

TERMS OF THE CONTINUING CREDIT 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 Credit Union;
- (b) a reference to 'you' means the Borrower;
- (c) words or 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 a loan contract includes any Schedule; and
- (k) a reference to a party to this contract includes that party's successors and permitted assigns.
- (l) a reference to a mortgage of Mortgaged Property described in the Schedule as a motor vehicle, motor cycle, caravan, trailer or boat is a reference to a mortgage created by this Loan Contract.

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).

3. 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. This loan contract has a minimum Credit Limit of \$1,000.
- 3.5. Subject to clause 3.4., you may reduce the Credit Limit at any time. However, you will be required to first pay down the outstanding balance which exceeds the new Credit Limit.

4. REPAYMENTS & TERMINATION OF LOAN CONTRACT

- 4.1. 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.
- 4.2. 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.
- 4.3. 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.
- 4.4. 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.
- 4.5. Unless you request otherwise and we agree to your request, we will apply repayments to:
 - (a) the closing balance of the last statement period

(b) where different interest rates apply, to that part of the closing balance that attracts the higher interest

(c) where the repayment is more than the closing balance, after repayment of the closing balance, to amounts that attract a higher interest rate first.

4.6. You must make all payments due under this loan contract and any mortgage, without any deduction, set-off, counterclaim or condition.

4.7. You have the right under the National Credit Code to pay the outstanding balance of the loan contract at any time, which only restores the available credit up to your Credit Limit. If you want to terminate the loan contract, and any credit card used in connection with the loan contract, you may do so by telling us when paying the outstanding balance of the loan account. You will also need to return the credit card to us or destroy it at our direction.

5. CALCULATING INTEREST CHARGES

5.1. We will not charge you interest on new purchases you make in these circumstances:

(a) from the start of your continuing credit contract until the due date for the first statement cycle;

(b) from the date of the purchase to the due date of the statement cycle recording that purchase.

However, we will charge you interest on unpaid purchases from the day after a due date where you have not paid the closing balance on that due date in full.

5.2. There is no interest free period on cash advances. Cash advances incur interest in accordance with clause 6.3 from the date the transaction is posted to your account until the date the transaction is paid in full.

5.3. We will calculate interest daily by multiplying the unpaid daily balance of the account at the end of the day, less any purchases made in the current statement cycle, by the daily percentage rate. The daily percentage rate is the Annual Percentage Rate divided by 365.

5.4. We will debit interest monthly and we may also debit interest on the day we close your credit card account.

6. CALCULATING DEFAULT INTEREST CHARGES

6.1. This Clause 7 only applies if a Default Rate of Interest is specified in the Schedule.

6.2. If you do not make a repayment when due, you must pay us default interest as well as interest.

6.3. 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.

6.4. 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.

7. CREDIT FEES AND CHARGES

We may debit the Credit Fees and Charges or Lenders Mortgage Insurance specified in the Schedule to your account.

8. VARIATION OF ANNUAL PERCENTAGE RATE

8.1. We may vary the Annual Percentage Rate at any time.

8.2. If the variation increases your obligations, we must notify you on or before the day the increase takes effect by:

(a) publishing a notice in a newspaper and sending you notification in your next statement of account; or

(b) giving you written notice.

9. VARIATION OF INTEREST CALCULATIONS

9.1. We may vary how we calculate interest or how often we debit interest.

9.2. If the variation increases your obligations, we must give you written notice at least 20 days before the increase takes effect.

10. VARIATION OF CREDIT FEES AND CHARGES

10.1. We may:

(a) vary the amount of any Credit Fee or Charge;

(b) add a new credit fee or charge (which is a Credit Fee or Charge);

(c) vary the method of calculating any Credit Fee or Charge; or

(d) vary the time or frequency of payment for any Credit Fee or Charge.

10.2. If the variation increases your obligations, we must notify you 20 days before the change takes effect by:

- (a) publishing a notice in a newspaper and sending you notification in your next statement of account; or
 - (b) giving you written notice.
- 10.3. If the variation does not increase your obligations, we will send you notification in your next statement of account.

