

BNZ BUSINESS LENDING

Master Terms version 2



How do these Master Terms work?

These Master Terms set out the general terms of our agreement with you. They apply to both:

- all Loan Products you have with us
- securities and guarantees given to us which relate to those Loan Products.

When you use a Loan Product you agree to comply with these Master Terms

Other terms that apply to a particular Loan Product, security or guarantee are in separate documents. You will find details like the amount of a loan, the interest rate, and the term of a loan in one of those documents.

Together, those other terms and these Master Terms set out all the terms of the agreement between us.

Finding your way around the Master Terms

These Master Terms are divided into seven parts:

Part 1	deals with how your Loan Product works	Page 3
Part 2	sets out the things you need to tell us and what you agree to do or not do when you use a Loan Product, and what happens if you don't meet these obligations	Page 7
Part 3	contains general terms about how we manage the Loan Products and communicate with you	Page 11
Part 4	sets out some terms that only apply to trusts, partnerships, incorporated societies, local authorities and individuals. If you are not one of those, Part 4 doesn't apply to you	Page 17
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Our commitment to you

We will act reasonably and fairly towards you, taking into account your and our respective business interests. That includes whenever we are:

- considering any request you make
- deciding whether to exercise any of our rights
- setting any conditions for any of those things.

We can always agree to do things differently

These Master Terms and each Lending Document contain terms that require you to do or not do certain things. We can always agree to do things differently to the way they are set out in these Master Terms and each Lending Document.

You will not be in breach of any term in these Master Terms or any Lending Document if you have our prior written consent to act differently.

When we talk about ‘You’ and ‘Us’ in these Master Terms

When we talk about ‘you’ or ‘your’, we mean each borrower, security provider, guarantor and each other person who uses one of our Loan Products, provides us with a security or a guarantee, or is party to a Lending Document.

Where there is more than one person involved:

- (a) ‘you’ means each person individually and any combination of those people
- (b) each person must comply with these Master Terms
- (c) each person must pay any amounts we’re owed, either by themselves or with anyone else responsible for those amounts.

When we refer to a ‘person’, this means an individual and legal entities like companies, partnerships, trusts and statutory bodies.

When we talk about ‘we’, ‘us’ and ‘our’, we mean Bank of New Zealand.



As part of our commitment to you, this document meets the WriteMark Plain Language Standard. If you have any questions about this document, please ask at any branch, phone us on 0800 275 269, or send us an email from our website.

Part 1: How your Loan Product works

1. Sending us information before using your Loan Product

Before you can use a Loan Product, we need all of the following:

- (a) signed copies of all Lending Documents
- (b) an entity certificate from you, each guarantor, each security provider and each other party to a Lending Document, in the form we provide to you
- (c) evidence that all secured property has been insured on terms acceptable to us
- (d) evidence that we hold a first ranking security interest in the secured property
- (e) if you are an individual guarantor, either:
 - (i) a certificate, in the form we provide to you, confirming that you have received independent legal advice; or
 - (ii) a signed waiver of independent legal advice in the form we provide to you
- (f) evidence that all fees and Costs payable by you have been paid or will be paid, and
- (g) everything else listed in any relevant Lending Document or requested by us.

Each document must be in a form which is acceptable to us.

2. Using your Loan Product

2.1 Requirements for each use of a Loan Product

Once we've received everything we need under clause 1 above, the following basic requirements apply to each use of a Loan Product:

- (a) give us a written notice with the information we need to process your request: unless the Facility Document says otherwise, we will need this at least two business days before the drawing date, so we can check everything and arrange funding
- (b) the requested drawing date must be a business day during the availability period
- (c) when we make the loan, it won't cause any limit to be exceeded. If the Loan Product has separate components, it won't cause any component's limit to be exceeded
- (d) no Event of Default or Potential Event of Default has occurred and is still going
- (e) you have satisfied any other requirements set out in any relevant Lending Document.

If you have not used your Loan Product within 3 months from the date of the relevant Lending Document, we can cancel the Loan Product.

2.2 Limits for the use of each Loan Product

Each Facility Document contains limits for use of the relevant Loan Product, and says whether any limit can change. If a Loan Product has separate components, the Facility Document may also specify each component's limit.

If you exceed any limit without our agreement, you must pay us the excess immediately. Until you do, we may charge you the excess rate on that excess amount.

If you ask us in advance, we may let you temporarily exceed a limit. There may be a fee for exceeding a limit, which we will tell you about first. You must repay us the excess when we ask you, or on the date we've agreed.

