

CREDIT GUIDE

Ferratum Australia Pty Ltd

Australian Credit Licence number: 409512

Complaints and Disputes:

If you have a complaint or dispute with us, please first raise the issue with our internal dispute resolution procedure by contacting our complaints officer:

Name: Anouska Sweetman

Telephone: 08 9355 2183

Email: customercare@ferratum.com.au

Address: Suite 7/8 Welshpool Road, East Victoria Park, WA 6101

If you consider that does not resolve the, you may contact our independent external dispute resolution scheme which is:

Credit and Investments Ombudsman

Reply Paid 252

Sydney South, NSW 1235

Tel: 1800 138 422

Fax: 02 9273 8440

www.cio.org.au

Copy of Assessment

If you ask us for a copy of our assessment as to why we approved your contract we must give you a copy of it. If you request it before entering into the agreement, we must provide it before the contract is entered into. If you ask for it up to 2 years after the agreement is signed, we must give it to you within 7 business days. If you ask for it within 7 years of the agreement being signed, we must give it to you within 21 business days.

Responsible Lending Obligations

We are not permitted by law to enter into an agreement with you which is unsuitable.

To us to make that assessment, we are required make reasonable inquiries about:

- your requirements and objectives in relation to your credit contract with us; and
- your financial situation.

We are also required to take reasonable steps to verify your financial situation.

FERRATUM AUSTRALIA PTY LIMITED ACN 151 137 049

Suite 7/ 8 Welshpool Road, East Victoria Park, Western Australia 6101, Australian Credit License number 409512 (called in this document “we”, “us”, “credit provider” or “lender”) on the following terms and conditions.

Statements of account:

The credit provider will provide statements of account to the debtor when requested by you and in accordance with the National Credit Code.

Enforcement expenses:

Enforcement expenses may become payable under the credit contract in the event of a breach by you.

Mortgage or Guarantee:

A mortgage or guarantee of your obligations under this agreement is not required.

Commissions:

No commissions are payable by or to the credit provider for the introduction of credit business or business financed by this loan contract.

Insurances as part of the amount of credit:

No insurances are provided as part of the amount of credit.

ACCEPTANCE OF YOUR OFFER:

After we complete our assessment of your application, we can accept, and therefore create a binding agreement in accordance with the terms appearing in this document by:-

- (a) sending you an e-mail advising you of the fact;
- (b) sending you an SMS advising you of the fact, or
- (c) paying the amount of the advance into your bank account.

We will send you a copy of the contract by e-mail within 24 hours of us accepting your offer.

Terms and conditions of the agreement:-**1. Conditions to be satisfied before the agreement can proceed**

We will not accept the offer until a number of things have been done by you which will allow us to make our assessment of whether the loan is not unsuitable in accordance with our obligations under the Credit Law. Once those matters have been attended to, we may accept the offer and the contract is then formed. You acknowledge that before we are required to advance the loan to you that:-

- 1.1. You have provided satisfactory identification to us which allows us to identify you in accordance with our own processes and those contained in any relevant legislation;
- 1.2. You have provided us with sufficient information about your income and expenses, able to be verified by us;

- 1.3. You have provided us with sufficient information about your requirements and objectives required to be met by the loan;
 - 1.4. We have been able to make an assessment that the contract is not unsuitable for you based upon our assessment of your ability to meet your obligations under the contract without hardship and our determination that the loan satisfies your requirements and objectives;
 - 1.5. We have received a satisfactory report from a credit reporting agency in relation to your credit history;
 - 1.6. We have no reason to believe that the information you have provided us in support of your application is not complete, true and correct in every respect;
 - 1.7. You have provided us with all documents and information requested by us;
 - 1.8. We have advised you in writing (electronically or otherwise) that your loan application has been approved;
 - 1.9. We have accepted your loan offer, and
 - 1.10. We have not become aware of any fact or circumstance which has changed between you making the offer to us and the funds being advanced to you.
2. You acknowledge that:-
 - 2.1. We are not obliged to advanced the funds to you even if the conditions referred to in paragraph 1 have been satisfied and we have accepted your offer if we discover that you have provided us with any information which is not true correct and complete in all details, or that there is any information that you have failed to provide to us fully after we have requested same.
 - 2.2. If we decline to advance the funds in accordance with paragraphs 2.1, we are not liable to you for any damages, costs or expenses incurred by you or which you may suffer as a result.
 3. You acknowledge that we have advised you that:-
 - 3.1. You should obtain independent legal and financial advice in relation to this agreement, and
 - 3.2. Should you default in any payment, and as permitted by law or any code relating thereto, we will report the matter to a credit reporting agency. This report may have an adverse effect on your credit file making the chances of a successful finance application in the future less likely.
 4. Payment to you
 - 4.1. The whole of the amount of credit will be paid to you or as set out in the Financial Table on the day this agreement is entered into.
 - 4.2. The amount paid to you or as set out in the Financial Table will be debited to your account held by us upon which interest and other charges shall accrue from time to time.
 - 4.3. Any fee or charge able to be collected from you in accordance with this agreement shall, at our option
 - 4.3.1. be debited to your account held by us immediately they become due (in which case they will be added to the amount owing), or
 - 4.3.2. will be paid by you to us on demand being made by us to you.
 5. Interest

