Supervisor.

Further information regarding the security interests can be found in Section 4 of this PDS (Key features of Debenture Stock).

Where you can find Finance Direct's financial information?

The financial position and performance of the Company are essential to an assessment of the Company's ability to meet its obligations under the Debenture Stock.

The Company is required by law, and the Trust Deed, to meet certain financial requirements. Details of these requirements and how to access information showing how the Company is meeting them are set out in Section 5 of this PDS.

Key risks affecting this investment

Investments in debt securities have risks. A key risk is that the Company does not meet its commitments to repay you or pay you interest (**credit risk**). Section 6 of the PDS (Risks of Investing) discusses the main factors that give rise to the risk. You should consider if the credit risk of these debt securities is suitable for you.

The interest rates for the Debenture Stock should also reflect the degree of credit risk. In general, higher returns are demanded by Investors from businesses with a higher risk of defaulting on their commitments. You need to decide whether the offer is fair.

The Company considers that the most significant risks factors are:

DEBTOR RISK

As with most finance companies, the most significant risk faced by the Company is the risk that the Company is unable to recover loans in full from those parties' borrowing funds from the Company. This may occur where borrowers to whom we have lent money are, due to their personal financial situation, unable to meet their loan obligations.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not have sufficient funds to meet its ongoing obligations. A risk exists that the Company could encounter difficulty in raising funds at short notice to meet its lending and repayment commitments due to the Company principally raising funds from the issue of Debenture Stock.

INTEREST RATE RISK

The Company advances funds via the Platform on equal terms with other retail and wholesale investors on that Platform. When Finance Direct invests in a loan on the Platform a larger investment in lower-yielding loans will mean the margins the Company earns on these loans will be at a low level when compared to its cost of funds. This situation could have a significant impact on the income we receive. This may increase the risk of default if our interest rate margins reduce profitability and impact on our ability to make our payment obligations under the Debenture Stock.

REAL ESTATE AND PROPERTY MARKET

As at 31 March 2023, approximately 17% of the Company's loans were secured by way of an agreement to mortgage over real estate owned by the borrower, which agreement is supported by a caveat registered against the certificate of title for the borrower's property. Adverse investments in the property market can therefore expose the Company to the risk of not receiving the full amount from those borrowers

This summary does not cover all the risks of investing in the Debenture Stock. You should also read Section 6 of this PDS (Risks of Investing).

No credit rating?

The Company is exempt from the requirement to have its creditworthiness assessed by an approved rating agency. This is because it is exempted under the Non-Bank Deposit Takers (Credit Ratings Minimum Threshold) Exemption Notice 2016 (**Exemption Notice**) to have a credit rating. This means that the Company has not received an independent opinion of its capability and willingness to repay its debts from an approved source.

Under the Exemption Notice, an exemption is available from the requirement to obtain a credit rating when:

- the non-bank deposit taker's capital ratio as at the measurement date for that exemption year is at least 10%; and
- the average consolidated liabilities of the Borrowing Group as at the measurement date for that exemption year, calculated in accordance with clause 8 of the Exemption Notice, are less than \$20 million

The exemption is available to the Company because its consolidated liabilities are less than \$20 million, making it unduly onerous for it to comply with the requirement under the NBDT Act to have a credit rating and in addition, the Company maintains a capital ratio of at least 10%.

Although the Company is unrated, the Company has met all its payment obligations to its Investors since it first offered secured deposits in late 2004.



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Finance Direct Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.

Letter from the Chairman of the Board of Directors of Finance Direct Limited

Dear Investor

We are pleased to invite you to participate in this issue of Debenture Stock by the Company. Finance Direct Limited is a Non-Bank Deposit Taker, licensed by the Reserve Bank of New Zealand.

The Company offers competitively priced, flexible products, and provides a speed of service not always met by other lending institutions. The Company attracts its customers through a network of introducers, press, internet, and radio advertising.

The Company has always adopted a conservative approach to lending and any loans that do not meet the Company's lending criteria are brokered to a more appropriate lender thereby minimising the risk to the Company. Loans that are brokered to other financial institutions are on a non-recourse basis meaning the Company has no residual credit risk liability to those financial institutions in the event of a default by the respective borrower. This formula has helped the Company successfully navigate challenging economic times by switching its activities between lending and brokering.

In 2015, we expanded our offerings by launching Lending Crowd Limited, a subsidiary operating as a peer-to-peer lending service. This innovative Platform has allowed us to advance funds on equal terms with other retail and institutional investors.

While the peer-to-peer service has proven to be a valuable avenue for accessing quality business opportunities, we have made the difficult decision to wind down the Platform. This decision was reached after careful consideration of the projected costs associated with expanding technological capabilities, which were deemed incompatible with the current peer-to-peer business model.

While the Platform has played a valuable role in our operations, this strategic decision to wind down is aligned with our commitment to fiscal responsibility, ensuring the long-term sustainability of our offerings, and maintaining Finance Direct's reputation as a niche lender. Our unwavering focus remains on providing exceptional service and quality rather than pursuing growth for its own sake.

This PDS provides for the issue of secured Debenture Stock at competitive interest rates, while providing an opportunity to invest in a wholly New Zealand-owned company. The secured Debenture Stock is secured by a first ranking security interest in favour of the Supervisor who represents the interests of Investors.

The Company has a proud history to date and continues to take its responsibilities to its Investors very seriously. I encourage you to read this PDS to find out more about the Company and the details of the Debenture Stock offer. If you require additional information or an explanation of information about the Company or this PDS please contact us.

