

CMM GENERAL TERMS AND CONDITIONS

**New Zealand – V1 December 2024
Incorporates Bluestone NZ and Select Terms and Conditions,
Version 12 – March 2024 Edition**

CMM is the manager of loans incorporating these terms and conditions.

CMM
KEY INFORMATION CONCERNING YOUR CREDIT CONTRACT

The following table explains where key elements concerning your **Contract** can be found. (* sections marked with * do not apply if the contract is not a consumer credit contract)

Name and Address of Creditor and Trading Name	NZGT Custodians (Bluestone) Limited (1262490) in its capacity as Trustee, Level 6, 191 Queen Street, Auckland Central, Auckland 1010, New Zealand
Initial Unpaid Balance	The unpaid balance as at the Disclosure Date and a breakdown of how that balance is made up is set out in section 3 of your Loan Agreement .
Total Advances	The total of all advances to be made in connection with your Contract is set out in section 3 of your Loan Agreement , if it is ascertainable at the Disclosure Date .
Annual Interest Rate	The annual Interest Rate for each Account is set out in section 4 of your Loan Agreement .
Fixed Rate Term	If you have an Account with a fixed interest rate then the term that the Interest Rate is fixed, is set out section 4 of your Loan Agreement .
Method of Charging Interest	See clause 9 of the Terms and Conditions .
Total Interest Charges & Total Amount of Payments	If the Term is for less than seven years, the total amount of interest and total amount of payments is set out in section 3 of the Loan Agreement. These figures are calculated using the assumptions in the Regulations .
Credit Fees and Charges	The fees and charges payable in connection with your Contract are set out in Fees and Charges Schedule and clause 10 and 11 of these Terms and Conditions or are as notified by us from time to time.
Payments Required	The repayments required under your Contract are set out in section 4 of your Loan Agreement .
Full Prepayment	A Break Cost Fee will be calculated if you make any early repayment in respect of any Account where the Interest Rate is fixed. How the Break Cost Fee is calculated is set out in clause 11 of these Terms and Conditions . We do not apply the statutory procedure prescribed by the Regulations to calculate the Break Cost Fee.
Security Interest	The security interests that you give us in connection with the loan are set out in section 5 of the Loan Agreement . You have given a Mortgage as security for all moneys and obligations that you owe us under the Contract and under any agreement or arrangement both now and in the future.
Default Interest Charges and Default Fees	If you do not make a payment by its due date, default interest is payable at the rate set out in section 7 of your Loan Agreement and in accordance with clause 12 of the Terms and Conditions . The fees and charges that may apply if you default under this Contract are set out in the Fees and Charges Schedule , or are as notified by us from time to time. You may also have to pay our enforcement expenses, which are referred to in clause 15 and set out in the memorandum of terms incorporated into a mortgage.
* Your Right to Cancel	The Credit Contracts and Consumer Finance Act 2003 gives you a right for a short time after the terms of this Contract have been disclosed to you to cancel the Contract . A statement of this right to cancel is set out in section 6 of your Loan Agreement .
* Unforeseen Hardship	The Credit Contracts and Consumer Finance Act 2003 gives you a right in times of unforeseen hardship to apply to the Lender for changes to this Contract . A statement of this right is set out in section 6 of your Loan Agreement .
Our consent to Electronic communication	You may communicate and send notices to us electronically by sending them to the following email address: cmmenquiries@challenger.com.au
Continuing Disclosure Statements	We will provide you with regular statements of Account as set out in clause 20 of the Terms and Conditions .
Your consent to Electronic Disclosure	If you have given the Lender or CMM your email address, you consent to the Lender giving you disclosure in an electronic form to that email address. More information about electronic disclosure is set out in Section 6 of the Loan Agreement . You can withdraw your consent to electronic disclosure at any time by giving CMM notice in writing that you wish to receive disclosure documents by ordinary post.

Dispute Resolution	The Lender is a member of the Financial Services Complaints Limited (FSCL) dispute resolution scheme. Section 7 of your Loan Agreement sets out the contact details FSCL.
Financial Service Provider Registration	The Lender is a registered Financial Service Provider. The Lender's registration number is: FSP40011. On 13 December 2024 your Manager changed from Bluestone Servicing NZ Limited FSP (registration number is FSP181924), to Challenger NZ Holdco1 Limited. The current Manager's registration number is FSP1008483

PLEASE READ

- You must read this booklet carefully. It tells you what you agree to when you have a loan with us or guarantee someone else's loan with us.
- If you feel uncomfortable about signing any of the documents, we recommend that you ask your lawyer to explain your loan documents to you and your rights and obligations. Normally your loan documents will comprise:
 - (a) a document headed "Bluestone Mortgages Loan Agreement" (**Loan Agreement**), which incorporates;
 - the **Fees and Charges Schedule**; • these **Terms and Conditions**;
 - (b) a **Mortgage**, which incorporates a registered memorandum of terms and conditions 2018/4346; and
 - (c) if there is a guarantee involved, a Deed of Guarantee and Indemnity; and
 - (d) from time to time we may require another specific document for your loan, which will be included in the loan document pack sent to your lawyer.
- Do not sign anything unless you are sure that you understand the liabilities and responsibilities that you are undertaking.

Remember you do not have to go ahead by signing unless you are sure that this is what you want to do.

