

Private Bank Line of Credit Agreement

This is a standard form agreement for informational purposes only. For details of applicable rates, fees and other terms and conditions that may apply, please contact your BNZ Private Banker.

Private Bank Line of Credit Agreement - Secured

Including certain key information that is required to be set out in a Disclosure Statement by the Credit Contracts and Consumer Finance Act 2003

Dear <Customer Name>

("the Borrower/s")

We refer to your application for a Private Bank Line of Credit. We offer to make a line of credit facility (the "**Facility**") available to you on the terms of this Private Bank line of credit agreement, your Application Form and the "Security/Loan Documentation Fees" section of the Fees Brochure (together, the "Agreement").

Our offer is subject to us holding the Security set out in Schedule B.

If you have any questions about your rights or obligations under the Facility, you should get legal advice before signing this Agreement.

You can accept our offer by signing and returning this Agreement to us. We will make the Facility available to you on the date you choose if you have accepted our offer and we hold the Security set out in Schedule B.

The Facility will be applied to your bank account with us (which is set out in Schedule A) or any replacement bank account with us that you choose and we approve ("**Private Bank Account**").

The Credit Contracts and Consumer Finance Act 2003 ("**CCCFA**") applies to the Facility. Other laws, like the Fair Trading Act 1986 and the Consumer Guarantees Act 1993, may also apply as well as the CCCFA.

If you borrow money under the Facility for the purposes of a business, nothing in the Consumer Guarantees Act 1993 will apply to us providing the Facility (and associated services) to you.

What you will pay for the Facility is:

- interest on the Facility calculated in accordance with clause 8;
- any credit fees and charges payable in accordance with clause 9; and
- any default interest, default fees and charges which may apply under clause 8.5 or 9.3.

This Agreement applies, in addition to the Application Form, the BNZ Standard Terms and Conditions and the Fees Brochure when you borrow under the Facility.

1 Interpretation

1.1 In this Agreement:

- a. **"Agreed Annual Interest Rate"** means the annual interest rate that we charge you when you borrow under the Facility up to the Credit Limit. We have set out how we calculate this annual interest rate in clause 8.
- b. **"Application Form"** means terms of the application form for your Private Bank Account.
- c. **"BNZ Standard Terms and Conditions"** means the Bank of New Zealand Standard Terms and Conditions that apply to your Private Bank Account.
- d. **"Business Day"** means any day other than a Saturday or Sunday on which banks are open for normal banking business in Auckland or Wellington.
- e. **"Default Interest Rate"** means the annual interest rate that we charge you when you Borrow under the Facility in excess of the Credit Limit. We have set out how we calculate this annual interest rate in clause 8.5.
- f. **"Fees Brochure"** means the Personal Account, Service and Facility Fees Brochure (as changed by us from time to time).
- g. **"Security"** means:
 - i. each security interest described in Schedule B;
 - ii. any personal guarantee given by any third party in connection with the Facility and any security interest given in respect of that guarantee; and
 - iii. any substitute or additional security interests and/or guarantees given in connection with the Facility.
- h. **"We" "us" and "our"** means Bank of New Zealand and its successors, assigns and transferees.
- i. **"You" and "your"** means the person or persons named in this Agreement as the Borrower. If more than one person is named in this Agreement, **"you"** means each person separately and all those persons jointly. It also includes your successors and assignees.

1.2 Under the Facility or this Agreement a day ends at:

- a. for transaction purposes (for example, a debit or credit to your Private Bank Account), 11.00pm on any day; and
- b. otherwise, 4.30pm on any Business Day.

2 Your Credit Limit

The maximum amount of credit that we will make available under the Facility is [amount in words] **dollars zero cents (\${XXX,XXX})**, or any other amount that we agree with you from time to time (**"Credit Limit"**)

You must not borrow more than the Credit Limit otherwise you will be charged interest at the Default Interest Rate.

IF FOR ANY REASON THERE ARE NOT ENOUGH FUNDS AVAILABLE TO MEET A REQUEST TO DEBIT YOUR PRIVATE BANK ACCOUNT, WE CAN CHOOSE WHETHER OR NOT TO HONOUR THAT REQUEST. IF WE ALLOW YOU TO BORROW MORE THAN YOUR

CREDIT LIMIT, WE WILL TREAT THAT REQUEST FROM YOU AS A REQUEST FOR AN UNARRANGED OVERDRAFT. WE WILL CHARGE YOU INTEREST ON ANY AMOUNT YOU BORROW UNDER AN UNARRANGED OVERDRAFT AT THE DEFAULT INTEREST RATE.