Yours faithfully

Josh de Jong

Chairman

Section 2: Terms of the offer

Debenture Stock

Description of Debenture Stock	This offer comprises the issue of first ranking secured Debenture Stock.
Term	The Debenture Stock shall be issued for fixed terms ranging between three months and five years. Terms are usually 3 months, 6 months, 1 year, 18 months, 2 years, 3 years, 4 years, 49 months, 5 years.
Interest rates	<p>Fixed interest rates are applicable to Debenture Stock and will vary depending upon the fixed term selected. Details of the current fixed interest rates may be found at www.financedirect.co.nz or are available upon request from the Company.</p> <p>Interest rates are set on a regular basis after considering current market conditions, the rates being offered by competitors, and the Company's funding requirements.</p>
Interest payments	<p>Interest on the Investment may be compounded or paid to the Investor by direct credit. The Company pays interest quarterly during the term of the Investment from the date of the deposit with the Company. In particular, interest is paid to an Investor on 31 March, 30 June, 30 September, and 31 December.</p> <p>Once the Debenture Stock has been allotted to the Investor for a fixed term, the interest rate at which that Debenture Stock has been issued to the Investor will be fixed during the term of the Investment and will not be varied.</p>
Early repayment	<p>The Company may, at its absolute discretion, permit early repayment in the event of death or financial hardship. Requests for early repayment of Debenture Stock must be made to the Company in writing.</p> <p>In the event that the Company agrees to repay the Investment to the Investor prior to the Maturity Date, the Company reserves the right at its discretion to adjust the interest rate applicable to the Investment to the current rate offered by the Company for the nearest term upon which those funds have been held by the Company.</p> <p>The Company may also charge an investment break fee set by the Company from time to time (currently \$150).</p> <p>The Company reserves the right, at its absolute discretion to repay the Investment prior to the expiry of the fixed term of the Investment, provided that the Company:</p> <ul style="list-style-type: none"> • provides the Investor with not less than one month's notice of the early repayment in writing to the Investor; and • must repay all principal and interest accrued to the date of the early repayment on the date of the early repayment.

<p>Ranking of Debenture Stock on liquidation</p>	<p>The Debenture Stock being offered under this issue will rank equally with all existing and further Debenture Stock which may be issued pursuant to the Trust Deed. As of 31 March 2023, the aggregate principal amount of Debenture Stock issued by the Company, which was outstanding was \$14,508,115..</p> <p>The claims on the assets of the Company that will or may rank ahead of your claim if the Company is put into liquidation or wound up are:</p> <ul style="list-style-type: none"> • claims by preferential creditors. Preferential creditors are determined by reference to the Companies Act 1993. They include the fees and expenses incurred by any liquidator, certain claims by the Company's employees for unpaid remuneration, PAYE tax deductions, and any GST; • claims by holders of prior security interests; and • the Supervisor's, or any receiver appointed by the Supervisor, remuneration, costs, charges, expenses, and liabilities.
<p>Offer opening and closing dates</p>	<p>The offer opened on 22 September 2016. This is a continuous offer. There is no closing date.</p>

Who is responsible for repaying you?

We entered into a trust deed with Covenant Trustee Services Limited, as Supervisor, on 30 September 2004 (as amended or supplemented from time to time) in relation to the Debenture Stock.

Covenant Trustee Services Limited has been granted a licence, under the Financial Markets Supervisors Act 2011. Details of this licence, including its duration and conditions are available on the Financial Service Providers Register at <https://fsp-register.companiesoffice.govt.nz> and at the website of the Financial Markets Authority at <https://www.fma.govt.nz/compliance/licensed-providers>

A copy of the trust deed may be obtained from the offer register at <https://disclose-register.companiesoffice.govt.nz/>

Interest Rate Comparison

A comparison of term deposits' interest rates can be found at <https://www.interest.co.nz/saving/term-deposits-1-to-5-years/>

Section 3: Finance Direct and what it does

Overview of Finance Direct

THE FINANCE DIRECT GROUP

The Company was incorporated on 23 September 1999. The Company's principal activity is the raising of money from the public by the issue of Debenture Stock and the advance of that money, together with the Company's own funds, to the consumer, small business, and retail finance sector. In addition, the Company also brokers third parties to provide loan facilities available to the Company's customers from which the Company takes a fee.

The Company has primarily been involved in sourcing financial solutions for the Company's clients and generates its business via introducers and retail advertising in print, radio, and television and lends only on the security of vehicles, boats, and property. In-depth risk analysis, credit checking, and security value estimates are obtained on all loans. Until 15 November 2023 additional business has been generated by lending on the peer-to-peer lending Platform operated by Lending Crowd Limited, which also uses a trustee company Lending Crowd Trustee Limited. Lending Crowd Limited is a wholly-owned subsidiary of the Company, and Lending Crowd Trustee Limited is a wholly-owned subsidiary of Lending Crowd Limited. The Company has no other subsidiaries.

Lending Crowd Limited is a Charging Subsidiary and has agreed to guarantee repayment of the Debenture Stock. Further information regarding the guarantee can be found in Section 4 of this PDS (Key features of Debenture Stock). Lending Crowd Trustee Limited is not a Charging Subsidiary.

The Company's loans can generally be categorised as falling within the following three categories:

- to assist consumers with the funding of asset purchases (i.e. the purchase of motor vehicles and boats);
- to assist consumers with the refinancing or consolidation of existing indebtedness; or
- secured and unsecured business and personal loans.

Loans are predominantly secured with first or second ranking registered security interests over motor vehicles, boats, and agreements to mortgage real estate (supported by caveats registered over the relevant real estate) owned by the borrower. During the term of a loan, the underlying security for a particular loan may be lost due to the secured property being destroyed or disposed of illegally, i.e. in the case of a motor vehicle or a boat. To mitigate this risk, additional second ranking security is taken in some instances. This second ranking security interest is predominantly an agreement to mortgage real estate, which agreement is supported by a caveat over the real estate in question and which ranks behind an existing registered mortgage over the property in favour of the borrower's principal lender.

Some general features of this lending are as follows:

- it is concentrated in Auckland and Northland;
- it is represented by loans made for terms of 12 months (on average); and
- 89% of open loans are represented by loans of less than \$15,000.

The Company's loan documentation allows for loans to be varied during the course of the loan facility agreement. This includes the ability to extend the repayment date of loans and the rollover of loans into new agreements, where it is deemed beneficial to do so. Loan rollovers are considered based on their individual merits, bearing in mind the current economic climate and the additional period of time required to achieve recovery of the loan. All loan rollovers are assessed based on current credit policy and require in-depth risk analysis, credit checking, security valuations, and third-party guarantees (where applicable) to be provided by borrowers.