- The **Mortgage** secures all money payable by you to us at any time, which is called 'the **Debt**'.
- Read these terms carefully - the **Debt** includes any further loans or advances and any other amounts payable by you, for example (but without limitation), interest, any fees, expenses incurred, taxes or outgoings related to the property if you default.
- The **Debt** is secured by a **Mortgage** and may become repayable if any payment is not made or any other terms of the **Contract** are broken. If this happens, and after complying with the notice requirements at law, the Mortgage gives us the power to take possession of and/or sell the **Property** and use the money to repay the **Debt**.
- If the **Property** does not sell for enough money to repay us, you remain liable for the shortfall.
- You must look after the **Property** so that it keeps its value as our security.
- If your **Interest Rate** is a fixed **Interest Rate**, you may have to pay a significant Break Cost Fee if you repay the whole or any part of the fixed rate **Account** during the fixed rate term.

If you are the Guarantor:

- You guarantee payment to us of the **Debt** due under the **Loan Agreement**. This means you must ensure each payment is made on the due date.
- You will be required to sign a separate guarantee document. Despite this, make sure you read the **Contract** carefully.

INTRODUCTION

1. This booklet

- 1.1 These are the CMM General Terms and Conditions New Zealand Version 12 December 2023, which form part of the **Contract**.
- 1.2 Some words appearing in **bold** have special meanings as set out in clause 5.1.
- 1.3 Where the conditions in this booklet are inconsistent with the **Loan Agreement** incorporating these **Terms and Conditions**, the terms of the **Loan Agreement** prevail.

2. When your Loan Agreement becomes legally binding

- 2.1 We are bound by this **Contract** after we have decided that our instructions to your solicitor have been complied with, we are satisfied that all relevant conditions are fulfilled and we release the **First Advance** to your solicitor's trust account. This means that until the **First Advance** is released:
- (a) you are not bound to go ahead;
 - (b) we have the right to change the terms of the **Loan Agreement** or to withdraw it altogether and decline to make the **First Advance**.
- 2.2 Although we are free not to go ahead with any **Advance** at any time prior to the **First Advance** being made, generally, we will only decide not to proceed if:
- (a) the **First Advance** has not been made within 2 months of the **Disclosure Date**;
 - (b) if our solicitor tells us that they cannot comply with any of our instructions, or cannot give a clear report on title;
 - (c) if there is material change in your circumstances since you made your application for a loan;
 - (d) if we have a reasonable suspicion that any of the information given in or in connection with your application for a loan is inaccurate or false;
 - (e) if any further investigation recommended in any valuation reveals anything which affects the value or suitability of the **Property**;
 - (f) if any of our conditions are not satisfied;
 - (g) if for any other reason we have reasonable doubts about the value of the **Property** or any other security held for **Advances**;
 - (h) if for any other reason we have reasonable doubts that **Advances** will be repaid;
 - (i) if our lending policy or practice changes;
 - (j) if for any reason any insurer is not prepared to agree to effect satisfactory buildings insurance for the **Property**; or
 - (k) the market changes or our position changes and we reasonably decide not to proceed with this **Loan Agreement**.

3 Changes before settlement

- 3.1 Sometimes the **Interest Rate** quoted in a **Loan Agreement** may change before an **Advance** is made to you. If this happens, we will write to you on or before the **Advance** is made so that you can decide whether you want to go ahead.

3.2 You must let us know immediately if, before we release any **Advance**, there is any material change in your circumstances or other material change in the information supplied in or in connection with your application for a loan.

3.3 If you request, and we approve, a change to the loan and/or structure at any time following approval of your original application, and we consider that those changes require the loan to be redocumented, then a redocumentation fee may be charged as disclosed in the **Fees and Charges Schedule**.

4 General obligations

4.1 You must:

- (a) repay the **Debt** as specified in the **Loan Agreement**;
- (b) pay interest at the specified **Interest Rate**;
- (c) comply with our reasonable requests for information to enable us to meet regulatory requirements (refer to clause 22.2);
- (d) give the security for the **Debt** as specified in the **Loan Agreement**; and
- (e) comply with the terms in the **Mortgage** and look after the **Property**.

MEANING OF CERTAIN WORDS AND EXPRESSIONS

5 Meanings

5.1 Some of the words used in this booklet have a precise legal meaning whenever they appear headed by a capital letter and/or are in bold as follows:

Account(s)	means each account specified in section 4 of the Loan Agreement , as varied from time to time.
Advance(s)	means any First Advance or Further Advance .
Balance	means the difference between all amounts credited and all amounts debited to an Account .
Bluestone and CMM	means Bluestone Home Loans and Bluestone Servicing NZ Limited (1913755) (FSP181924) and includes any successors, transferees and future assigns. CMM means Challenger Mortgage Management and includes any successors, transferees and future assigns
Business Day	means a day on which banks and financial institutions generally are open for business in Auckland and Wellington.
Contract	means the Loan Agreement , the Fees and Charges Schedule , and these Terms and Conditions and includes any Accounts established or varied in relation to this agreement now and in the future.
Debt	means the aggregate of all Advances and any other money you owe us under all Accounts pursuant to the Contract or under any Mortgage .
Default Rate	is the default rate(s) specified in section 7 of the Loan Agreement .
Disclosure Date	is the disclosure date specified in section 3 of the Loan Agreement .