3 Initial Unpaid Balance

NIL (as at the date of this Agreement).

4 Securities

4.1 The Securities set out in Schedule B will be, or have been, taken by us. They secure all your obligations to us under your Facility and may secure other obligations you owe to us. If you default under this Agreement, we can take any action we think appropriate to recover all money you owe us and all money that you will owe us in the future. This includes doing any one or more of the following:

- a. repossessing and/or selling any property set out in Schedule B (we call this property, and any other property we have security over in the future, "secured property" in this clause 4);
- b. making demand on any guarantor; and
- c. exercising any other rights we have under any agreement between us and you, or us and any guarantor, or any other rights we have at law.

If there is a shortfall after the sale of any secured property, you will remain responsible for this shortfall.

4.2 You confirm that, since any Security in our favour was given by you or any guarantor:

- a. neither you nor any guarantor has created or given any further security interest over any part of the secured property without our prior written consent; and
- b. there have not been any other dealings lodged on any title of any secured property (for instance a caveat) without our prior written consent.

4.3 You agree:

- a. not to give, and to ensure any guarantor does not give, any security interest or deal with the title of any secured property without our prior written consent; and
- b. that we can demand immediate repayment of all amounts you owe, or may owe, under this Agreement if (without our prior written consent) there are any security interests granted, or dealings lodged on the title of, any secured property. If this occurs, we will be entitled to repossess and/or sell any secured property. This right is in addition to our right to demand repayment under the terms of this Agreement.

4.4 Other existing security

As at the date of this Agreement, we may already hold security from you in relation to your obligations to us. Any existing security that you have given us as at the date of this Agreement that is not listed in Schedule B will not secure your obligations to us under your Facility. If you give us new security in the future, that new security will secure your obligations to us under your Facility.

5 Repayment On Demand

The Facility is repayable on demand. This means you must repay all amounts you owe, or may owe, under the Facility if we ask you to at any time.

_____ Initials

6 **Reduction Of Credit Limit**

6.1 If we give you notice we may reduce the Credit Limit either by a single amount or over time by any monthly or quarterly amounts stated in the relevant notice. We will give you notice by writing to you at the last address you have provided us or by electronic communication in accordance with clause 18. We can do any of these things for any reason.

6.2 We will reduce the Credit Limit immediately if you ask us to do so in writing.

7 **Amount Repayable On Demand**

7.1 If we ask you to repay the Facility, you must pay us all amounts which may now, or in the future, be owing under the Facility. This may include:

- a. unpaid fees relating to your Private Bank Account;
- b. all costs, charges, fees, default fees and expenses which you owe us under this Agreement; and
- c. interest as set out in clause 8 on all of those amounts until you actually pay us.

You must pay these amounts at our address as set out on the first page of this Agreement or at any other address we tell you from time to time.

8 **Interest Payable**

8.1 We will charge you interest on all amounts outstanding up to and including the Credit Limit at the Agreed Annual Interest Rate. Interest charges are calculated by multiplying the amounts outstanding at the end of each day by the daily interest rate. The daily interest rate is calculated by dividing the Agreed Annual Interest Rate by 365. Interest will be debited to your Private Bank Account overnight on the last Business Day of each month (but will exclude interest calculated for that day).

8.2 If you were to borrow money under the Facility as at the date on the front page of this Agreement, the Agreed Annual Interest Rate would be [X.XX%] per annum. The Agreed Annual Interest Rate is made up of:

- a. a base rate, which is our variable interest rate for Standard Housing Loans. As at the date on the front of this Agreement, our current variable interest rate for Standard Housing Loans is [X.XX%] per annum;
- b. **minus** a customer margin of [X.XX%] per annum (“**Customer Margin**”).

8.3 Our variable interest rate for Standard Housing Loans changes from time to time (this is what “variable” means). This means that the Agreed Annual Interest Rate will also change from time to time.

8.4 We can also change the Agreed Annual Interest Rate by changing the Customer Margin. We can change the Customer Margin at any time.

8.5 In addition, we will charge you interest at the Default Interest Rate on all amounts that you have borrowed in excess of the Credit Limit from the day that you exceed the Credit Limit. We will charge you default interest at 10% per annum above the variable interest rate for Standard Housing Loans.