THE FINANCE DIRECT GROUP

The exposure of the Company to the lending sectors mentioned above was as follows (as a percentage of the total receivables owned by the Company as at 31 March 2023):

• Consumer Loans	\$9,873,800	58%
• Business Loans	\$7,071,200	42%
• Total	\$16,945,000	100%

Board of directors and senior management

Wayne Croad

Dip Bus Finance

Wayne is the Managing Director of the Company. He is intimately involved in the day-to-day management and operations of the business of the Company. Wayne also carries out the role as credit manager for the business operations. Wayne has over 20 years' experience in the New Zealand banking, finance and insurance industries. As a founding director, Wayne has been responsible for the implementation of systems, key appointments, lending standards and the strategic direction of the Company since inception. His background has included senior management positions for both privately held and public companies with responsibility for risk analysis, strategic planning, sales and marketing and general management.

Wayne holds a Diploma in Business Finance.

Wayne's family interests hold 63% of the ordinary shares on issue in the Company.

Wayne receives an annual salary of \$145,000 per annum. He also receives the use of a motor vehicle owned by the Company which is leased to Wayne's family interests. He also receives reimbursement of utilities for his home office and general expenses which had an aggregate value of \$53,000 during the twelve months ended 31 March 2023. When deemed appropriate the Company pays Fringe Benefit Tax for this additional remuneration. During the twelve-month period that ended on 31 March 2023 a finder's fee of \$140,000 was paid to a party related to Wayne Croad as part of capital raising.

Richard Lott

ACA

Richard is a non-executive director of the Company.

Richard holds an Associated Chartered Accountants degree.

Richard is a Qualified UK Chartered Accountant with more than 20 years' experience in small and medium - sized businesses, both as an investor and a manager. He worked for Grant Thornton - Chartered Accountants, Lloyds Bank Plc and Close Brothers Group Plc in the UK before emigrating to New Zealand to be nearer his wife's family, who are from Dunedin.

Richard is currently a senior executive of Southern Spars.

Richard's family interests hold 27% of the ordinary shares on issue in the Company.

In exercising his role, Richard receives a director's fee of \$46,000 per annum.

Josh de Jong

BEd & Dip Tchg

Josh is a non-executive director of the Company and is also the Chairman of the Board of Directors of the Company.

Josh holds a Bachelor of Education and a Diploma of Teaching.

Josh has held Auckland-based management positions in Real Estate, Taxation and mortgage brokering. Prior to that Josh was a contractor with the LIFE church. Josh holds no interest directly or indirectly in the share capital of the Company.

In exercising his role as a non-executive director, Josh receives a director's fee of \$18,000 per annum.

Josh is an independent director.

Stephen Massey

National Diploma in Accountancy / National Certificate in Business Studies

Stephen is a non-executive director.

Stephen holds a National Diploma in Accountancy and is a Registered Financial Adviser.

Stephen has more than 20 years of experience in the Financial services industry. He has held senior management positions supporting strategy, management, and oversight for consumer, business, and property lending. Stephen is currently operating as an independent Mortgage Adviser under the Loan Market banner.

In exercising his role as a non-executive director, Stephen will receive a director's fee of \$30,000 per annum, including GST, if any.

Section 4: Key Features of Debenture Stock

General

A number of the key features of the Debenture Stock are described in Section 2 (Terms of the offer) of this PDS. The other key features are described below.

Ranking and security

The Debenture Stock being offered under this PDS will rank equally with all existing and further Debenture Stock which may be issued pursuant to the Trust Deed. As of 31 March 2023, the aggregate principal amount of Debenture Stock issued by the Company, and which were outstanding was \$14,508,115.

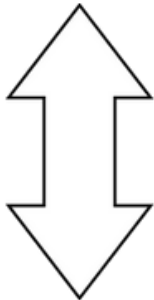
For information regarding the claims on the assets of the Company that will or may rank ahead of your claim if the Company is put into liquidation or wound up, see Section 2 of this PDS (Terms of the offer).

The Trust Deed permits the Company or any other Charging Group Member to create prior security interests over any asset to secure any moneys to be borrowed, raised, or otherwise owing in purchasing or acquiring such asset if at the time of such borrowing the aggregate of all moneys secured by existing prior security interests together with the money so proposed to be borrowed or raised or to be otherwise owing and secured would not exceed 2% of its Total Tangible Assets. As of 31 March 2023, there were no prior security interests ranking ahead of the Debenture Stock. As of 31 March 2023, \$51,294 of preferential liability ranked ahead of the Debenture Stock relating to PAYE and RWT payable to the Inland Revenue Department. However, this outstanding PAYE and RWT were paid on 20 October 2023.

The obligations of the Company to Investors in respect of the Debenture Stock are secured by a security interest in all of the Company's Personal Property and a charge over the Company's Other Property pursuant to the Trust Deed granted by the Company in favour of the Supervisor. As of 31 March 2023, the total value of assets subject to the security interest was \$19,152,000 (being all Secured Property of the Company and Lending Crowd Limited).

The Company is also required to provide the Supervisor, on a monthly basis, with a liquidity report, a capital adequacy report, a Trust Deed financial ratio compliance report, and a report of Finance Direct Limited in a form agreed with the Supervisor.

The diagram below illustrates the Ranking of Debenture Stock on liquidation

	Ranking on liquidation of Finance Direct	Examples
Higher ranking/earlier priority  Lower ranking/later priority	Liabilities that rank in priority to Debenture Stock	Creditors preferred by law (including IRD for unpaid tax) and any permitted prior ranking security interests
	Liabilities that rank equally with the Debenture Stock	Debenture Stock, including the accrued interest
	Liabilities that rank below the Debenture Stock	Lesser ranking secured creditors and unsecured creditors
	Equity	Distribution of surplus assets

Please refer to our website at www.financedirect.co.nz; or to <https://disclose-register.companiesoffice.govt.nz> for a document called Ranking of Debenture Stock of the above table showing the amounts in each ranking category at the most recent balance date. This document also includes, at the most recent balance date, the amount of the liability secured by the security interest and the total value of the assets subject to the security interest.

Guarantees

Lending Crowd Limited jointly and severally with all other Charging Group Members (at the date of this PDS there are none) unconditionally guarantees the due and punctual payment by the Company and each other Charging Group Member of the Secured Indebtedness. ^ The guarantee is unlimited as to the amount.