3. Understanding the interest you'll pay

3.1 How we calculate your daily interest

The interest rate that applies to your loan will be set out in your Facility Document. Interest accrues on a daily basis. We calculate interest by multiplying the relevant Amount Outstanding by the daily interest rate. The daily interest rate is the annual interest rate divided by 365 or, for some foreign currency amounts, 360, or as otherwise stated in a Lending Document.

3.2 How we manage Rate Reset Periods

The following rules apply to Rate Reset Periods:

- (a) the length of the available Rate Reset Period is as set out in your Facility Document or, if it is not set out in your Facility Document or you don't request one, will be the period notified by us
- (b) if a Rate Reset Period starts on a day with no numerically corresponding day in the month when that Rate Reset Period ends, the Rate Reset Period will end on the last business day of that month
- (c) if a Rate Reset Period would end on a day that is not a business day, that Rate Reset Period will extend to end on:
 - (i) the next business day, if the next business day is in the same month
 - (ii) the previous business day, if that extension would carry the Rate Reset Period over into the next month
- (d) if a Rate Reset Period would extend beyond the Maturity Date, the Rate Reset Period will end on the Maturity Date
- (e) once you select your first Rate Reset Period, your loan will remain on that Rate Reset Period unless you advise us otherwise under (f)
- (f) you may request the length of the following Rate Reset Period before the current Rate Reset Period ends.

3.3 When you must make each interest payment

You must pay all interest which has accrued on a loan on each interest payment date. The interest payment dates will be set out in your Facility Document. If they are not, you must pay all accrued interest on the last business day of each month. Any interest not paid on the required date will be debited to an account you have with us or it will be added to the Amount Outstanding. This could mean you end up paying interest on interest.

Interest on overdraft facilities is debited to your account on the last business day of each month, or otherwise in accordance with our usual practice.

3.4 We can change the base rate and margin

We can change the base rate that applies to your variable interest rate, and the margin that forms part of your interest rate, at any time. We will advise you of any changes in the manner set out in clause 22.3.

3.5 We use the default rate to calculate interest on overdue amounts

You must pay all amounts on time and not exceed your limits.

You will pay interest at the default rate calculated at the end of each day on any overdue portion of any Amount Outstanding and any amount which exceeds a limit (unless your Facility Document states otherwise). The rate applied each day is the default rate divided by 365 or, for some foreign currency amounts 360, or as otherwise stated in a Lending Document.

Interest will accrue at the default rate until you pay it. This interest will be debited to an account you have with us, or it will be added to the Amount Outstanding, on dates we select. This could mean you end up paying interest on interest.

3.6 How we calculate variable rates

If your Facility Document contains a variable rate for your Loan Product (or any component of your Loan Product), it may be specified in a Facility Document as being either an 'all-up' effective interest rate or a base rate plus a margin. In either case, it can be reset as set out in the relevant Facility Document.

Variable rates vary because of changes to the underlying rates or margins used to determine them.

Your variable rate at any time will be the rate we advise you at that time.

4. Making repayments

4.1 Making your regular repayments

You must repay the Amount Outstanding under any Loan Product you have with us as set out in the 'Repayment' section of your Facility Document. If the Facility Document does not contain provisions regarding repayment, you must repay the Amount Outstanding on demand.

4.2 Making your final repayment

For each Loan Product you have with us, you must pay us the Amount Outstanding on the Maturity Date.

5. Repaying early

5.1 You can repay a loan early

You can repay a loan before it becomes due. Unless we tell you otherwise, you must give us two business days' written notice if you intend to do this.

Once you give us notice, you must make the early repayment stated in that notice.

5.2 We may recover Early Repayment Costs

If you repay or terminate any Loan Product early, you must reimburse us for any Early Repayment Costs and any other Costs we incur as a result.

In calculating the amount of any Early Repayment Costs, we may take into account:

- (a) the original term of the Loan Product
- (b) the unexpired portion of any fixed rate period which applies to the Loan Product
- (c) the interest rate that applies to the Loan Product at the date of repayment
- (d) the Costs we may incur if we have to re-lend or re-invest the amount of the repayment
- (e) the complexity of the Loan Product and the likelihood that the amount of the repayment can be re-lent or reinvested, with reference to market rates and conditions at the time you repay.

You must pay the Early Repayment Costs on the date you make the repayment.

5.3 You cannot redraw what you've repaid unless we agree

Unless we agree otherwise, you cannot re-draw any amounts you repay early, and the limit will be reduced by the principal amount repaid.