8.6 We will notify you of any changes to the variable interest rate for Standard Housing Loans or the Default Interest Rate in the manner set out in clause 17. We will notify you of any changes in the Customer Margin by writing to you at the last address you have provided us. You can find the current variable interest rate for Standard Housing Loans at any time by contacting any of our

stores or visiting www.bnz.co.nz. You can find your current Customer Margin or the Default Interest Rate by contacting your Private Banker.

- 8.7 If the amount of interest you must pay is not able to be determined because a rate which is used to calculate that amount no longer exists or is otherwise not available for any reason, we (or someone acting on our behalf) may then determine an appropriate replacement rate which will be used to calculate the amount of interest you owe.

9 Fees

- 9.1 You are or may be required to pay the following credit fee(s) and charges under, or in connection with, the Facility:

- a. a loan establishment fee of **\$0.00** is payable when you sign this Agreement. We may charge you a further fee if in the future you apply for an increase in the Credit Limit and we approve that increase. The amount of this further fee will be determined by us at the time you make an application by reference to our reasonable costs for staff time required to consider and process the application, documenting the increase and advancing the amount of that increase to you: and
- b. the fees and charges set out in the Security/Loan Documentation Fees section of the Fees Brochure are, or may become, payable under the terms of this Facility.

- 9.2 Under the terms and conditions of your Private Bank Account, you may also be required to pay service fees as set out in the "Service Fees" sections of the Fees Brochure and account fees as set out in your Application Form.

9.3 Default Fees:

If you default under this Agreement:

- a. you may have to pay a fee to compensate us for a reasonable estimate of any loss we incur because of your default; and
- b. you must pay and reimburse us for all costs (for example, legal costs, insurance premiums we pay to maintain insurance over your property, valuer's costs, real estate agent's costs and our staff costs) we pay or incur in relation to the attempted enforcement and enforcement of our rights under this Facility.

Any default fee that we charge under this clause will be immediately due and payable.

- 9.4 We can at any time change the rate, amount or terms of payment of each fee or change or introduce a new fee or charge. We will give you notice of any change before it takes effect. We will give you notice in the manner set out in clause 17.

10 Loan to Value Rules and Margin Payment Obligations

- 10.1 This clause 10 applies where the Facility is secured against your PAS Portfolio.

- 10.2 If the LVR is at any time:

- a. more than 75%, you must within five Business Days of the date on which we advise you of that, repay the Outstanding Amount or deposit funds into your Cash Management Account in an amount that is sufficient to make the LVR, after that repayment, or deposit, not more than 70%; and
- b. more than 80%, you must repay the Outstanding Amount or deposit funds into your Cash Management Account immediately, in an amount that is sufficient to make the LVR, after that repayment or deposit, not more than 70%.

- 10.3 All amounts that need to be determined under this clause 10 will be calculated by us in New Zealand dollars.
- 10.4 The following definitions are relevant to the operation of this clause 10:
- a. **"Cash Balance"** means the balance of money that is available for payment to you that is held by us or the Custodian on trust for you in relation to your PAS Portfolio, whether in a Cash Management Account or in any suspense or other account maintained in connection with your CSA.
 - b. **"Cash Management Account"** means the bank account held with us in the name of the Custodian as bare trustee, in which funds are held by the Custodian on trust for you under the terms of your CSA.
 - c. **"CSA"** means the client service agreement between us that sets out the terms and conditions of your PAS.
 - d. **"Custodian"** means any person we appoint from time to time as a nominee and custodian for your PAS and in relation to any Financial Product. It includes any sub-custodian appointed by that person.
 - e. **"Financial Product"** means a debt security, an equity security, a managed investment product or a derivative, each as defined in the Financial Markets Conduct Act 2013. Financial Products include Investment Securities.
 - f. **"Investment Securities"** has the meaning given to that term by the PPSA.
 - g. **"LVR"** means at any time, the ratio of (x) the Outstanding Amount to (y) the PAS Portfolio Value, expressed as a percentage.
 - h. **"Outstanding Amount"** means the amount borrowed by you from us under this Facility and any other Private Bank Line of Credit facility made available to you by us plus any interest or fees on that amount that are unpaid.
 - i. **"PAS"** means our portfolio administration service, provided to you under your CSA.
 - j. **"PAS Portfolio"** means, at any time, all your Financial Products and Cash Balances held in PAS at that time.
 - k. **"PAS Portfolio Value"** means the sum of:
 - i. the positive balance of your Cash Management Account; plus
 - ii. the total value of each Financial Product in your PAS Portfolio,
 as shown on any Business Day in a PAS Portfolio statement available on that Business Day on our Private Bank Website (www.bnzprivatebank.co.nz).
 - l. **"PPSA"** means the Personal Property Securities Act 1999.