As security for its guarantee obligations, Lending Crowd Limited has granted to the Supervisor:

- a security interest in its Personal Property; and
- a charge over its Other Property.

Lending Crowd Limited is a member of the Finance Direct group of companies.

The security interest is insufficient to repay the liability of the guarantee.

The Supervisor does not guarantee our obligations under the Debenture Stock.

Transfer

You may transfer your interest in your Investment at any time (not later than 30 days before the Maturity Date) by completion of a Transfer in such form as is normally used to transfer shares in New Zealand ("**Transfer**"). More than one person can take ownership of the Investment. The Company is not bound to recognise trusts. Consequently, no reference to trusts or trustees should be made in the Transfer. Joint Investment owners will be treated as joint tenants (unless some other form of ownership is indicated) so that on the death of one of them, ownership of the Investment will vest automatically with the survivor(s). To be valid, the Transfer must be registered with the Company. There is currently no fee payable in respect of the Transfer of the Investment to another person. However, the Company reserves the right to charge a fee in the future.

In the opinion of the Company there is no established market for the sale or transfer of the Debenture Stock.

^ Pursuant to a Supplemental Trust Deed signed on 11 December 2015, Lending Crowd Limited became a Charging Subsidiary.

Section 5: Finance Direct’s financial information

General

The Company is required by law and its Trust Deed to meet certain financial requirements. This table shows how the Company is currently meeting those requirements.

Tables showing how the Company is currently meeting those requirements are available on the Disclose Register at <https://disclose-register.companiesoffice.govt.nz> under the name “Finance Direct Limited” and are incorporated into this document by reference.

These are minimum requirements. Meeting them does not mean that the Company is safe. The section on specific risks relating to the Company’s creditworthiness sets out risk factors that could cause its financial position to deteriorate. The Disclose Register provides a breakdown of how the figures in the tables in the Disclose Register are calculated, as well as full financial statements. A copy of the financial statements is available on the Disclose Register at: <https://disclose-register.companiesoffice.govt.nz/>.

Key Ratios

The Disclose Register contains a table outlining the following key ratios for the most recent audited financial statements, interim financial statements and Quarterly Reports with updates at the end of each quarter.

CAPITAL RATIO

The capital ratio is a measure of the extent to which the Company is able to absorb losses without becoming insolvent. The lower the capital ratio, the fewer financial assets the Company has to absorb unexpected losses arising out of its business activities.

RELATED PARTY EXPOSURES

Related party exposures are financial exposures that the Company has to related parties. A related party is an entity that is related to the Company through common control or some other connection that may give the party influence over the Company (or the Company over the related party). These related parties include Lending Crowd Limited and Lending Crowd Trustee Limited.

LIQUIDITY COVER RATIO

Liquidity requirements help to ensure that the Company has sufficient realisable assets on hand to pay its debts as they become due in the ordinary course of business. Failure to comply with liquidity requirements may mean that the Company is unable to repay Investors on time, and may indicate other financial problems in its business.

Selected financial information

The Disclose Register also contains a table outlining other selected financial information for the most recent audited financial statements, interim financial statements, and Quarterly Reports. The selected financial information in the table comprises:

- total assets;
- total Liabilities;
- net profit after tax;
- net cash flows from operating activities;
- cash and cash equivalents;
- capital calculated in accordance with the Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010 (Deposit Takers Regulations).

For updated figures and more detailed financial information, please refer to our website at www.financedirect.co.nz or to <https://disclose-register.companiesoffice.govt.nz/> for a document called Key ratios and selected financial information or Quarterly Report.

Other limitations, restrictions and prohibitions

Clause 5 of the Trust Deed sets out financial limitations and restrictions in relation to the offer.

The Company covenants that:

- where the Total Tangible Assets are less than \$8,000,000, Total Liabilities will not exceed 86% of the Total Tangible Assets
- where the Total Tangible Assets are more than \$8,000,000 but less than \$15,000,000, Total Liabilities will not exceed 88% of the Total Tangible Assets
- where the Total Tangible Assets are more than \$15,000,000, Total Liabilities will not exceed 90% of the Total Tangible Assets

The Company will maintain a capital ratio of not less than 10% (where the Company does not have a credit rating).

The Company will ensure that the aggregated related party exposure does not exceed 15% of capital.

For further details regarding the other limitations, restrictions, and prohibitions on the Company refer to the Trust Deed on the offer register at <https://disclose-register.companiesoffice.govt.nz/>

Section 6: Risks of investing

General Risks

The principal risk of your Investment not being recovered in full by you, or of not receiving the returns relating to your Investment, is if the Company becomes insolvent and is not able to meet its obligations under the Debenture Stock. This could occur if:

- a significant number of loans made by the Company were not repaid and security taken for those loans proved inadequate for any reason and the Company was otherwise unable to recover those loans in full from the borrowers;
- the value of the Company's assets fall and those assets were realised for less than the acquisition cost of those assets; or
- the Company, because of those principal risks or otherwise, is unable to meet its debts as they fall due.

The Company does not intend to quote the Debenture Stock on a licensed market in New Zealand and there is no other established market for trading them. This means that you may not be able to sell your Debenture Stock before the end of their term. In the event that an Investor wishes, and is able, to sell the Debenture Stock before the Maturity Date, there is a risk that the Investor will be unable to find a buyer or that the amount received is less than the principal amount paid for the Debenture Stock.

Specific risks relating to Finance Direct's creditworthiness

There are a number of specific risks that Investors should be aware of when deciding whether to invest in Debenture Stock.

DEBTOR RISK

As with most finance companies, the most significant risk faced by the Company is the risk that the Company is unable to recover loans in full from those parties borrowing funds from the Company.

In light of the fact that the Company:

- predominantly lends on the security of motor vehicles, boats (which are by their nature depreciating assets), and agreements to mortgage over real estate (which are in effect unregistered mortgages often ranking behind first registered mortgages and/or second mortgages, or other caveatable interests); and
- lends at a higher loan-to-value ratio than larger financial institutions, in respect of the amount that it will lend against certain assets,

the Company has potentially greater credit risk in the event that a borrower defaults under a loan made by the Company. As a consequence, the Company may not be able to realise sufficient value from the sale of the assets pledged by the borrower as security for the loan.