End of Day	means 5 pm on any day.
Fees and Charges Schedule	means Schedule headed, "CMM Credit Fees and Charges Schedule" which is a schedule to the Loan Agreement and as updated from time to time.
First Advance	means the first amount of money lent to you under the Contract .
Further Advance	means any money lent by us to you in addition to the First Advance under this Contract .
Initial Unpaid Balance	is the amount specified in section 3 of the Loan Agreement .
Interest Rate	means each interest rate(s) specified in section 4 of the Loan Agreement in respect of a relevant Account , as varied from time to time in accordance with the Contract .
Lender	means NZGT Custodians (Bluestone) Limited (Company Number 1262490) and includes any successors, transferee's and future assigns. Any right of the Lender may be exercised by the Manager or its or their agents, including any successors, transferees and future assigns.
Loan Agreement	the Bluestone Loan Agreement which incorporates these Terms and Conditions
Manager	means the entity specified as the manager specified in the Parties section of the Loan Agreement .
Mortgage	means the mortgage security given to us to secure repayment of the Debt . At the start of your loan the mortgage security is set out in part 5 of the Loan Agreement .
Outstanding Payment	is the sum of every repayment (or part of a repayment) due but unpaid in relation to each Account .
Password	means a confidential six-digit code given to you or lodged by you with us which is used for accessing the Services .
Property	the property or properties described in the Mortgage , and any and every part of that property, together with all buildings, fixtures and fittings now or at any time after the date of the Mortgage on the Property , including your interest in it or in its sale proceeds, as well as any Related Rights .
Redraw Advance	means each principal amount which we relend to you under clause 17.
Redraw Date	means, in relation to a Redraw Advance , the date upon which we relend that Redraw Advance to you, or (as the context requires) the date upon which you have requested us to do so, as specified in the relevant Redraw Request .
Redraw Facility	means the facility described in clause 17.

Redraw Limit	means in respect of an Account for which a Redraw Advance is permitted the difference on any day between the scheduled Balance (being the Balance calculated on the basis that each payment due on that Account has been made on time and you have not made any additional early repayments) and the actual Balance on that day.
Redraw Request	means a request by you for a Redraw Advance , made in accordance with clause 17.
Regulations	means the Credit Contracts and Consumer Finance Regulations 2004, as amended from time to time.
Related Rights	means any amounts which may be or may become payable in respect of the Property or any damage or injury to it or depreciation to it and the benefit of any other obligation, security, right or indemnity affecting or concerning the Property .
Settlement Date	the date on which the First Advance is lent.
Term	means the period of the loan described in the section 4 of the Loan Agreement or the new term of the loan as varied from time to time.
Terms and Conditions	means these CMM General Terms and Conditions (as amended and updated from time to time).
Total Loan Amount	means the amount specified in section 3 of the Loan Agreement .

5.2 In this **Contract**:

- (a) The headings are used for guidance only.
- (b) If there is more than one Borrower, references to the Borrower are to each and any Borrower individually, as well as the Borrowers jointly.
- (c) If there is more than one Guarantor, references to the Guarantor are to each or any Guarantor, individually, as well as the Guarantors jointly.
- (d) Whenever we use the word “you” we mean each or any of you individually as well as all of you jointly.
- (e) “We” and “us” means the **Lender** named in the **Loan Agreement** and, where the context permits, the **Manager**. Any right of the **Lender** including giving notices may be exercised by the **Manager** or its or their agents.
- (f) Any reference to the singular includes the plural.

5.3 Where any of these conditions prevents you from doing something without our consent or permission, we will not unreasonably withhold our consent. You agree that it is not unreasonable for us to refuse to consent to something if it adversely affects or might affect our security or the value of the **Property**.

WHAT, WHEN AND HOW YOU MUST PAY US

6 Repayments

6.1 You must make each repayment as specified in the **Loan Agreement**.

6.2 We must receive the complete amount of each repayment. If any direct debit fees, or any taxes or charges are payable by you then you must increase the amount of the repayment to ensure we receive the amount specified in the **Loan Agreement**. We confirm that we hold a valid certificate of exemption from resident withholding tax.

- 6.3 When repayments or charges are due on the 29th, 30th or 31st of a month that does not contain such a date, then it must be paid on the last **Business Day** of that month.
- 6.4 If any repayment is due to be made on a day which is not a **Business Day**, the repayment must be made on the next following **Business Day**.
- 6.5 The date your repayments are due may be changed at any time:
- (a) by mutual agreement between us;
 - (b) by us giving you not less than one month's notice.
- 6.6 All repayments must be made by direct debit or such other way specified by us from time to time. - You must complete a Direct Debit Request form and give it to us prior to the date of the **First Advance**.
- 6.7 You must continue to make your repayments until you have paid the **Debt** in full.
- 6.8 We may change the amount of your repayments if:
- (a) there is a change in the **Interest Rate**;
 - (b) you borrow a **Further Advance** or pay off part of the **Debt** early;
 - (c) there are any payments of principal, or any outstanding interest, costs, charges or expenses which are not paid when due;
 - (d) in the case of an **Advance** which is to be repaid during the **Term** you are not paying enough to repay that **Advance** in full by the end of the **Term**; or
 - (e) you switch or split an **Account**.
- If we change the amount of your repayments then we will provide written disclosure of the change as required by law.
- 6.9 You have the option to make repayments fortnightly or weekly instead of monthly. If you wish to make repayments more frequently, you can arrange to do so with the **Manager**.
- 6.10 You may repay your loan in full or in part at any time. However, if you have an **Account** with a fixed interest rate, you may need to pay a Break Cost Fee. See clause 11 for further information about the Break Cost Fee.
- 6.11 You must make payments without deducting or setting off any money you think we owe you for any reason.

7 Repayment of money owed to the Lender

- 7.1 No matter what any other conditions say, the **Debt** must be repaid no later than the last day of the **Term**.
- 7.2 You will repay any **Advances** to us and any further amounts payable to us under the **Loan Agreement** together with interest.
- 7.3 Any other amounts accruing due to us under the **Loan Agreement** will be repayable on demand.

