

TERMS OF THE CONTINUING CONTRACT

INFORMATION ABOUT THE CUSTOMER OWNED BANKING CODE OF PRACTICE

The relevant provisions of the Customer Owned Banking Code of Practice apply to this loan contract

1. Definitions and Interpretation

In this loan contract:

- (a) a reference to 'we', 'us' or 'our' means the Bank;
- (b) a reference to 'you' means each Borrower;
- (c) words and phrases have the same meaning as in the Schedule;
- (d) words and phrases have the same meaning as in the National Credit Code;
- (e) headings are for convenience only and do not affect the interpretation of this agreement;
- (f) words importing the singular include the plural and vice versa;
- (g) words importing a gender include any gender;
- (h) other parts of speech and grammatical forms of a word or phrase defined in this loan contract have a corresponding meaning;
- (i) a reference to a Clause or Schedule is a reference to a clause or schedule of this loan contract;
- (j) a reference to this loan contract includes any Schedule; and
- (k) a reference to a party to this contract includes that party's successors and permitted assigns.

2. Funding Pre-conditions

We will not give you access to the Credit Limit until, where specified in the Schedule:

- (a) you give us a mortgage over the Mortgaged Property;
- (b) the Guarantor gives us a guarantee that satisfies us;
- (c) the Guarantor gives us a mortgage over the Mortgaged Property that satisfies us;
- (d) you and the Guarantor take out any compulsory insurance or mortgaged property insurance that we may reasonably require;
- (e) your mortgage and the Guarantor's mortgage is stamped and, if appropriate, registered; and
- (f) you and the Guarantor prove to us that you have taken out the insurance referred to in Clause 2(d).

Credit Limit

- 3.1 Subject to clause 2 and this loan contract, we agree to make available to you credit up to the Credit Limit.
- 3.2 You agree not to exceed the Credit Limit.
- 3.3 We may reduce the Credit Limit to the balance of your account at any time. We do not have to notify you beforehand but we must notify you as soon as practicable afterwards.
- 3.4 At any time you can request us, including via our website, to decrease the Credit Limit which we will do as soon as we can provided that you must

first repay us the amount of the outstanding balance that would exceed your requested Credit Limit.

4. Increasing the Credit Limit Temporarily

- 4.1 This clause applies when:
 - (a) you draw a cheque on your account; and
 - (b) payment of the cheque would result in you exceeding your Credit Limit.
- 4.2 You agree that presentment of your cheque for payment in the circumstances of clause 4.1 is your request to us to increase your Credit Limit temporarily.
- 4.3 If we pay your cheque, you agree that you will pay us, immediately, the amount required to reduce the balance of your account to the previous Credit Limit.
- 4.4 It is always entirely within our discretion to decide whether to pay on your duly presented cheque or not.

5. Repayments

- 5.1 You must make repayments as and when specified in the Schedule. However, this is subject to other terms of this loan contract, for example, if we increase the minimum repayment or if you are in default.
 - 5.2 You must also pay us immediately the amount required to reduce the balance of the account to the Credit Limit. This occurs if you exceed the Credit Limit.
 - 5.3 If we do not receive value for a cheque or direct credit, we may:
 - (a) reverse the credit; and
 - (b) charge you interest or default interest; and
 - (c) exercise any right or remedy under this contract;as if the repayment had never been made.
 - 5.4 If you are liable to us under 2 or more loan contracts and do not tell us to which account we are to credit any repayment, we may credit the repayment to this loan contract or any of the other loan contracts as we choose.
 - 5.5 We will apply your payments to the closing balance in the latest statement and to amounts included in that balance that attract a higher annual percentage rate first.
 - 5.6 If your payment exceeds the closing balance of the account, we will apply the payment in excess of the closing balance to amounts that attract a higher interest rate first.
 - 5.7 You must make all payments due under this loan contract and any mortgage, without any deduction, set-off, counterclaim or condition.
- ### 6. Calculating Interest Charges
- 6.1 We will calculate interest daily by:
 - (a) first subtracting any interest free purchases from the unpaid daily balance of the account at the end of the day
 - (b) then multiplying that amount by the daily percentage rate.