The Company has a number of procedures in place to seek to reduce the risk of the Company being unable to recover all the moneys owing to it under a loan, including:

- a rigorous loan application and credit approval process that each prospective borrower must complete to the satisfaction of the Company prior to a loan advance being made;
- ensuring that the Company takes sufficient security to properly protect its position;
- ensuring that the Company follows stringent policies of monitoring loan performance, including daily monitoring of the contractual position of all of the Company's borrowers with immediate daily personal follow-up if there is a breach of the terms of their loan documentation, followed up with enforcement action if the breach is not promptly remedied;
- obtaining third-party guarantees of the borrower's obligations to the Company where appropriate in the circumstances; and
- ensuring that the covenants in the Trust Deed, pursuant to which Debenture Stock is issued, are met.

Borrowers have the option to take loan repayment insurance. Under these policies of insurance, the insurer will generally pay the borrower's payment instalments as they fall due under a loan upon the occurrence of death, certain accidents, sicknesses or redundancy/bankruptcy.

In certain circumstances, the Company will require a borrower's obligations to the Company to be guaranteed by a third party. This will generally only be required where the security for a loan is owned by a person other than the borrower, in which case the owner of that property will be required to guarantee the obligations of the borrower to the Company. Also, in the case of borrowers under the age of 20, the Company normally looks for a third party to guarantee the obligations of that borrower.

All investments in loans made through the Platform are made on the same risk-assessed basis as other Finance Direct loans, i.e. these loans are secured in the same way and with the same risk assessment and risk mitigation processes as if Finance Direct was making the loans itself. Further information regarding the risks of investing through the Platform is set out on page 18 (Peer-to-peer lending investments).

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not have sufficient funds to meet its ongoing obligations. A risk exists that the Company could encounter difficulty in raising funds at short notice to meet its lending and repayment commitments due to the Company principally raising funds from the issue of Debenture Stock.

To mitigate this risk, the Company:

- prepares detailed financial forecasts and holds regular management meetings to discuss liquidity management issues;
- maintains sufficient liquid funds to meet its commitments based on the forecast financial information;
- obtains external expert advice, such as HLB Mann Judd (chartered accountants and business advisers) as considered prudent from time to time; and
- the company actively monitors loan repayment cycles to make sure the average actual term of the Company's loans is shorter than the average term of its debenture borrowings.

The Trust Deed also requires that the Company will manage its liquidity and report on that liquidity to the Supervisor.

INTEREST RATE RISK

In relation to other non-bank deposit takers we are reasonably unique in that we advance funds via a peer-to-peer lending platform on equal terms with other retail and wholesale investors in that Platform (see page 18).

As of the date of this PDS, the interest rates we lend at via the Platform vary over 9 "buckets" of risk grades from 9.25% to 24.60% for unsecured loans and from 8.95% to 21.90% for secured loans.

When Finance Direct invests in a loan on the Platform a larger investment in lower-yielding loans will mean the margins the Company earns on these loans will be at a low level when compared to its cost of funds. This situation could have a significant impact on the income we receive. This may increase the risk of default if our interest rate margins reduce profitability and impact on our ability to make our payment obligations under the Debenture Stock.

To mitigate this risk, we would have the option to cease lending on the Platform, raise interest rates offered on the Platform, or seek further retail and wholesale funding lines to fund a larger portion of the lower yielding loans originations.

REAL ESTATE AND PROPERTY MARKET

As at 31 March 2023, approximately 17% of the Company's loans were secured by way of an agreement to mortgage over real estate owned by the borrower, which agreement is supported by a caveat registered against the certificate of title for the borrower's property.

Generally, the caveat registered to support the agreement to mortgage will be registered after a first and/or a second mortgage. As a consequence:

- in the event that the conditions in the real estate market deteriorate materially causing a depreciation in real estate values, this may adversely impact on the value of the security underlying certain of the Company's loans which it may realise in the event that it is required to enforce its security; and
- in the event, the Company sought to enforce its securities through the registration of a mortgage and/or the exercise of the power of sale under that mortgage, then the Company's ability to realise the proceeds of the sale of the mortgaged property would be subject to the claims of any prior ranking security interest registered over the mortgaged property in question, i.e. a first or second mortgage or prior ranking caveat. Subject to the extent of the borrower's indebtedness at the time of enforcement, there may not be sufficient remaining funds available to repay the indebtedness of the borrower to the Company.

PEER-TO-PEER LENDING INVESTMENTS

Until 15 November 2023, the Company invests funds in loans made through a peer-to-peer lending service operated by a related party. There are several risks related to investing in the Platform.

These, in general terms, are:

- the principal risk of loss in investing in loans through the Platform is non-payment of amounts owing by borrowers who enter into loan agreements under the Platform;
- operating the Platform requires a licence. This licence is subject to conditions and those conditions may be changed at the discretion of the Financial Markets Authority (FMA) from time to time. Any breaches of any licence condition or any changes to conditions may lead to action by the FMA or a change in the manner in which the Platform is operated. The FMA also has other supervisory powers over financial services market participants which it may exercise at any time;
- changes to law or regulation in this area may affect the way the Platform is able to operate;
- the highly automated nature of the Platform may make it an attractive target and potentially vulnerable to computer viruses, physical or electronic break-ins and similar disruptions.

Finance Direct mitigates the 'borrower default' risks of using the Platform by lending over multiple loans (it diversifies its exposure) and does not lend to any related party.

Please note that the Company has made the decision to wind down its peer-to-peer service, Lending Crowd Limited, as the projected costs associated with expanding the Platform's technological capabilities would not align with its peer-to-peer business model.

Lending Crowd Limited's peer-to-peer licensing will be maintained while the loan book is wound down over the next three to five years. No new loans will be originated on the Platform from 15 November 2023.

OPERATIONAL RISK

Due to our size, we do not have internal IT personnel but rely on third parties to effectively manage technological infrastructure. We also rely on a financial software programme from an external provider which is not designed specifically for Finance Direct. The fact that we do not have our own internal IT personnel may, in circumstances where third-party providers default in the performance of their obligations, result in a loss of information or delays in recovering loan payments or meeting our obligations to Investors. This may increase the risk of default on our payment obligations under the Debenture Stock.