6. Paying fees and charges

6.1 You pay the fees we specify

You must pay us the fees specified in each Facility Document and any fees payable in any fee guide that applies to your Loan Product.

None of the fees you pay us are refundable, even where payable in advance.

6.2 We can change the fees payable

We can change any fee payable in connection with a Loan Product by giving you at least 14 days' notice (including by electronic means or by way of update on our website: www.bnz.co.nz).

7. What happens if costs increase or the law changes

7.1 How we deal with increased costs or reduced amounts received

We will let you know as soon as we can if any laws, prudential standards, policies or requirements that apply to us change, and we reasonably believe there will be:

- (a) a material increase in the cost to us of providing or maintaining a Loan Product, or
- (b) a material reduction in the effective return (including return on our capital) or amount we are able to receive from a Loan Product.

To the extent that we cannot eliminate or reduce the resulting adverse impact on us, you must compensate us for the relevant amount. This could be by an increase in base rate, margin, or fees, by a Cost recovery, or in some other manner. We'll advise you if this happens in accordance with clause 22.3.

7.2 How we deal with regulatory events and law changes

From time to time, our ability to provide a Loan Product to you may be prevented, delayed or otherwise adversely affected by regulatory events. These could include changes in law, prudential standards, policies or requirements applying to us as a bank, or the actions of a regulatory authority.

If a regulatory event affects you or causes you to suffer a loss, we are not required to challenge or mitigate the effect of the regulatory event and our liability is limited to supplying an alternative Loan Product.

If the law changes and we reasonably believe that it will be against the law for us to provide a Loan Product to you, we will:

- (a) let you know as soon as we can, and
- (b) work with you to ensure the law is being complied with.

If the law requires us to cancel your Loan Product, you will have to repay us the Amount Outstanding (which may include Early Repayment Costs). If this happens, we will give you as much notice as the law allows.

7.3 Changes to accounting standards

If at any time there is a change to accounting standards, we will review whether that affects the way we calculate financial covenants or other provisions in a Lending Document. If it does, we will discuss with you any changes we need to make to the Lending Document. If we can't agree on changes, then the accounting standards that applied when you signed the Lending Document will continue to apply.

Part 2: Your obligations to us and what happens if you don't meet them

8. You tell us that certain things are true

8.1 You make the following representations

When we enter into a Lending Document with you, we rely on what you tell us so please make sure it is correct. You represent that all of the statements set out below are true.

- (a) **Status**
You have the power and authority to carry on your business as it is now being conducted.
- (b) **Authorisation**
You have the power to enter into and perform your obligations under each Lending Document and you have taken all action required by law to authorise your entry into and performance of each Lending Document.
- (c) **Obligations valid**
Your obligations under each Lending Document will be legally enforceable against you.
- (d) **No laws violated**
When you enter into and perform your obligations under each Lending Document, you will not:
 - (i) breach any law which applies to you
 - (ii) breach any agreement you are bound by
 - (iii) breach anything in your constitutional documents.
- (e) **Consents obtained**
You have all the necessary consents that you need to enter into and perform your obligations under each Lending Document, and to carry on your business.
- (f) **No default under other agreement**
You are not in default under any agreement in a way that might have a material adverse effect.
- (g) **No insolvency**
 - (i) You are solvent and you can pay your debts as they fall due.
 - (ii) Neither you nor anyone else has taken any steps to bring about your insolvency.
- (h) **No default**
No Review Event, Potential Event of Default or Event of Default has happened and is still going.
- (i) **Information true**
All information given by you, or by any other person on your behalf, was true and complete in all material respects at the time it was given, and you have told us everything that could affect our decision to provide a Loan Product to you.

8.2 You are held to repeat these representations

You repeat each representation in clause 8.1 on each day when an amount of money is payable under a Lending Document and when we lend you money.

9. We rely on you to do, or not do, certain things

At all times while you are party to a Lending Document, we are relying on you to do, or not to do, certain things. You must do (or not do) these things at all times.

- (a) **Notify us of adverse events**
You will immediately tell us if a Review Event, Potential Event of Default or Event of Default occurs.