8 Crediting of Payments

- 8.1 Unless we, in our absolute discretion, decide otherwise, any payments made by you or received on your **Account** will be credited to:

- (a) first, any charges or fees;
 - (b) second, interest owing by you;
 - (c) third, in reduction or repayment of the **Balance** of the loan.
- 8.2 If you have more than one **Account** with us and you make a one-off payment without telling us in writing how the payment is to be applied, we can apply it to any one or more of the **Accounts** in any way we think fit.
- 8.3 We do not pay interest on any credit balance in your **Account**.
- 8.4 If you have more than one **Account** with us and one of those **Accounts** is in arrears, we can transfer any balance in an **Account** that would otherwise be available for redraw pursuant to clause 17 of these **Terms and Conditions** over to the other **Account** that is in arrears.
- 8.5 We will credit every repayment or other payment to an **Account** as soon as practicable after receipt of the repayment or other payment. However, any payment received after the **End of Day** is unlikely under normal business conditions to be processed on that day.
- 8.6 Any payment received by way of electronic transfer or direct debit, will be credited to your **Account** on the electronic process date.

INTEREST, DEFAULT INTEREST, FEES AND CHARGES

9 Interest

- 9.1 Interest is payable on the daily balance of any **Advance** outstanding from time to time together with all other amounts due, except interest. Interest is payable only on interest which has fallen due and remains unpaid after it is debited to your **Account**.
- 9.2 The following terms apply to interest calculation and when interest is debited to your **Account**:
- (a) Interest accrues daily and is debited to your **Account** monthly in arrears on the same day of each month as the **Settlement Date**.
 - (b) If an interest debit date is on the 29th, 30th or 31st of the month that does not contain such a date, we will debit interest on the last **Business Day** of that month.
 - (c) If an interest debit date is not a **Business Day**, we will debit interest charges on the next **Business Day**.
 - (d) On each interest debit date, interest is debited for the period ending on the day before the interest charges are debited. Interest charges for the subsequent month accrue from that interest debit date.
 - (e) The **Interest Rate** applied each day is equal to the annual percentage rate applicable to the **Account** at the time divided by 365.
- 9.3 Interest accrues from the day we draw cheques or otherwise allocate money at your request to make the **First Advance**. This applies whether or not any real estate transactions to which the **First Advance** relates (e.g. refinance or purchase) occurs on that day.
- 9.4 In addition to debiting interest on the monthly payment date, we may debit interest whenever the loan is in default, there is any repayment of the loan, any further advance, or any change to the loan terms.

- 9.5 The **Interest Rate** can be varied by us at any time except in respect of a fixed rate loan during the fixed rate term.
- 9.6 Any changes to your **Interest Rate** during the **Term** will be notified to you within 5 working days of the day the rate changes, either in writing to you (including electronic disclosure see clause 28.1) or by other means of advertisement as prescribed by law, unless the change reduces the **Interest Rate**, in which case we may include that information in your loan statement. If notified by advertisement, the change will also be confirmed in your next loan statement. Any change in the **Interest Rate** may mean that your repayments will need to change so that you repay your loan within its **Term**.
- 9.7 The **Interest Rates** shown in this **Loan Agreement** are correct as at the **Disclosure Date**. The **Interest Rates** may change before the **Settlement Date** and any change will be disclosed to you as required by law. You can find out what the **Interest Rate** is from **CMM** any time during our contact centre hours.

10 Credit fees and charges

- 10.1 The credit fees and charges that apply to this **Contract** are set out in the **Fees and Charges Schedule** and the procedure for calculation of the Break Cost Fee is set out below in clause 11.
- 10.2 You must pay to us the credit fees and charges referred to in the relevant **Loan Agreement** and the **Fees and Charges Schedule** when the terms say that the fee is due and otherwise on demand, as they are incurred.
- 10.3 We can change credit fees or charges at any time and introduce new fees or charges but we will give you notice of the changes, as required by law.

11 Break Cost Fee

- 11.1 If you have a fixed interest rate **Account** and you:
- (a) make additional payments (either by increasing your payments or by making additional lump sum payments) on that fixed interest rate **Account** (including any additional payments you make at our request);
 - (b) repay the outstanding balance of your fixed interest rate **Account** before the expiry of the fixed rate term (including any additional payments you make at our request);
 - (c) request a switch from the current fixed interest rate **Account** to a variable interest rate **Account** or to a new fixed interest rate **Account**,

then a Break Cost Fee may be payable by you on the day that you change the payment terms of the fixed interest rate **Account**.

- 11.2 We borrow and enter into funding arrangements ("our funding") to lend to our customers. When we give fixed interest rate loans to our customers, we also enter into 'wholesale hedging contracts' with other banks and large institutions ("interest rate swaps"). These interest rate swaps are designed to protect us if the interest we receive from our customers under fixed interest rate loans is less than the interest we have to pay under funding.
- 11.3 When you repay all or part of your fixed interest rate **Account** early, we still need to meet our obligations under our funding. We generally also need to adjust our swaps. In doing so, we will incur a loss if the relevant wholesale swap interest rate at the start of your fixed rate term is higher than the relevant wholesale swap interest rate that applies to the remainder of your fixed rate term on the date of your early repayment.
- 11.4 Although we enter into our funding and swaps in relation to pools of our fixed rate loans rather than on a loan-by-loan basis, a reasonable way for us to estimate our loss, if any, arising from

your early repayment is by calculating the early repayment charge as if we had entered into a swap for your individual fixed interest rate **Account**.

- 11.5 The procedure that we use to calculate the Break Cost Fee due in respect of a fixed interest rate **Account** is set out below. If you do not understand this procedure, you should seek independent financial advice. You may request disclosure of a copy of the calculation we've made when you request an estimate of the Break Cost Fee.