- Interest Free Period for Purchases**
- 6.2 We will not charge interest on purchase if you pay us the closing balance for each statement by the due date on that statement.
The interest free period for purchases starts on the date the purchase first appeared on your statement and ends on the due date for payment on that statement. The maximum length of the interest free period for a purchase is 55 days.
If you do not pay the closing balance for each statement by the due date on that statement, the unpaid purchases will not enjoy an interest free period.
- Debiting Interest**
- 6.3 We will debit interest on the closing balance of each statement period. We will also debit interest on the day we close your credit card account.
- 7. Calculating Default Interest Charges**
- 7.1 This Clause 7 only applies if a Default Rate of Interest is specified in the Schedule.
- 7.2 If you do not make a repayment when due, you must pay us default interest as well as interest.
- 7.3 We will calculate default interest daily by multiplying the overdue amount by the daily default percentage rate. The daily default percentage rate is the Default Rate of Interest divided by 365.
- 7.4 We will debit default interest on the last day of each statement period and we may debit default interest on the day you pay the balance of the loan.
- 8. Interest free period for purchases**
We do not charge interest on a purchase listed in your statement of account to the extent that:
- you make a payment in respect of that statement of account by the due date; and
 - no part of that payment is applied by us, in accordance with clause 5, to an amount owing on a previous statement of account.
- 9. Credit Fees and Charges**
We may debit the Credit Fees and Charges, or Lenders Mortgage Insurance, specified in the Schedule to your account.
- 10. Variation of Annual Percentage Rate**
- 10.1 We may vary the Annual Percentage Rate at any time.
- 10.2 If the variation increases your obligations, we must notify you on or before the day the increase takes effect by:
- publishing a notice in a newspaper and sending you notification in your next statement of account; or
 - giving you written notice.
- 11. Variation of Interest Calculations**
- 11.1 We may vary how we calculate interest or how often we debit interest.
- 11.2 If the variation increases your obligations, we must give you written notice at least 20 days before the increase takes effect.
- 12. Variation of Credit Fees & Charges**
- 12.1 We may:
- vary the amount of any Credit Fee or Charge;
 - add a new credit fee or charge (which is a Credit Fee or Charge);
 - vary the method of calculating any Credit Fee or Charge; or
 - vary the time or frequency of payment for any Credit Fee or Charge.
- 12.2 If the variation increases your obligations, we must notify you 20 days before the change takes effect by:
- publishing a notice in a newspaper and sending you notification in your next statement of account; or
 - giving you written notice.
- 12.3 If the variation does not increase your obligations, we will send you notification in your next statement of account.
- 13. Variation of Repayments**
- 13.1 We may vary:
- the amount, frequency or time of repayments; or
 - the method of calculating repayments; or
 - the method of calculating the minimum repayment.
- 13.2 If any of these variations increases your obligations, we must give you written notice at least 20 days before the increase takes effect.
- 13.3 If a variation does not increase your obligations, we will notify you in your next statement of account.
- 14. Other Variations**
- 14.1 We may vary this loan contract:
- when the Schedule does not state a Default Rate of Interest - to add a Default Rate of Interest to calculate Default Interest Charges under clause 7; or
 - to increase or decrease the Default Rate of Interest specified in the Schedule.
- 14.2 If any of these variations increases your obligations, we must give you written notice at least 20 days before the increase takes effect.
- 14.3 If the variation does not increase your obligations, we will send you notification in your next statement of account.
- 15. Default**
- 15.1 You are in default under this loan contract if:
- you exceed the Credit Limit;
 - you do not make a repayment in full by the date it is due;
 - you or the Guarantor breach any term of this loan contract, the guarantee, any mortgage or any insurance policy that we require;
 - the guarantee or any mortgage that we require is unenforceable according to its terms;
 - the insurer terminates any insurance policy we require;
 - you or the Guarantor fail to renew on terms that satisfy us any mortgaged property insurance that we require;
 - you become a bankrupt;
 - you seek to make an arrangement or composition with your creditors under a law dealing with bankruptcy; or
 - you are required to be a member and you cease to be a member.
- 15.2 If you are in default, we may send you a default notice. The notice will tell you:
- what the default is;
 - what you have to do to remedy the default;