- 5.1. Interest (if any) shall accrue on the amount of credit as may be owing from time to time at the annual percentage rate set out in the Financial Table.
 - 5.2. Interest (if any) shall be calculated daily by applying the annual percentage rate divided by 365 to the unpaid balance of your account.
 - 5.3. Interest (if any) shall be debited to the account at the end of each day. Interest so debited will become part of the balance on which further interest and charges are calculated.
 - 5.4. Interest debited will be rounded-off to the nearest whole cent.
 - 5.5. For the purposes of this clause "end of each day" means one-minute before midnight in the capital city of the State in which you reside.
6. Your obligations
- You agree that you will:-
- 6.1. Pay to us the repayments together with any fees and charges (including interest, if any) specified in this agreement to in the method provided in this agreement on the days provided in this agreement.
 - 6.2. Pay to us any enforcement expenses incurred by us if you breach the terms of this agreement.
 - 6.3. At all times ensure that we are aware of your current address, e-mail and telephone numbers and that if any of these change you will within 7 days of such change notify us.
 - 6.4. In addition to any payment required to be made under this agreement, that you will make the direct debit setup fee and the direct debit payment fee in the amount and on the occasions set out in the table above.
7. Establishment and monthly fees
- 7.1. You agree to pay the establishment fee in the amount set out in the Financial Table at the time the amount of credit is made available to you. Unless you request otherwise, the establishment fee will form part of the amount of credit.
 - 7.2. You agree to pay the monthly fee in the amount set out in the Financial Table. The monthly fee will fall due on the day the amount of credit is advanced to you and on the same day of every month thereafter where there remains a balance owing by you. If there is no equivalent day in the following month, the fee will fall due on the first day of that month.
 - 7.3. You acknowledge that as long as there is any amount owing by you to us pursuant to this agreement, then the monthly fee continues to accrue and is payable in the amount set out in the Financial Table.
8. Default
- 8.1. If you are in default of your obligations under this agreement, we will send to you a default notice. The default notice will tell you what the default is and how you can remedy it. It will also tell you that period of time in which you are able to remedy the default.
 - 8.2. If you do not remedy the default in accordance with the notice, subject to any other requirement of the law, the total amount remaining outstanding, together with all fees and charges, becomes immediately due and payable to us.

- 8.3. You acknowledge that if you are in default, subject to the requirements of the law, we may report the fact of your default to a credit reporting agency.
- 8.4. You will be in default of your obligations under this agreement if:-
 - 8.4.1. You do not pay any amount payable under this agreement in full on or before it is due date;
 - 8.4.2. You fail to comply with any other condition of this agreement;
 - 8.4.3. You commit an act of bankruptcy which includes entering into a Part IX agreement pursuant to the provisions of the Bankruptcy Act;
 - 8.4.4. You fail to advise us within 7 days of any change in your address, e-mail and telephone number;
 - 8.4.5. We discover, based on reasonable grounds, that you have provided us in support of your application with information which is not complete, true and correct in every respect, and
 - 8.4.6. We believe on reasonable grounds that we were induced by fraud to enter into this agreement.
- 8.5. You acknowledge that on becoming in default enforcement expenses may become payable by you. These costs this will include any additional costs borne by us in recovering the outstanding balance from you.
- 8.6. At any time after you become in default, subject to any other requirement of the law, we can at your cost:-
 - 8.6.1. exercise any right, entitlement or power given to us under the terms of this agreement or by law, and
 - 8.6.2. perform any of your obligations under this agreement where we are of the opinion it would be advantageous to do so.

9. Statements

- 9.1. We will provide you with statements of account when we are required to do so under the law.
- 9.2. In addition, you may ask for a statement at any other time, but we may charge you for the provision of that statement.