Break Cost Fee Calculation Procedure

- (a) We calculate the terms of a theoretical swap transaction in the wholesale swap interest rate market that, if entered into at the start of your fixed rate term, would have offset our risk of changing interest rates on that fixed interest rate **Account** ("Swap A"). The terms of Swap A are calculated using wholesale swap interest rates as they were at the start of the relevant fixed rate term of your fixed interest rate **Account**.
- (b) We then look at the payments due under Swap A after the break date and the part of Swap A that corresponds to the amount of your early repayment. We then calculate the value to us as at the break date of the remaining payments under Swap A as if that Swap were commenced on the break date. This calculation takes into account:
- (i) the amount of the additional payment;
 - (ii) the difference between the wholesale fixed rate on Swap A, and what that wholesale fixed rate would have been as at the break date on the remaining term of the Swap A;
 - (iii) how the principal of Swap A would have declined as the principal of your loan reduced over the fixed rate term; and
 - (iv) the time value of money – a dollar payable today is worth more than a dollar payable in the future, so the value of the remaining payments is discounted to give a present value.
- (c) If the value of the remaining payments calculated in point (b) above is a loss to us, then your Break Cost Fee is equal to the amount of that loss. If the value is no loss to us, then there is no Break Cost Fee.

- 11.6 Using this procedure, we can calculate a reasonable estimate of our loss as a result of the movements in interest rates. The method the Lender uses to calculate break costs is not the formula prescribed by the Credit Contracts and Consumer Finance Regulations 2004.

- 11.7 In addition to the Break Cost Fee, you may be obliged to pay the Switch Fee, the Discharge Administration Fee, or the Partial Discharge Administration Fee, as applicable.

12 Default interest

- 12.1 If you do not make a repayment or any other payment by the date it is due, the **Interest Rate** on the **Outstanding Payment** may increase to the **Default Rate** specified in the **Loan Agreement**. The **Default Rate** will apply to your **Account** from the due date of that repayment or payment (or any later date that we may choose) until you have paid us both any **Outstanding Payment** and an amount equal to any additional interest at the **Default Rate** (or **Default Rates**) for each day during the default period. For the avoidance of doubt, the default period does not end until you have paid us both these amounts and the **Default Rate** will change during the default period if its corresponding **Interest Rate** changes.

DEFAULT

13 When you are in default

13.1 You are in default of this **Contract** if:

- (a) you do not pay any amount payable under the **Loan Agreement** by its due date for payment;
- (b) you breach any term of your **Contract** and we consider acting reasonably that the breach is a material breach of the **Contract**;
- (c) there is a breach under any **Mortgage**;
- (d) the **Mortgage** does not have the priority we expected;
- (e) a Guarantor breaches a term in the Deed of Guarantee and Indemnity that secures this **Contract** or is otherwise in default under that deed;
- (f) you or a Guarantor is in default under any other credit contract you or a Guarantor has entered into with us or any other **Mortgage** you or a Guarantor has granted to us; or
- (g) we believe on reasonable grounds that we were induced by fraud or a material misrepresentation to enter this **Loan Agreement** or any **Mortgage**;
- (h) the value of the **Property** falls substantially because:
 - (i) a building on it has been pulled down or damaged, other than damage that is covered by the insurance over the **Property**;
 - (ii) any lease or licence under which the **Property** or any part of the **Property** is held is terminated, surrendered, forfeited or cancelled or becomes liable to any of these events;
 - (iii) all or any part of the **Property** is taken or is proposed to be taken by any compulsory process without our written consent.
- (i) If you or any Guarantor becomes bankrupt or makes any formal arrangement with your creditors or in our opinion there is a material adverse change in your financial condition or a Guarantor's financial condition.
- (j) If we discover that any of the information given to us by you, a Guarantor or by someone on your behalf or on a Guarantor's behalf is wrong or that you omitted to tell us something when you applied for an **Advance** and that information or omission had or has a material impact on our decision to lend or to continue to lend to you.
- (k) You or a Guarantor breach clause 31.2 of these Terms and Conditions.
- (l) If a mortgagee or other person interested in the **Property** takes proceedings for possession or to realise their interest in it or otherwise enforce their interest.
- (m) If any change in your circumstances occurs which we reasonably believe might adversely affect your ability to perform your obligations under your **Loan Agreement**.
- (n) If you die, become incapable of managing your own affairs or are jailed.
- (o) If you give possession of the **Property** to us.
- (p) If you are a company:
 - (i) there is any change in ownership or control of the company or any company of which you are a subsidiary;

- (ii) a receiver, manager, receiver and manager, administrator, controller, provisional liquidator, or liquidator is appointed to any part of your assets;
- (iii) any action is commenced to strike the company's name off any register of companies;
- (iv) you sell or transfer to any other person the whole or any major part of your assets without our prior written consent; or
- (v) you fail the solvency test as defined in section 4 of the Companies Act 1993; or
- (iv) the company is, in our opinion, insolvent.
- (q) If you are a trustee and without our prior written consent:
 - (i) you cease to be a trustee of the trust;
 - (ii) any trust property is transferred to another trustee who is not a party to the **Loan Agreement**;
 - (iii) any part of the trust capital is distributed to beneficiaries;
 - (iv) any court proceedings against the trustees is brought which in our opinion is adverse to our interests; or
 - (v) any change is made to the documents creating or recording the trust.