This risk is managed by the Company's data disaster recovery plans that include that all information is reliably backed up by reputable IT suppliers.

Another operational risk is a staff mistake or fraud. Given we are not a large organisation, our staff are often responsible for a number of areas within the Company and its subsidiary company Lending Crowd Limited. This may increase the likelihood of errors.

To mitigate this risk, we apply internal control procedures including, where possible, separation of duties, external monthly accountant reconciliations, and 6 monthly audits by an approved auditor.

REGULATORY RISK

The Company is subject to a number of regulatory requirements. Due to the fact that Lending Crowd Limited (a subsidiary, and a related party, of the Company) operates a licensed peer-to-peer service, the Company is indirectly subject to a higher level of compliance and regulatory requirements compared to other non-bank deposit takers. These requirements involve substantial human resources to ensure ongoing compliance (as noted under 'Operational risk' above, our staff are often also responsible for operational matters that relate to our subsidiary Lending Crowd Limited).

Given we are not a large organisation, there may be an increased risk that we do not comply fully with all of the regulatory requirements which apply to us. This might result in us being fined or sanctioned by either the Reserve Bank of New Zealand, Financial Markets Authority, or other regulatory body, and we could suffer damage to our reputation as a result. This could disrupt the business operations and profitability and significantly increase the risk of default in our payment obligations under the Debenture Stock.

The Company has been reviewing its establishment, credit, and default fees under the Credit Contracts and Consumer Finance Act 2003 (**CCCFA**). It has identified a logic error in the fee model that was prepared for it by its external consultants. The fee model, which had been peer-reviewed by independent third parties, was used by the Company from September 2016 to August 2023 (when the logic error was discovered). The Company is cooperating with the regulator and is assessing the impact of the logic error, including the nature and potential magnitude of any fiscal exposure and whether any remediation needs to be made to borrowers pursuant to the CCCFA rules.

To mitigate these risks, we have internal control procedures and risk management policies. The Company also makes use of external specialists, including HLB Mann Judd for accounting matters and MinterEllisonRuddWatts for legal matters.

Section 7: Tax

Tax

An investment in Debenture Stock will have taxation consequences. The effect of taxation will vary according to each Investor's personal circumstances and there may be other tax consequences from acquiring or disposing of Debenture Stock that are not covered here. In particular, there may be different tax rules relating to you if you are a non-resident of New Zealand for tax purposes. Prospective Investors and Investors are encouraged to obtain independent professional advice on their personal tax circumstances and the possible effect on their personal tax circumstances of being an Investor of the Company.

Under current legislation, the Company is generally required to deduct resident withholding tax (**RWT**) from interest paid to, or applied for, the benefit of New Zealand resident Investors and Investors who hold secured deposits through a fixed establishment in New Zealand in which the Investors are engaged in business in New Zealand. RWT will not be deducted by the Company where Investors have informed the Company that they have RWT exemption status.

Under the Income Tax Act 2007, the applicable RWT rates for individuals (including corporate trustees) are 10.5%, 17.5%, 30%, 33%, and 39%. For trustee Investors, the 10.5% rate is only available for a trustee of a testamentary trust. Where an individual or trustee Investor has not elected an applicable RWT rate, RWT will be deducted at a rate of 33%.

The rates for companies are 28%, 33%, and 39%. Where a company Investor has not elected an applicable RWT rate, RWT will be deducted at a rate of 28%.

In all cases, where no IRD number has been supplied by an Investor (regardless of whether the Investor is an individual, trustee, or company), the Company must deduct RWT at the non-declaration rate of 45%.

Non-resident withholding tax (**NRWT**) will be deducted by the Company from interest paid to, or applied for, the benefit of an Investor who is not a tax resident of New Zealand unless the Investor holds secured deposits through a fixed establishment in New Zealand in which the Investor is engaged in business in New Zealand. The rates of NRWT deduction are currently 10% or 15% depending upon the Investor's country of residence and whether the Investor is eligible for relief under a relevant tax treaty.

The Company will make the deductions referred to above and as required by applicable legislation unless it is satisfied by the Investor that such deductions are not required by law.

The Company has obtained "Approved Issuer" status and has registered the Debenture Stock as "Registered Securities" for the purpose of the approved issuer levy provisions in Part 6B of the Stamp and Cheques Duties Act 1971. The Company may, upon request, subject to being legally entitled so to do, and on any terms it requires, agrees to deduct and pay an Approved Issuer Levy (currently 2%) on interest payments made to non-residents in lieu of NRWT.

Section 8: Who is involved?

Who is involved?

	Name	Role
Issuer	Finance Direct Limited	Issuer of the Debenture Stock
Supervisor	Covenant Trustee Services Limited	Provides independent oversight of us in relation to the Debenture Stock.
Auditor	Grant Thornton	Independent audit of our annual and half yearly financial statements and Trust Deed compliance
Solicitor to the issuer	MinterEllisonRuddWatts	Legal adviser to the Issuer.

Section 9: How to complain

How To Complain

We endeavour to maintain a very good relationship with all of our Investors. Complaints about Debenture Stock can be made to one or more of the following:

FINANCE DIRECT LIMITED INVESTMENTS TEAM

Freephone 0800 399 666
Telephone +64 9 529 5399
Email investments@financedirect.co.nz

Physical Address:
QB Studios, Level 2
206 Jervois Road
Herne Bay
Auckland

Postal Address:
PO Box 46179, Herne Bay, Auckland 1147

FINANCE DIRECT INTERNAL DISPUTES RESOLUTION:

Freephone 0800 399 666
Telephone +64 9 529 5399
Email admin@financedirect.co.nz

Physical Address:
QB Studios, Level 2
206 Jervois Road
Herne Bay
Auckland

Postal Address:
PO Box 46179, Herne Bay, Auckland 1147

COVENANT TRUSTEE SERVICES LIMITED:

Freephone 0800 268 362
Telephone +64 9 302 0638
Email team@covenant.co.nz

Physical Address:
Level 6, 191 Queen Street, Auckland

Postal Address:
PO Box 4243, Shortland Street, Auckland 1140

FINANCIAL SERVICES COMPLAINTS LIMITED - A FINANCIAL OMBUDSMAN SERVICE

If we cannot agree on how to fix the issue, or if you decide not to use the internal disputes resolution scheme, you can contact our approved disputes resolution scheme, Financial Services Complaints Limited. This service will cost you nothing (either to investigate or resolve the complaint) and may help to provide a resolution.

