

## TERMS AND CONDITIONS OF CONTRACT

1. The Creditor agrees to advance the amount of the initial unpaid balance.
2. The Principal Debtor acknowledges indebtedness to the Creditor and covenants to pay the unpaid balance, interest and charges as set out in the Disclosure Statement above and upon the terms and conditions following.
- 3.1 In consideration of the Creditor entering into the loan contract at the Guarantor's request the Guarantor:
  - a) **GUARANTEES** the performance by the Principal Debtor of all of the covenants, conditions and terms contained or implied by law in the loan contract, and
  - b) **INDEMNIFIES** the Creditor against all losses and expenses which the creditor may suffer or incur in consequence of any default by the Principal Debtor in performing the covenants, conditions and terms contained or implied by law in the loan contract.
- 3.2 The liability of the Guarantor as a Guarantor or an indemnifier shall not be prejudiced or affected by any release, delay or other indulgence given by the Creditor to the Principal Debtor or any other thing whether or not that would have released the Guarantor from liability had the Guarantor been surety only.
- 3.3 As between the Guarantor and the Creditor the Guarantor may for all purposes be treated as a Debtor under the loan contract and the Creditor shall be under no obligation to take any step to enforce the loan contract against the Principal Debtor before taking any step to enforce the loan contract against the Guarantor.
4. If more than one person is named as a Principal Debtor or Guarantor then unless the context otherwise requires each reference to the Debtor will be a reference to each named person separately as well as to all such persons together. Each of such persons is jointly and severally liable for all obligations under this Agreement and any document arising under this Agreement that creates a security interest.
- 5.1 The Debtor shall make all payments under the specified schedule of payments by Automatic Payment Authority, which Authority and any variation or change shall be prepared by or produced for approval and copying to the Creditor before lodging with the Debtor's bank.
- 5.2 All other payments shall be made in cash by physical delivery to the Creditor's office address between the hours of 8am and 5pm on a business day, or in cleared funds by bank transaction by 10pm on any business day. Any payment made outside of those hours, will be treated as made on the following business day.
- 5.3 A day ends for purpose of calculation of interest or a default in payment
  - a) in the case of payment made by electronic transfer at the completion of bank processing for that day's banking business
  - b) in the case of a payment by physical delivery at the Creditor's offices at 5pm on that working day.
- 5.4 Time shall be of the essence for the Debtor's obligations.

- 6.1 The Creditor may decline to accept a part prepayment that is less than \$500.
- 6.2 Any payment (except a full prepayment) that is accepted by the Creditor may be credited in accordance with the specified schedule of payments.
7. The Creditor may change the amount, method of calculation, frequency and/or time for payment of any interest rate, default interest rate, fee, or charge payable under this contract by giving notice to the Debtor(s) and any Guarantors in accordance with sections 23 and 26 of the Credit Contracts and Consumer Finance Act 2003. The change shall take effect from a date specified in that notice.
8. The unpaid balance hereunder shall immediately become due and payable notwithstanding that the time for payment under any specified schedule of payments may not have arrived on the happening of any of the following:
  - a) If the Debtor or any Guarantor shall die become insolvent, or commit an act of bankruptcy.
  - b) If the Creditor ascertains that the Debtor or any Guarantor has made a false statement in making application for the loan or in any change of the terms of this contract.
  - c) Any breach by the Debtor or any Guarantor of the terms of this contract.
9. The Guarantor certifies and acknowledges that the Guarantor has received a copy of this document, which sets out all of the terms of the contract between the parties other than those implied by law.
10. The Debtor certifies and acknowledges that the Debtor has received a copy of this document, which sets out all of the terms of the contract between the parties other than those implied by law.

Ref: LCFT