14 Actions we can take when in default

14.1 At any time after default occurs, we can take any of the following actions:

- (a) Subject to any notice restrictions at law, demand and require immediate payment of all or any part of the **Debt**.
- (b) Exercise any right, power or privilege conferred by any law, the **Loan Agreement**, or the **Mortgage**.

14.2 Upon expiry of the statutory default notice that we issue pursuant to our rights under the **Mortgage** (the default notice), the **Debt** will be immediately become due and payable by you to us without the need for us to make any further demand for payment.

14.3 We can take action even if we do not do so promptly after the default occurs.

14.4 We can exercise these rights with or without taking possession of the **Property**. If we hold a **Mortgage** over more than one **Property**, we can enforce our security against any one of the **Properties** first or all of them at the same time.

14.5 You must pay the **Debt** whether or not the proceeds on sale of the **Property** or any other security for it are sufficient or are likely to repay the **Debt**.

15 Enforcement expenses

15.1 If you breach the terms of this **Loan Agreement** or of any **Mortgage** required by the **Loan Agreement**, you will be required to pay expenses which are reasonably incurred by the **Lender** or the **Manager** in enforcing or preserving its rights under this **Contract**, the **Mortgage** or any guarantee given in connection with or in support of this **Contract**.

15.2 These expenses include the **Lender's** or **Manager's** expenses incurred in preserving or maintaining property subject to the security, collection expenses and expenses resulting from

dishonour of a cheque or payment. These expenses may be debited to your loan at any time after they are incurred. You must pay us these costs and expenses on demand.

SWITCHING AND SPLITTING YOUR LOAN

16 You can switch or split your loan subject to approval

16.1 You may request us to:

- (a) switch your variable interest rate loan to a fixed interest rate loan;
- (b) convert your fixed interest rate loan to a variable interest rate loan;
- (c) split any variable or fixed interest rate loan.

Acting in our discretion, we can decline to make your requested change. If we agree to make the change we will send you written disclosure setting out the particulars of the change to the terms of the **Contract** and other information required by law.

16.2 If an **Account** is split into two or more **Accounts**, or if you switch between types of **Interest Rate**, you must pay interest on the amount switched or split to the date on which the switch or split occurs. From that date, interest will be debited and repayments will be due monthly in arrears from the date of the split or switch.

16.3 You may also elect to consolidate one or more of your split rate **Accounts**, again subject to our approval. If you switch from a fixed rate loan to a variable interest rate loan during the fixed rate term, a Break Cost Fee and/or a Switch Fee may be payable as set out in your **Loan Agreement**.

16.4 Any Switch/Split request must be made:

- (a) in writing; or
- (b) by any other method we authorise from time to time.

16.5 Before selecting a fixed interest rate loan, remember that if the whole or any part of the fixed interest rate loan is repaid early, **substantial costs could be payable by you**.

REDRAW FACILITY

17 Redraw

17.1 The following subclauses in this clause 17 will only apply if you have an **Account** with a variable interest rate.

17.2 If you have repaid part of the principal of the loan early, you may make a **Redraw Request** to the **Manager** using the methods set out below. We may in our absolute discretion decide to accept your **Redraw Request** and make the **Redraw Advance**. The amount of your **Redraw Request** must not be less than the minimum amount specified in clause 17.4.

17.3 Any **Redraw Request** must be made:

- (a) in writing; or

- (b) if the **Services** apply to your facility, by using the **Services** in accordance with these **Terms and Conditions**; or
- (c) by any other method we authorise from time to time.

17.4 The minimum amount of a **Redraw Advance** which you may request:

- (a) by written request, is \$2,000.00;
- (b) by using the **Services**, is \$50.00;

or such other amount as notified to you from time to time.

17.5 Any amount redrawn forms part of the money owing under your variable interest rate **Account**.

17.6 If we agree to make a **Redraw Advance** we will process the **Redraw Advance** from your **Account** on the **Redraw Date**. While you have one or more split loans, any **Redraw Advance** will be made from the **Account** specified by you, or if no **Account** is specified, the **Account** determined by us. We may review or suspend the redraw facility at any time.

17.7 Amounts repaid early in respect of a fixed interest rate **Account** are not available for redraw.

GENERAL CONDITIONS

18 Joint and several liability

18.1 If there are two or more of you, each of you is individually liable, and all of you are jointly liable. This means the **Lender** may sue any one of you alone or all of you together for all amounts due under this **Contract**.

*For example, each one is liable to repay the whole amount owing to the **Lender** even though you may have some other arrangement among yourselves or and even if you did not benefit from the loan, equally.*

18.2 You authorise each other to provide instructions to us and you acknowledge that each of you can bind each other. However, we may require all borrowers to authorise any activity with respect to your loan and certain requests such as a request for a **Further Advance** will be required to be signed by all borrowers of the loan. We will always provide disclosure to you as required by law. Each other Borrower and any Guarantor will be liable even though they did not know about or did not agree to the transaction. Despite this clause, we may require all Borrowers and Guarantors to authorise a particular request or activity with respect to your loan.

For example, any one of you can authorise a redraw, a split into one or more sub-loans, or request a change from a variable interest rate to a fixed interest rate in respect of your loan.

19 Government charges

19.1 You must pay us on demand all government charges and duties on receipts relating to your loan. We may debit your **Account** with these items as incurred.

20 Statements of Account

20.1 Statements will be sent to you at least once every 6 months or more frequently if required by law. You consent to receiving your statements electronically.

21 Commission

- 21.1 The **Lender** will pay an introduction fee and/or an ongoing commission to **parties** for introduction and/or ongoing management of the credit business.
- 21.2 The **Lender** may pay an upfront commission and an ongoing commission to your financial adviser / mortgage broker who assisted you to apply for this loan. You agree that this financial adviser / mortgage broker is your agent in respect of this loan.
- 21.3 The **Lender**, **CMM**, the introducer and other persons may pay or receive other commissions, fees or benefits in connection with this loan.