Freephone 0800 347 257

Email complaints@fscl.org.nz

Physical Address:

Level 4

101 Lambton Quay

Wellington

Postal Address:

PO Box 5967

Lambton Quay

Wellington, 6145

FINANCIAL MARKETS AUTHORITY

Complaints can also be made to the FMA through their website www.fma.govt.nz.

There is no ombudsman to whom complaints about the Debenture Stock can be made.

Section 10: Where you can find more information

Where you can find more information

Further information regarding the Company and the Debenture Stock is available free of charge on the Company's website at www.financedirect.co.nz, and on the Disclose Register at <https://disclose-register.companiesoffice.govt.nz> (including our financial statements, key ratios, and selected financial information). A copy of the information on the Disclose Register is available on request to the Registrar of Financial Service Providers.

Financial Service Providers Register
Companies Office
Private Bag 92061
Victoria Street West
Auckland 1142

The following information will be sent to you electronically or by mail in relation to your investment:

- When your application form and investment have been accepted by us you will be sent a certificate setting out the investment details.
- Statements of interest and any withholding tax deductions whether interest is paid or capitalised. At a minimum, you will be sent a statement quarterly.
- An annual withholding tax certificate detailing the interest earned and withholding tax deducted.

Section 11: How to apply

How To Apply

To apply for Debenture Stock, you need to complete an application form and submit it to us.

An application form can be found on page 28 in this PDS and an online version can be found at www.financedirect.co.nz

Section 12: Contact information

Finance Direct Limited

QB Studios, Level 2
206 Jervois Road
Herne Bay
Auckland
1011

Freephone 0800 399 666
Telephone +64 9 529 5399
Email admin@financedirect.co.nz / investments@financedirect.co.nz
Website: www.financedirect.co.nz
PO Box 46179, Herne Bay, Auckland 1147

Glossary

Glossary

"Board" means the Board of Directors of the Company.

"the Company", "Finance Direct", "we", "us", "our" means Finance Direct Limited.

"Charging Group" and "Borrowing Group" means the Company and its Charging Subsidiaries (if any) as the context requires.

"Charging Group Member" means each member of the Charging Group.

"Charging Subsidiary" means Lending Crowd Limited.

"Debenture Stock" means all Debenture Stock or other secured indebtedness by whatever name called, constituted and issued by the Company pursuant to the Trust Deed from time to time offered pursuant to this PDS.

"Directors" and "Board" means the Board of Directors for the time being of the Company.

"Investment" means the subscription for Debenture Stock in accordance with the terms of this PDS and the Trust Deed.

"Investor" means a stockholder (as defined in the Trust Deed).

"Maturity Date" means the date agreed upon by the Company and the Investor, upon which date the Investor's Investment is due to be repaid to the Investor.

"Market Valuation" means:

- (a) in relation to Real Property, the amount of a valuation thereof made at any time within twelve months (or such shorter period as the Supervisor directs pursuant to the Trust Deed) of the date at which the same falls to be determined hereunder by a member of the New Zealand Institute of Valuers chosen by the Company and approved by the Supervisor.
- (b) in relation to shares or other equity securities or units in any company, unit trust or other person which are listed on a recognised securities exchange, the weighted average sale price over the previous 5 days on which the shares were traded, and in relation to unlisted shares or other equity securities or units in any company, unit trust or other person, the net tangible asset backing of those shares, equity securities or units.

"NBDT Act" means the Non-Bank Deposit Takers Act 2013.

"NZ GAAP" means generally accepted accounting practice as defined in section 8 of the Financial Reporting Act 2013.

"Other Property" means, in relation to any company, all of its Real Property and all other present and after-acquired property that is not Personal Property.

"PDS" means this Product Disclosure Statement.

"Personal Property" means, in relation to any company, all of its present and after-acquired personal property.

"Platform" means the peer-to-peer lending platform operated by Lending Crowd Limited.

"Real Property" means, in relation to its present and after-acquired freehold and leasehold land, all estates and interests in land and all buildings, structures and fixtures (including trade fixtures) for the time being on that land.

"Secured Indebtedness" means all moneys payable on the Debenture Stock and all other moneys payable to or at the direction of the Supervisor or to any Stockholder under or pursuant to the Trust Deed or the terms of issue of the Debenture Stock.

"Secured Property" means, in relation to any company, all of its Personal Property and Other Property, wherever situated.

"Supervisor" means Covenant Trustee Services Limited.

"Tangible Assets" means all assets except deferred tax assets and assets which according to NZ GAAP are considered to be intangible assets.

"Total Contingent Liabilities" means, at any time, the aggregate amount of all Contingent Liabilities of the Charging Group at that date other than any Contingent Liability:

- (a) that is secured to the Charging Group by a first ranking security interest over an asset in all respects acceptable to the Supervisor, or
- (b) in respect of which the Charging Group has the benefit of a guarantee or indemnity from a bank, other financial institution or other person, in any case having a credit rating or credit worthiness acceptable to the Supervisor.

"Total Liabilities" means, at any time, the aggregate of:

- (a) the amounts of all liabilities of the Charging Group as would be disclosed in a statement of financial position if a statement of financial position was then prepared;
- (b) Total Contingent Liabilities; and
- (c) the amount payable on redemption of redeemable shares

but does not include the principal amount of subordinated debt or convertible notes.

"Total Tangible Assets" means, at any time, the aggregate of:

- (a) 80% of the market value, as determined by the latest Market Valuation, of any Real Property and shares or other equity securities or units in any company, unit trust or other person; and
- (b) the book values of all other Tangible Assets of the Charging Group as would be disclosed in a statement of financial position if a statement of financial position was then prepared,

adjusted by excluding:

- (c) the book values of any Tangible Assets situated outside New Zealand in respect of which the Supervisor is not satisfied that there is a valid and effective security interest in favour of the Supervisor enforceable in accordance with the laws of the place where the relevant assets are situated; and
- (d) 15% of the principal amount of all development loans outstanding at that time.