11 **Payments**

You must make enough payments to ensure that the balance of your Private Bank Account does not exceed the Credit Limit. If the balance of your Private Bank Account is at, or is in excess of, the Credit Limit, you must make payments to ensure the balance is less than or equal to the Credit Limit.

12 **Application Of Payments**

All payments we receive will be applied as follows:

- a. First, in payment of any duty, taxes or other charges permitted or levied by law.
- b. Secondly, in payment of any fees, charges or interest payable under this Agreement.
- c. Thirdly, in reduction of any amounts remaining outstanding.

13 **What To Do If You Suffer Unforeseen Hardship.**

If something unexpected happens and you think you may be unable to meet your obligations under this Agreement we may be able to amend the terms of this Agreement to help you.

You may be able to make an application for a change to this Agreement if you suffer hardship. For example, if you are sick or injured, lose your job or your relationship has ended.

You need to apply to us in writing and explain why you think you cannot meet your obligations under this Agreement. You must also explain what changes to this Agreement will help you meet your obligations.

One way to make your application is by sending it to us at Bank of New Zealand, BNZ Care, Private Bag 92089, Auckland 1142. You can also ask for more information from your Private Banker.

If you are experiencing hardship, you should contact us soon as possible. If you leave it for too long you may not be able to apply for a change to this Agreement.

14 **Your Right To Cancel**

14.1 You can cancel this facility for any reason. You have 8 working days after the date on which you receive copies of the Agreement to cancel this Facility. Saturdays, Sundays, national public holidays and the days in the period between 25 December and 2 January (inclusive) are not counted as working days for this purpose.

14.2 To cancel this facility you must:

- a. write to us at Bank of New Zealand, Private Bag 92089, Auckland 1142 to tell us you want to cancel your Facility. You can also call us on 0800 275 269 (from New Zealand) or +64 4 931 8209 (from overseas) or speak to your Private Banker; and
- b. repay any amounts that you have borrowed.

14.3 If you cancel this Facility we can still charge you interest for the period from the first day that you borrowed under the Facility until the day you repaid the Facility.

14.4 We can also charge you the amount of any reasonable expenses we had to pay in connection with this Facility and its cancellation (for example, fees we incurred in establishing this Facility). This may mean that you do not receive a full refund of your fee to establish the Facility.

15 **Our Right To Debit Your Other Accounts**

We can debit any of your accounts with us for any amount at any time owing under this Agreement.

You may not argue that amounts we might owe to you (for example money in any account you have with us) can or have been used to make a payment to us or that any set-off has occurred. "Set-off" occurs when two people owe each other money and one of those amounts is applied against the other to create a single amount due by one person to the other.

16 **Termination**

If we make demand for repayment under clause 5, you may not borrow any further amounts under the Facility (other than fees, charges or interest which we debit from your Private Bank Account).

17 **Changes To This Agreement**

We can change, add to, delete or replace this Agreement at any time.

If we do so, we will tell you about those changes at least 14 days before the change becomes effective.

We will tell you about any changes to this Agreement and give you notices under this Agreement, in one or more of the following ways, by:

- writing to you at the last address you have provided us;
- display in our stores and partners centres;
- notice in the media (including public notices); or
- display on our website www.bnz.co.nz.

18 **Consent To Electronic Disclosure**

18.1 You consent to us:

- a. meeting our disclosure obligations to you under the CCCFA; and
- b. sending you other notices and communications in relation to this Agreement, in electronic form and by electronic communication (if applicable). You agree that this may include:
- c. us sending you an email, to the most recent email address you have provided to us, that allows a disclosure statement and/or other information, including the terms of this Agreement and any related product (for example, insurance) or service, to be accessed from a website or by means of the internet by commonly used internet browsers (including, but not limited to, Internet Explorer, Safari and Google Chrome). You acknowledge that this may include us sending you an email telling you that a disclosure statement and/or other information is available through BNZ internet banking instead of sending you that information by post;
- d. us sending you an email, to the most recent email address you have provided to us, with a copy of the disclosure statement and/or other information, including the terms of this Agreement and any related product (for example, insurance) or service, attached to the email in PDF form; and/or
- e. if you have BNZ internet banking, us making available, through BNZ internet banking, ongoing information about the Facility (for example, transactions you have made during a relevant period) instead of sending you paper statements. You acknowledge that this means you may not receive paper statements.