22 Providing Information after settlement

- 22.1 Within 14 days of our request to you, you must provide us with any information we require relating to your business, assets, and financial affairs. For example, we may require a copy of your taxation return or an assets and liability statement. In relation to a company, we might require a balance sheet, a profit and loss account, or both. We may require this information to be certified or audited.
- 22.2 You agree to give us information we ask for to help us comply with laws, regulations, rules and guidelines in New Zealand and overseas.
- 22.3 If you fail to comply with our requests pursuant to clause 22.1 or 22.2 within the reasonable times we specify, you will breach this clause, which will be a default under this **Contract** and the **Mortgage**.

*For example, we may request information from you for our ongoing customer due diligence requirements for compliance with anti-money laundering laws. If you fail to comply with this request, you will breach the **Contract** and we may take steps under clause 14 of these **Terms and Conditions**.*

23 Lender's certificate

- 23.1 A certificate signed by or on behalf of the **Lender** as to an amount payable to the **Lender** is conclusive and binding on you.

24 How the Lender can deal with this Contract

- 24.1 We may assign or otherwise deal with its rights and obligations under this **Contract** in any way it wishes without your consent. You must sign anything and do anything the **Lender** reasonably requires to enable any dealing with this **Contract**. Of course, any dealing with the **Lender's** rights and obligations does not change your obligations under this **Loan Agreement** in any way.

25 Lending to trustees

- 25.1 If you are at any time trustee of any trust, you are liable under this **Loan Agreement** in your own right and as trustee of the trust. Accordingly, we can recover from the trust assets as well as your personal assets.
- 25.2 Default occurs under this **Contract** if there is a change of trustee, a termination of the trust, or any change to the terms of the trust without our consent.
- 25.3 If any Borrower or Guarantor enters into this **Contract** as a trustee and is also named in the **Loan Agreement** as a limited liability trustee then we agree that the liability of that party under this **Contract** or under any **Mortgage** or under any guarantee is not personal and unlimited but will be limited to an amount (the "limited amount") equal to the value of the assets of the trust under which that party has entered into the **Loan Agreement** unless the right of that party as a trustee to be indemnified from the assets of the trust has been lost and, as a result, the **Lender** is unable to recover from that party as a trustee the limited amount. In which case the **Lender** may recover as a personal liability of that trustee.

25.4 If any person is named in the **Loan Agreement** as a limited liability trustee, then the **Lender** has agreed to limit the liability of the person named as a limited liability trustee on the basis that that person is acting as a trustee in an independent capacity and has no interest in the assets of the trust other than as a trustee. If this assumption is wrong, then the limitation of liability will not apply and the person named as a limited liability trustee will have full personal and unlimited liability.

26 How notices may be given

26.1 Except for the specific notice requirements of any law, we may give any notice to you by:

- (a) personal delivery;
- (b) prepaid ordinary post sent to your registered office (if you are a company), or sent to the last residential address we have recorded for you;
- (c) email sent to your address shown on this **Loan Agreement** or any other email that you update with us in the future, or
- (d) if we have notified you that we have a secure online platform to send you disclosure information and/or communicate with you through, then by sending you a message through that secure online platform.

We may also give a notice in any other way authorised by law.

26.2 A notice may be signed by any employee, solicitor, or agent on behalf of us.

26.3 If you are not resident or at any time during the term of the **Loan Agreement** you expect to be not resident in New Zealand for any period, then you must appoint an agent in New Zealand for service under section 355 of the Property Law Act 2007. We may make this a condition to be satisfied before any **Advance** is made to you.

27 The trustee and the Manager

27.1 NZGT Custodians (Bluestone) Limited enters this **Loan Agreement** solely in its capacity as a trustee of a trust. The liability of NZGT Custodians (Bluestone) Limited is limited to the assets of that trust.

27.2 The Lender has appointed the Manager to carry out the day to day management of your loan. Any right of the **Lender** may be exercised by the **Manager** or its or their agents, including any successors, transferees and future assigns.

28 Changes we can make to this Contract

28.1 We can make changes to the terms of your **Contract** with us without asking for your consent to these changes. However, whenever we decide to change any terms, we will act fairly and reasonably in relation to any change. We can:

- (a) change the number, frequency, amount, or payment date of regular payments or the date of interest charges,
- (b) except when the **Interest Rate** is fixed, change an **Interest Rate**,
- (c) change, add, or remove any fees you have to pay under this **Contract** or change how we calculate any fee.
- (d) make a change to these **Terms and Conditions**.

Where we need to, we will comply with relevant legislation, for example the Credit Contracts and Consumer Finance Act 2003, the Fair Trading Act 1986 or the Privacy Act 2020. We will contact you if we make any changes. However, if we change an interest rate or fee, we can choose to publish a public notice instead or include information on our website. Otherwise, we will let you know in writing what has changed and when it takes effect.

AGREEMENT IN RELATION TO DIRECT DEBIT

29 Direct debit payments

29.1 The following clauses contain the terms of our agreement with you in relation to the use of the direct debit request form you will be required to sign.

29.2 You must:

- (a) ensure any account nominated in your Direct Debit Request Form can accept direct debits;
- (b) ensure that the account details stated in the Direct Debit Request Form are correct (e.g. by comparison to a recent statement from your bank);
- (c) ensure there are sufficient funds in the relevant account to meet each authorised direct debit request;
- (d) advise us if the account nominated on your Direct Debit Request Form is transferred or closed or the details change; and
- (e) ensure that all account holders sign the Direct Debit Request Form.