- (b) **Carry on business**
You will carry on your business in a proper and efficient manner and pay all your debts when due.
- (c) **Comply with all laws**
You will comply with all laws, keep all consents needed to operate your business up to date, and comply with all your obligations under the Lending Documents.
- (d) **Keep us informed**
You will give us all information about you, your business, and your financial condition, that we may reasonably request.
- (e) **Not create security interests**
You will not give or allow to exist any security interest over any part of your property other than security interests you grant to us or that arise in the ordinary course of your day-to-day business and that do not secure borrowings.
- (f) **Not make Disposals**
You will not Dispose of any property other than in the ordinary course of business and for fair value.
- (g) **Pay taxes**
You will file all tax returns as required by law, and pay your taxes when due.
- (h) **Other undertakings**
You will not:
 - (i) materially alter the nature of your business
 - (ii) if you are a company, amalgamate with any other company
 - (iii) do anything that stops you being able to carry on your business in a proper and efficient manner.

10. How we handle Review Events

If a Review Event happens, we will need to talk to you about your business and its financial condition, and discuss how it may affect your ability to meet your obligations under any Lending Document. As part of the review, we may need some more information and you agree to give us any documents or financial statements or other information we reasonably request.

Following a review, we will discuss with you any changes we require. As part of this process, we can:

- (a) require changes to the terms of any Lending Document (including the interest rate and any fees or Costs)
- (b) ask for additional security or guarantees
- (c) reset any limit, Maturity Date or repayment dates.

11. How we handle Events of Default

11.1 Fundamental defaults and consequences

A fundamental default occurs if any of the following happens:

- (a) you, a guarantor or a security provider is in insolvency or any of you are unable to meet your debts as they fall due from your own money, or it is clear that any of you will be unable to meet your debts as they fall due from your own money
- (b) we believe on reasonable grounds that:
 - (i) you, a guarantor, or a security provider has committed fraud, or
 - (ii) we need to take immediate action to protect or take control of any property or assets secured under a security or to otherwise protect our position
- (c) you don't, or a guarantor or a security provider doesn't, pay any amount due under a Lending Document on time.

This is the most serious type of Event of Default. If a fundamental default occurs, we can immediately take any of the actions listed in clause 11.3. We don't need to give you notice before taking any action after a fundamental default, but we will tell you afterwards.

11.2 Other Events of Default

As well as fundamental defaults, the other events listed below can become Events of Default. This applies whether or not the event is within your control. Each of these events will be an Event of Default if the event happens and it can't be fixed or, if it can be fixed, it is not fixed to our satisfaction within 20 business days of us asking you to fix it.

- (a) You breach any of the obligations in any Lending Document. This will happen if:
 - (i) you, a guarantor or a security provider, or another person on your behalf, gives us information that we reasonably think is materially incorrect or misleading or a representation under clause 8 becomes untrue for any reason
 - (ii) a Loan Product (or any other product or service we provide you) is used for a purpose not approved by us
 - (iii) you, a guarantor, or a security provider, fail to comply with any of your obligations under a Lending Document or any of you are in breach of a provision in a Lending Document.
- (b) Other creditors have rights against you. This will happen if:
 - (i) any event happens that allows any person to seize or take control of some or all of your assets or some or all of the assets of any guarantor or security provider
 - (ii) any event happens that allows anyone holding a security interest over your assets or the assets of a guarantor or a security provider to enforce that interest
 - (iii) a court order or judgment for payment is made against you or any guarantor or security provider, and isn't satisfied within five business days.
- (c) The legal situation changes. This will happen if:
 - (i) you, or any guarantor or security provider, breach any law
 - (ii) you, or any guarantor or security provider that is an individual, no longer have legal capacity to act on your own
 - (iii) it becomes illegal for you, any guarantor or security provider, or for us, to do what we've agreed to do under a Lending Document.
- (d) Your business changes. This will happen if:
 - (i) whoever controls you, or controls a guarantor or security provider, changes compared to immediately before your first use of a Loan Product. 'Control' refers to owning or controlling (directly or indirectly) more than 25% of shares (if a company), units (if a unit trust), partnership interests, or membership or voting of a board of directors, partnership or other governing body
 - (ii) any licence, permit or other similar authorisation that you need to run your business lapses
 - (iii) any insurance we require in relation to a Loan Product is not continued or renewed
 - (iv) any insurance you are required to have under a Lending Document cannot be fully relied on.
- (e) You, a guarantor, or a security provider have a material adverse change.
- (f) Any other event described in a Lending Document as an Event of Default occurs.