10. Payments

- 10.1. You will be credited with the payment made by you on the day the payment is received by us. This means that although you may make a payment on one day, it may not be received by us for some days thereafter. It will be credited to your account on the day we actually receive it.
- 10.2. You will not deduct anything from any payment due. This means that you are not entitled to deduct from any payment due to us anything that you claim we owe you or may owe you in the future.
- 10.3. Subject to any contrary mandatory requirements of the law, we may determine from time to time the manner in which monies received from you will be taken and applied under this agreement. Unless otherwise notified, the order in which monies will be applied will be:-
 - 10.3.1. in payment of any costs and expenses incurred by us in exercising any right or obligation we have under this agreement;

- 10.3.2. in payment of any prior underpaid loans you have with us;
- 10.3.3. in payment of your obligation under this agreement firstly in respect of fees and charges due then principal.

11. Early Repayment

- 11.1. You are entitled to repay the loan amount or any payment due under this agreement at any time before the due date.
- 11.2. Any payment made before the due date may be made without penalty to you.
- 11.3. No deduction in any fees or charges due under this contract shall be made as a result of the early payment made by you.

12. Notices

Subject to any contrary requirements of the law:-

- 12.1. You agree that any notice, demand or other communication required or permitted to be given by or under this agreement or any relevant statutory provision:-
 - 12.1.1. shall be sufficiently given if it is in writing from us or our solicitors and delivered to you by prepaid mail, facsimile, (or in the case where you have consented to receive communications electronically) e-mail, SMS or other electronic transfer;
 - 12.1.2. if delivered personally, shall be deemed to have been received by you on the date it bears or the date it is received, whichever is the later;
 - 12.1.3. if delivered by mail shall be deemed to have been received on the second business day after the date of posting;
 - 12.1.4. if delivered electronically, shall be deemed to have been received on the day it was sent.
- 12.2. For the purposes of determining the address to which any notice, demand or other communication will be sent,
 - 12.2.1. You acknowledge that we are entitled to rely on the address, e-mail address or telephone number most recently provided to us by you.
 - 12.2.2. If we send a document to you using the most recent address, e-mail address or telephone number you have provided, even if this is not your current address, the document will be deemed to be sufficiently served if delivered to that address.
 - 12.2.3. You will advise us within 7 days of any change to your address, e-mail address or telephone number.
- 12.3. If there is more than one borrower, the borrowers may nominate one of them to receive notices, demand or other communication on behalf of both and whilst the nomination is in force, where permitted by law, such service shall be deemed to be sufficient service on all borrowers.

13. Changes to the agreement

- 13.1. You may change the terms of your offer to us at any time before we accept it.

- 13.2. Subject to the requirements of the law, we may change some of the terms of this agreement at any time without your consent by notifying you of the change.
 - 13.3. The changes that may be made in accordance with clause 11.2 are:-
 - 13.3.1. the amount of your repayments;
 - 13.3.2. the frequency of your repayments;
 - 13.3.3. the method by which you make your repayments;
 - 13.3.4. the method by which the interest-rate is applied to your loan;
 - 13.3.5. fees and charges applicable to the agreement including the quantum and type.
 - 13.4. If we change any of the matters referred to in this clause, we will notify you of the change giving you not less than 5 business days' notice.
 - 13.5. We cannot change the interest-rate applicable to this agreement.
14. Assignment
- 14.1. You may not, without our written consent, assign or otherwise deal with your rights under this agreement.
 - 14.2. We may assign, sell, transfer or otherwise deal with our interest in this agreement in any way provided that in our absolute opinion you will not be disadvantaged by such dealing. You agree that you will sign any document or do anything we reasonably request to enable us to assign, sell, transfer or otherwise deal with our interest in this agreement.
 - 14.3. You acknowledge and agree that in the process of our dealing with our interest it may be necessary for us to disclose information we hold about you in relation to this agreement to the party with which we are dealing. You consent to that occurring.
 - 14.4. On the conclusion of any dealing in our interest in this agreement, we will notify you of such dealing by delivering a notice to you at your last known address, e-mail address or telephone number.
15. General
- 15.1. Interpretation unless otherwise indicated, in this agreement the following words have the meanings set out in this clause
 - 15.1.1. "Account" means the electronic record of transactions we hold regarding your loan with us
 - 15.1.2. "Annual percentage rate"
 - 15.1.3. "Business day" means a day, other than a Saturday or Sunday, in which banks are open for retail business in the capital city of the state in which you are resident.
 - 15.1.4. "Default" means any of the events listed in clause 7 hereof or any other action by you which is not in accordance with this agreement.
 - 15.1.5. "End of each day" means one-minute before midnight in the capital city of the State in which you reside.
 - 15.2. Headings are for convenience only and shall not affect interpretation.
 - 15.3. Singular includes plural, and a reference to a gender includes a reference to other genders.