29.3 You agree that we may debit amounts from the bank account specified in the Direct Debit Request Form at the amount and frequency specified in this **Loan Agreement**, or such other amount or frequency as updated in accordance with this **Contract** from time to time, so as to ensure you comply with your obligations to make the repayments under this **Contract**. We may debit from that account other amounts that you may authorise us to debit from time to time.

29.4 We will give you at least 14 days' notice if we propose to vary any of the terms of the direct debit arrangements, unless any such change is as a result of a request by you in which case we will give you notice as required by law.

29.5 If you wish to defer, alter or suspend all or any part of these direct debit arrangements, including suspending or cancelling a direct debit request, you must give the **Manager** at least 7 **Business Days** prior notice. You must also ensure that suitable alternative direct debit arrangements are put in place in order for you to comply with your repayment obligations under this **Contract**.

29.6 If you have a complaint regarding the amount or timing of any drawing under the Direct Debit Request Form please contact the **Manager** in the first instance. We have a customer claims process in place with all financial institutions in case of disputed drawings and the details of our complaints process are set out in the Loan Agreement and are available on our website www.challengermortgagemanagement.com.au

29.7 If your due date for payment falls on a day that is not a **Business Day**, we will process your drawing in accordance with the terms of this **Loan Agreement**.

29.8 If your drawing is dishonoured by your financial institution, your loan **Account** will be adjusted and any charges incurred by us may be debited to your **Account**.

29.9 We will keep details of your bank account confidential, except where required for the purpose of conducting direct debits with your nominated financial institution or if we receive your permission to release information, or when we are permitted by law to share the information such as when a court order applies.

PRIVACY ACT

30 Information Requests and Privacy

- 30.1 The following clauses contain the terms of our agreement with you in relation to the collection, retention and use of your personal information. You will have already given us permissions in the loan application that you signed. The following clauses confirm and are in addition to the permissions you have already given us and deal with how we may use this information.
- 30.2 We may use your personal information you provide us for the purposes of arranging or providing credit, protecting and/or enforcing our rights under this **Contract** and, subject to clause 30.3 below, for direct marketing of products and services offered by **CMM** or an organisation **CMM** is affiliated with or represents. **CMM** may also use your personal information for the purpose of establishing a customer loyalty programme, subject to your right to opt out set out in clause 30.3.
- 30.3 You have the right to request not to receive direct marketing material or to opt out of any loyalty programme we may offer.
- 30.4 The information provided by you will be held by us and may be held in secure servers offshore. You can request a copy of the information held about you by contacting us or the **Manager**.
- 30.5 If you feel that any of the information we hold about you is incorrect, you can apply in writing to have that information corrected. In some circumstances we may require evidence from you to prove the validity of any information you provide us, before we change any information we hold.
- 30.6 We and any mortgage broker, mortgage originator, mortgage manager or any person or company who at any time provides or has an interest in the credit can do any of the following at any time.
- (a) **Credit information:** Seek and use credit information about you to assess an application for credit, including positive credit reporting.
 - (b) **Collection of overdue payments:** Seek and use a credit report about you provided by a credit-reporting agency to collect overdue payments from you.
 - (c) **Exchange of information between credit providers:** Seek from and use or give to another credit provider any information about your **Account**, credit worthiness, credit standing, credit history or credit capacity. In particular, we may provide a bank opinion on you.
 - (d) **Exchange of information with advisers:** Seek from and use or give to any mortgage broker, mortgage originator, mortgage manager, financial consultant, accountant, lawyer, or other adviser acting in connection with any financing provided or proposed to be provided to you, any consumer or commercial credit information.
 - (e) **Provide information to credit reporting agencies:** Give a credit reporting agency personal or commercial information about you. The information may include identity particulars; the fact that credit has been applied for and the amount; the fact that we are a current credit provider to you; payments which become overdue more than 60 days, and for which action is commenced; advice that payments are no longer overdue; advice that cheques drawn by you have been dishonoured more than once; in specified circumstances that in our opinion you have committed a serious credit infringement; and the credit provided to you by us has been paid or otherwise discharged.
 - (f) **Provide information for securitisation:** Disclose any report or personal information about you to another person in connection with funding financial accommodation by means of an arrangement involving securitisation or any other proposed transfer of or proposed dealing with your loan, provided that the other entity agrees to hold that information securely and only use it for the purpose it was provided to it.

- (g) **Provide information to Guarantors:** Provide information to any person who proposes to guarantee or has guaranteed repayment of any credit provided to you.
- (h) **Disclose of personal information:** Disclose personal information about you as required by law, or to organisations involved in providing services associated with your loan or providing credit to you, any associate or contractor of ours, (including for example statement printing houses, card and PIN producers, mail houses, lawyers, accountants), or people considering acquiring an interest in our business or our assets or has an interest in your loan.

30.7 You allow us to pass on any information or documents held or provided in relation to your loan and any related security to:

- (a) actual or proposed transferees or assigns of the loan or any security;
- (b) any direct or indirect provider of funds for any **Advance**;
- (c) any party with whom we or our agents have, or are considering entering into, a contractual agreement in relation to your loan;
- (d) credit reporting agencies;
- (e) any other party who it may be relevant to inform in connection with any contemplated enforcement action against a **Mortgage** or other security, any litigation against you or professionals employed in relation to any **Advance**;
- (f) any subsidiary, holding, or associated company of **CMM** or their professional advisers;
or
- (g) any other person if required or permitted by law to do so.