11. VARIATION OF REPAYMENTS

- 11.1. We may vary:
- (a) the amount, frequency or time of repayments; or
 - (b) the method of calculating repayments; or
 - (c) the method of calculating the minimum repayment.
- 11.2. If any of these variations increases your obligations, we must give you written notice at least 20 days before the increase takes effect.
- 11.3. If the variation does not increase your obligations, we will send you notification in your next statement of account.

12. OTHER VARIATIONS

- 12.1. We may vary this loan contract:
- (a) 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
 - (b) to increase or decrease the Default Rate of Interest specified in the Schedule.
- 12.2. If any of these variations increases your obligations, we must give you written notice at least 20 days before the increase takes effect.
- 12.3. If the variation does not increase your obligations, we will send you notification in your next statement of account.

13. DEFAULT

- 13.1. You are in default under this loan contract if:
- (a) you exceed the Credit Limit;
 - (b) you do not make a repayment in full by the date it is due;
 - (c) you or the Guarantor breach any term of this loan contract, the guarantee, any mortgage or any insurance policy that we require;
 - (d) the guarantee or any mortgage that we require is unenforceable according to its terms;
 - (e) the insurer terminates any insurance policy we require;
 - (f) you or the Guarantor fail to renew on terms that satisfy us any mortgaged property insurance that we require;
 - (g) you become a bankrupt;
 - (h) you seek to make an arrangement or composition with your creditors under a law dealing with bankruptcy; or
 - (i) you are required to be a member and you cease to be a member.
- 13.2. If you are in default, we may send you a default notice. The notice will tell you:
- (a) what the default is;
 - (b) what you have to do to remedy the default; and
 - (c) that you will have at least 30 days from the date of the notice to remedy the default.
 - (d) about your options and what can happen if the default is not remedied.
- 13.3. If you do not comply with the default notice, you become liable to pay us the balance of the loan immediately.
- 13.4. 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.

14. ENFORCEMENT EXPENSES

- 14.1. 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.
- 14.2. 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 14.4;
 - (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.
- 14.3. 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.

15 PERSONAL PROPERTY SECURITY AGREEMENT

- 15.1 If the Mortgage section of the Schedule specifies personal property, such as a motor vehicle, motor cycle, caravan, trailer, boat or term deposit, you grant us a security interest in the personal property to secure payment of the outstanding balance of the loan and your obligations under the Loan Contract.
- 15.2 The personal property described in the Schedule includes any other personal property in substitution for the original personal property.
- 15.3 The outstanding balance of the loan includes any increases to the Amount of Credit we subsequently agree to make.
- 15.4 You agree to:
- (a) maintain any registration or licence required by law in connection with the personal property;
 - (b) give us satisfactory evidence of that registration or licence on our request.
- 15.5 If:
- (a) the personal property is a term deposit; and
 - (b) we apply the deposit, or part of it, to the outstanding balance of the loan, before the deposit matures;
- we may adjust the rate of interest to the rate that would have been payable if the term deposit had originally been lodged with us for the reduced term.
The reduced term will be calculated from the day the term deposit was lodged to the day of application.
- 15.6 We may renew the term deposit, regardless of any instruction that you may have given us, to coincide with the anticipated date of repayment of the loan and at the rate of interest then payable on term deposits of the like amount and term.

16. INSURANCE OF PERSONAL PROPERTY

- 16.1 If the Mortgage section of the Schedule specifies personal property, such as a motor vehicle, motor cycle, caravan, trailer, boat, you must:
- (a) keep the personal property comprehensively insured against loss, theft, damage, accident, fire, storm, tempest and any other risk that a prudent owner would insure against;
 - (b) insure for an amount that we reasonably require.
 - (c) have our interest noted on the insurance policy; and
 - (d) provide evidence of the insurance.
- 16.2 If you make a claim under the insurance policy, you must pay to us any money you receive. We will then apply that insurance money towards payment of the outstanding balance of the loan.

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 reasonable 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 other person acting on your behalf, gave us about your loan application 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 any law, it is not included in this loan contract. The remainder of this loan contract continues in full force and effect.

17.8. Giving Any Guarantor Information signing this loan contract also operates as a consent to us to give information about this loan contract to any Guarantor.