We will tell you before we stop sending you paper continuing disclosure statements.

18.2 You agree that any electronic communication is treated as being received by you at the time that it leaves our information system.

18.3 Please note that emails are transmitted over the internet which is an insecure public domain. There is a risk that emails could become corrupted, may not be delivered or may be delivered to the incorrect email address or intercepted.

_____ Initials

19 **Joint Customers**

If more than one person is named as the Borrower in this Agreement, each of you is liable both individually and jointly with each other. This means that if one of you does not meet your obligations under this Agreement the others will be responsible for them.

20 **Continuing Disclosure**

20.1 Continuing disclosure statements relating to the Facility will be sent to you on a monthly basis ("**Statement Period**"), unless we rely on your consent to receive information about your Facility through BNZ internet banking. The statements will describe the balance and each advance, each payment made by you, and any interest or fees charged or debited during the Statement Period.

20.2 You agree that any electronic communication is treated as being received by you at the time that it leaves our information system.

21 **Special Conditions**

No special conditions apply to this *facility*.

22 **General**

22.1 **Guarantor:** You consent to each guarantor/third party referred to in Schedule B receiving a copy of this Agreement and any information about your financial position that we hold.

22.2 **Law:** This Agreement is governed by New Zealand law.

22.3 **Further Information:** Bank of New Zealand's current Reserve Bank disclosure statement may be obtained from any store or agency of Bank of New Zealand.

23 **Dispute Resolution**

23.1 We are registered as a financial service provider under the Financial Service Providers (Registration and Dispute Resolution) Act 2008. We are registered under the name Bank of New Zealand and our registration number is FSP25101.

If we have made a mistake, or you are unhappy with our service, we will try to put it right quickly and fairly. You can:

- a. talk to us at any of our partners centres (please ask to speak to a manager if you would like to make a complaint);
- b. call us on 0800 275 269 (from New Zealand) or +64 4 931 8209 (from overseas), 8.00 am to 8.00 pm Monday to Friday, 9.00 am to 4.00 pm Saturday, Sunday, and public holidays (NZ time); or
- c. complete the email form on our website at bnz.co.nz/about-us/contact-us/feedback-and-complaints/email-us-feedback, or contact us by secure messaging via BNZ internet banking. We consent to receiving complaints from you through these electronic communications.

If you are unhappy with how your complaint is being handled, please write to us at BNZ Customer Resolution, PO Box 995, Shortland Street, Auckland 1140. We offer a free complaints review procedure for handling complaints about any of our products or services. You can find further information about our complaints procedure on our website at bnz.co.nz/about-us/contact-us/feedback-and-complaints.

We are also a member of the Banking Ombudsman Scheme which is an approved dispute resolution scheme. If you are unhappy with our investigation into your complaint, and if you want to refer a matter to the Banking Ombudsman, you can call +64 4 915 0400 (or freephone 0800 805 950), email help@bankomb.org.nz or write to Freepost 218002, PO Box 25327, Wellington 6140.

Privacy

For information on BNZ's privacy practices, including how we collect, use and disclose your information, please see our Master Privacy Policy. This is available on our website or you can ask us to send you a copy.

Schedule A

Your nominated Private Bank Account:

Schedule B

Securities

SAMPLE

BANK OF NEW ZEALAND

Per:.....
(Signature) (Name) (Position)

Your Acceptance

I/We acknowledge that:

- I/we have read this Agreement and that the terms and conditions of this Agreement are acceptable to me/us.
- I/We have been handed a copy of this Agreement on the _____ day of _____.
- I/We have also been provided with copies of the Application Form, the Fees Brochure and the security documents referred to in Schedule B (where copies of those documents have not previously been disclosed to me/us).

I/We accept the above offer:

.....
[Borrower]

.....
[Borrower]

.....
Date of Signing

_____ Initials