- 15.4. Where there is more than one borrower, any covenant or obligation imposed on a borrower by this agreement is binding on all borrowers jointly and severally.
- 15.5. A reference to any legislation, including the National Credit Code, is a reference to any amendment, variation or replacement of that legislation.
- 15.6. A word or phrase used in this agreement which is defined in the National Consumer Credit Protection Act (including the National Credit Code) or regulations made thereunder shall be read adopting the definition therein.
- 15.7. If a payment or other activity is required to be made or done on a day which is not a business day, the payment or other activity must be made or undertaken before the close of business on the next following business day.
- 15.8. You acknowledge that if you choose to use SMS to us via the Ferratum SMS Gateway Shortcode Number, you will be responsible for the payment of charges to your telecommunications company relating thereto which at the time of this agreement are \$0.55 per SMS.

Form 5 Information statement

**paragraph 16 (1) (b) of the Code
regulation 70 of the Regulations**

Things you should know about your proposed credit contract

This statement tells you about some of the rights and obligations of yourself and your credit provider. It does not state the terms and conditions of your contract.

If you have any concerns about your contract, contact the credit provider and, if you still have concerns, your credit provider's external dispute resolution scheme, or get legal advice.

The contract

1. How can I get details of my proposed credit contract?

Your credit provider must give you a precontractual statement containing certain information about your contract. The precontractual statement, and this document, must be given to you before:-

- your contract is entered into; or
 - you make an offer to enter into the contract;
- whichever happens first.

2. How can I get a copy of the final contract?

If the contract document is to be signed by you and returned to your credit provider, you must be given a copy to keep. Also, the credit provider must give you a copy of the final contract within 14 days after it is made. This rule does not, however, apply if the credit provider has previously given you a copy of the contract document to keep.

If you want another copy of your contract, write to your credit provider and ask for one. Your credit provider may charge you a fee. Your credit provider has to give you a copy:-

- within 14 days of your written request if the original contract came into existence 1 year or less before your request; or
- otherwise within 30 days of your written request.

3. Can I terminate the contract?

Yes. You can terminate the contract by writing to the credit provider so long as:-

- you have not obtained any credit under the contract; or
- a card or other means of obtaining credit given to you by your credit provider has not been used to acquire goods or services for which credit is to be provided under the contract.

However, you will still have to pay any fees or charges incurred before you terminated the contract.

4. Can I pay my credit contract out early?

Yes. Pay your credit provider the amount required to pay out your credit contract on the day you wish to end your contract.

5. How can I find out the payout figure?

You can write to your credit provider at any time and ask for a statement of the payout figure as at any date you specify. You can also ask for details of how the amount is made up.

Your credit provider must give you the statement within 7 days after you give your request to the credit provider. You may be charged a fee for the statement.

6. Will I pay less interest if I pay out my contract early?

Yes. The interest you can be charged depends on the actual time money is owing. However, you may have to pay an early termination charge (if your contract permits your credit provider to charge one) and other fees.

7. Can my contract be changed by my credit provider?

Yes, but only if your contract says so.

8. Will I be told in advance if my credit provider is going to make a change in the contract?

That depends on the type of change. For example:-

- you get at least same day notice for a change to an annual percentage rate. That notice may be a written notice to you or a notice published in a newspaper.
- you get 20 days advance written notice for:-
 - a change in the way in which interest is calculated; or
 - a change in credit fees and charges; or
 - any other changes by your credit provider;

except where the change reduces what you have to pay or the change happens automatically under the contract.

9. Is there anything I can do if I think that my contract is unjust?

Yes. You should first talk to your credit provider. Discuss the matter and see if you can come to some arrangement.

If that is not successful, you may contact your credit provider's external dispute resolution scheme. External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints.

Your credit provider's external dispute resolution provider is Credit Ombudsman Service Limited and can be contacted at PO Box A252 Sydney South, NSW 1235, Tel 1800 138 422, www.cosl.com.au

Alternatively, you can go to court. You may wish to get legal advice, for example from your community legal centre or Legal Aid.

You can also contact ASIC, the regulator, for information on 1300 300 630 or through ASIC's website at <http://www.asic.gov.au>.

Insurance

10. Do I have to take out insurance?

Your credit provider can insist you take out or pay the cost of types of insurance specifically allowed by law. These are compulsory third party personal injury insurance, mortgage indemnity insurance or insurance over property covered by any mortgage. Otherwise, you can decide if you want to take out insurance or not. If you take out insurance, the credit provider cannot insist that you use any particular insurance company.