- (c) that you will have at least 30 days from the date of the notice to remedy the default; and
 - (d) about your options and what can happen if the default is not remedied.
- 15.3 If you do not comply with the default notice, you become liable to pay us the balance of the loan immediately and we may repossess and sell any Mortgaged Property.
- 15.4 If you or the Guarantor fails to do anything that this loan contract, the guarantee, any mortgage or any insurance policy requires you or the Guarantor to do, we may:
- (a) do the thing as required;
 - (b) do it in your name; and
 - (c) do it at your expense and debit your account for the expense.

16. Enforcement Expenses

- 16.1 If you are in default under this loan contract, we may charge you enforcement expenses we reasonably incur. We may debit these to your loan account.
- 16.2 An enforcement expense includes an expense for doing any of the following under this loan contract, any guarantee or any mortgage:
- (a) enforcing any right we have;
 - (b) attempting to enforce any right;
 - (c) performing any of your obligations or those of any Guarantor in accordance with clause 2;
 - (d) protecting any right;
 - (e) waiving any right;
 - (f) contemplating the enforcement of any right;
 - (g) sending an arrears letter or default notice before commencing enforcement proceedings.
- 16.3 An enforcement expense also includes any expense we have to pay on the dishonour of a cheque or any other payment instrument given to us for a payment in relation to this loan contract.

17. Miscellaneous Matters

17.1 Taxes and expenses

- (a) We may debit your account for any government tax or stamp duty payable in connection with this credit contract or any guarantee or mortgage specified in the Schedule or any insurance policy that we require.
- (b) You agree to pay our legal costs and expenses of any guarantee or mortgage specified in the Schedule.

17.2 Payment on a Business Day

If you must make a payment or do any other thing on or by a day that is not a business day, you must make the payment or do the other thing by the next business day.

17.3 Joint Borrowers - Obligations are Separate & Together

If there is more than one Borrower, each of you is liable to us separately for the balance of the loan as well as together.

17.4 Assignment

You agree that we may assign our rights under this loan contract, any mortgage or any guarantee without further consent from you, if we choose to do so. If our rights under this loan contract are assigned to another person, or pass by law to another person, you will have (and may exercise) the same rights in respect of the loan

contract against the assignee as you have against us.

17.5 Information is correct

You represent and warrant that all information, representations and documents that you, or any person acting on your behalf, gave us about your loan application or about the Mortgaged Property are true and correct.

17.6 Waiver

A waiver of any of our rights under this loan contract does not occur unless we give it to you in writing.

17.7 Severability

If any part of this loan contract is invalid, unenforceable or in breach of the National Credit Code, it is not included in this loan contract. The remainder of this loan contract continues in full force and effect.

18. Termination by the Borrower

- 18.1 At any time you can request us, including via our website, to terminate this contract, which we will do as soon as we can provided that you must first repay to us the amount of any outstanding balance of the credit card account and cancel any direct debit authorisations linked to it.
- 18.2 Upon termination of the contract all cards linked to the credit card account will be cancelled.
- 18.3 You may terminate any additional credit card linked to the credit card account at any time by making a request to us.
- 18.4 If there is a credit balance in the credit card account when it is closed we will pay it to you by crediting the amount to any other account you have with us; or by sending you a cheque; or as you direct us in writing.