"Trust Deed" means the deed entered into between the Company and the Supervisor dated 30 September 2004 as amended or supplemented from time to time.

"You/your" means the Investor.

Note - A person (A) is a "Related Party" of the Company (B) if it satisfies the definition of a related party in section 6 of the NBDT Act.



Application Form For First Ranking Secured Debenture Stock



The Investment Manager
Finance Direct Limited
PO Box 46 179, Herne Bay
Auckland 1147

Having received and read the Product Disclosure Statement (“PDS”) dated 15 November 2023, I/we hereby irrevocably apply for First Ranking* Secured Debenture Stock as set out below, and upon the terms and conditions comprised within the PDS and the Debenture Trust Deed as amended and restated on the 15 November 2023.

Investor Details

If reinvesting tick box and complete the reinvestment date
____/____/____

INVESTOR Mr/Mrs/Miss Ms/Dr/Trustee	First names in full	Surname
JOINT INVESTOR Mr/Mrs/Miss Ms/Dr/Trustee	First names in full	Surname
COMPANY NAME, TRUST NAME		
Residential/Business Address		
City or Town		Post Code
Contact Number	Email Address	
Postal Address (if different from above)		

TAX DETAILS

IRD No.

IRD No.

IRD No.

Please Note If we do not have your IRD number on file, we are required to deduct Resident Withholding Tax (RWT) at the IRD prescribed rate.

Please deduct RWT at

10.5% 17.5% 28% 30% 33%
 39% NRWT AIL Exempt*

* Copy of Exemption Certificate Required

Investment Information

TERM	INTEREST RATE	AMOUNT (Minimum \$1000)
3 months	%	\$
6 months	%	\$
12 months	%	\$
18 months	%	\$
24 months	%	\$
36 months	%	\$
48 months	%	\$
60 months	%	\$
Other	%	\$

Interest payment options

PLEASE INDICATE HOW YOUR INTEREST IS TO BE PAID

TICK ONE BOX:

Compounding Interest (Quarterly)

Quarterly direct credit to bank account

BANK BRANCH ACCOUNT NUMBER SUFFIX

Account Name _____

Signature(s)

I/We have received a copy of the PDS and I/we hereby irrevocably apply for First Ranking Secured Debenture Stock as set out in this Application Form (including any lesser amount that may be allotted to me/us) upon the terms and conditions comprised within the PDS and the Debenture Trust Deed as amended and restated on the 15 November 2023.

The sum of \$ _____ will be made via Direct Deposit to Finance Direct.

Signature _____ Dated _____

Signature _____ Dated _____

PLEASE NOTE:

- Joint applications to be signed by all applicants. Provide photo ID(s), and verified bank account numbers. If signed by attorney, please attach power of attorney. If signed underpower of attorney, the attorney hereby declared that they have not had notice of the death of the donor or of the revocation of the power of attorney.
- All applications including reinvestments will be acknowledged by a letter of confirmation.
- Finance Direct Limited may, from time to time, wish to send holders of First Ranking Secured Debenture Stock information to do with Finance Direct Limited or its present and proposed business activities.

Please tick this box if you do not want to receive this information:

HOW DID YOU FIND OUT ABOUT THIS INVESTMENT?

Existing Investor Lending Crowd Google Search
 Radio Other: _____

How To Invest

ATTACH PROOF OF PAYMENT

If you pay by direct credit, our bank account details are as follows:

Bank: ANZ
Account Name: Finance Direct Limited
Account No: 01 0178 0008050 000

The proof of payment should be attached to this application.

ATTACH OTHER DOCUMENTATION

Provide copies of identification and other documentation as required. See the heading "Supporting Documentation" (opposite) or contact us for further information.

POST OR EMAIL YOUR INVESTMENT APPLICATION TO US

The application should be posted to:

Finance Direct Limited
PO Box 46179
Herne Bay
Auckland 1147

Or emailed to:

investments@financedirect.co.nz

WE WILL EMAIL A CERTIFICATE TO YOU

Investment applications are normally processed on the same day they are received. If accepted, a certificate detailing the investment will be emailed to you within 24 hours of the application being processed.

If you have not received a response from us within 5 working days of sending an application, or if you have any questions or concerns of any nature at any time, please don't hesitate to contact us.

YOUR FIRST STATEMENT

Statements are sent quarterly. You should receive your statement within 10 days after the end of the quarter.

WITHHOLDING TAX

All investments will have withholding tax deducted unless a valid certificate of exemption is provided at Finance Direct Limited. Or in the case of qualifying non-residents, where the cost of Approved Issuer Levy (AIL) is deducted in lieu of Non-Resident Withholding tax (NRWT).

If you qualify as a non-resident, supplying us with both your mailing and residential address will allow us to deduct either NRWT or AIL. If you choose to pay NRWT, it will be deducted at the rate that applies to your country, either 10% or 15%.

Alternatively we can deduct the cost of AIL (currently 2%) in lieu of NRWT. NRWT will be zero rated when choosing the AIL option.

Exemption Certificate: If you choose Exempt under TAX on the application form, attach a copy of your RWT exemption certificate.

Power of Attorney: If signed by an attorney, attach a copy of the power of attorney and certificate of non-revocation.

INVESTOR IDENTIFICATION AND ANTI-MONEY LAUNDERING COMPLIANCE

To help the government fight the funding of terrorism and money laundering activities, the law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you.

Under the Anti-Money Laundering and Countering Financing and Terrorism Act 2009 and Financial Reporting Act 1996 we are required to complete comprehensive verification for all investors.

This may include but is not limited to checking from various verification agencies, websites, and government departments. When making an application to invest you permit Finance Direct to make all necessary inquiries that may be required to do from time to time to comply with New Zealand law.

SUPPORTING DOCUMENTATION

The following is a list of supporting documentation that may be required to accompany the application.

- Certified photo ID
- Bank verified account number
- Proof of address

www.financedirect.co.nz