11. Will I get details of my insurance cover?

Yes, if you have taken out insurance over mortgaged property or consumer credit insurance and the premium is financed by your credit provider. In that case the insurer must give you a copy of the policy within 14 days after the insurer has accepted the insurance proposal.

Also, if you acquire an interest in any such insurance policy which is taken out by your credit provider then, within 14 days of that happening, your credit provider must ensure you have a written notice of the particulars of that insurance.

You can always ask the insurer for details of your insurance contract. If you ask in writing, your insurer must give you a statement containing all the provisions of the contract.

12. If the insurer does not accept my proposal, will I be told?

Yes, if the insurance was to be financed by the credit contract. The insurer will inform you if the proposal is rejected.

13. In that case, what happens to the premiums?

Your credit provider must give you a refund or credit unless the insurance is to be arranged with another insurer.

14. What happens if my credit contract ends before any insurance contract over mortgaged property?

You can end the insurance contract and get a proportionate rebate of any premium from the insurer.

Mortgages

15. If my contract says I have to give a mortgage, what does this mean?

A mortgage means that you give your credit provider certain rights over any property you mortgage. If you default under your contract, you can lose that property and you might still owe money to the credit provider.

16. Should I get a copy of my mortgage?

Yes. It can be part of your credit contract or, if it is a separate document, you will be given a copy of the mortgage within 14 days after your mortgage is entered into.

However, you need not be given a copy if the credit provider has previously given you a copy of the mortgage document to keep.

17. Is there anything that I am not allowed to do with the property I have mortgaged?

The law says you cannot assign or dispose of the property unless you have your credit provider's, or the court's, permission. You must also look after the property. Read the mortgage document as well. It will usually have other terms and conditions about what you can or cannot do with the property.

18. What can I do if I find that I cannot afford my repayments and there is a mortgage over property?

See the answers to questions 22 and 23.

Otherwise you may:-

- if the mortgaged property is goods - give the property back to your credit provider, together with a letter saying you want the credit provider to sell the property for you;
 - sell the property, but only if your credit provider gives permission first;
- OR
- give the property to someone who may then take over the repayments, but only if your credit provider gives permission first.

If your credit provider won't give permission, you can contact their external dispute resolution scheme for help.

If you have a guarantor, talk to the guarantor who may be able to help you.

You should understand that you may owe money to your credit provider even after the mortgaged property is sold.

19. Can my credit provider take or sell the mortgaged property?

Yes, if you have not carried out all of your obligations under your contract.

20. If my credit provider writes asking me where the mortgaged goods are, do I have to say where they are?

Yes. You have 7 days after receiving your credit provider's request to tell your credit provider. If you do not have the goods you must give your credit provider all the information you have so they can be traced.

21. When can my credit provider or its agent come into a residence to take possession of mortgaged goods?

Your credit provider can only do so if it has the court's approval or the written consent of the occupier which is given after the occupier is informed in writing of the relevant section in the National Credit Code.

General

22. What do I do if I cannot make a repayment?

Get in touch with your credit provider immediately. Discuss the matter and see if you can come to some arrangement. You can ask your credit provider to change your contract in a number of ways:-

- to extend the term of your contract and reduce payments; or
 - to extend the term of your contract and delay payments for a set time;
- OR
- to delay payments for a set time.

23. What if my credit provider and I cannot agree on a suitable arrangement?

If the credit provider refuses your request to change the repayments, you can ask the credit provider to review this decision if you think it is wrong.

If the credit provider still refuses your request you can complain to the external dispute resolution scheme that your credit provider belongs to. Further details about this scheme are set out below in question 25.

24. Can my credit provider take action against me?

Yes, if you are in default under your contract. But the law says that you cannot be unduly harassed or threatened for repayments. If you think you are being unduly harassed or threatened, contact the credit provider's external dispute resolution scheme or ASIC, or get legal advice.

25. Do I have any other rights and obligations?

Yes. The law will give you other rights and obligations. You should also **READ YOUR CONTRACT** carefully.

If you have any complaints about your credit contract, or want more information, contact your credit provider. You must attempt to resolve your complaint with your credit provider before contacting your credit provider's external dispute resolution scheme. If you have a complaint which remains unresolved after speaking to your credit provider you can contact your credit provider's external dispute resolution scheme or get legal advice.

External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints.

Your credit provider's external dispute resolution provider is Credit and Investments Ombudsman and can be contacted at Reply Paid 252, Sydney South, NSW, 1235; Tel 1800 138 422; www.cio.org.au

Please keep this information statement. You may want some information from it at a later date.