11.3 Consequences of an Event of Default

When there is an Event of Default, we can do any of the following:

- (a) make any Amount Outstanding and any Indebtedness to us immediately due and payable without any further notice other than as required by law. This means we can bring forward any amounts that are payable in the future
- (b) immediately cancel any Loan Products you have with us and immediately cancel or reduce all or any part of a limit (or a component's limit)
- (c) close out any markets transactions you have with us (such as hedging, money market or currency transactions) and set off any amounts we may owe you under them against any Amount Outstanding
- (d) charge or continue to charge interest at the default rate on any overdue amounts (including interest)
- (e) at our discretion, use amounts we receive for the Amount Outstanding to repay any part of the Amount Outstanding. We may do so even if you ask us not to, but we will act reasonably in the circumstances and in accordance with the law
- (f) sue you for the Amount Outstanding
- (g) claim under any guarantee and enforce any security according to its terms and as required by law.

12. We can appoint an investigator

12.1 We have the power to appoint an investigator

If we think that a Review Event, Potential Event of Default or Event of Default has happened, we can appoint a person to act as an investigator.

You must pay all Costs associated with the investigator. The investigator will not be our agent and we will not be responsible for the actions of the investigator.

12.2 What an investigator can do

An investigator can look into your affairs and can:

- (a) enter your premises, without notice
- (b) ask anyone about your financial condition, business, operations or other affairs, and
- (c) inspect and take copies of your records, whether they are held by you or someone else.

12.3 You must assist them

You must do everything reasonably asked by an investigator to enable them to do their job.

13. You give us a power of attorney

13.1 Who you appoint as attorneys and what they can do

You appoint us, each lender's representative and any receiver as your attorney to:

- (a) do anything which the attorney thinks is necessary under any Lending Document
- (b) recover under and discharge a security interest
- (c) start, carry on, or settle any lawsuits
- (d) exercise any rights available to you in connection with any property or generally, and
- (e) do anything else that you must or may do under any Lending Document or by law.

You will pay for anything the attorney does.

13.2 Other agreements about attorneys

- (a) Each attorney may pass its powers on to someone else (including this power of delegation).
- (b) You agree to be bound by anything done by an attorney.

Part 3: How we manage your Loan Products and communicate with you

14. How payments work

14.1 The order in which we use payments

We can use any payment we receive for a Loan Product to reduce the Amount Outstanding. We can apply the payment in any order but will usually apply the amounts in the following order:

- (a) Costs
- (b) interest
- (c) principal.

We can also hold any money you pay us in a separate account until we are satisfied that you have repaid the Amount Outstanding in full.

14.2 Payments must be made on a business day

If an amount is due on a day that is not a business day, it must be paid to us on the next business day as long as that day falls in the same month. If the next business day is in the month after the due date, the amount must be paid on the previous business day.

14.3 Where and how to make payments

You must make all payments in the way set out in the relevant Lending Document, or in such other way as we may tell you.

14.4 You must not deduct any amounts from your payments

You must make each payment to us without any deduction or withholding for any reason (whether by set-off, counterclaim or otherwise), except to the extent required by law.

If the law requires any deduction or withholding to be made, then you must increase your payment so that, after the deduction or withholding, we receive the amount we should have received in the first place.

14.5 We can use amounts we owe you to satisfy amounts due to us (this is called 'set-off')

We can set off any amounts we owe you at any time against amounts due to us. For example, we can use a deposit you have with us to repay any amount due to us. We can do this regardless of the terms on which those amounts are owing, and we can break any term deposit, and switch amounts into a different currency, if we think it necessary to do so.

14.6 You give us a general indemnity

You agree to indemnify us against each Cost we incur when we enter into a Lending Document with you or at your request, including as a result of any of the events listed below:

- (a) any Review Event, Potential Event of Default or Event of Default
- (b) any amount not being paid by you, a guarantor or a security provider when due under a Lending Document
- (c) us exercising a right under a Lending Document, including recovering any amounts due to us
- (d) an amount being paid or becoming payable on a day when it wasn't due
- (e) a loan not being made on its drawing date or any other date we agree
- (f) our reliance on any communication made by email or other electronic communication

- (g) us having to do something under a Lending Document that is not something we usually do
- (h) you fail to pay any registration or other fees and taxes you should pay
- (i) any amount being paid in a different currency from the one in which it was due.

In each case, your indemnity takes the form of paying us, on demand, the amount that we tell you we need to compensate us for that Cost, including each Cost incurred in re-arranging:

- (j) any amounts we arranged to fund a loan or other amount payable under a Lending Document
- (k) any transaction we arranged in anticipation of funding a loan or any other amount payable under a Lending Document.

14.7 Exclusive of GST

Unless otherwise specified, all amounts referred to in the Lending Documents are exclusive of GST. If we have to pay GST or a similar tax on a supply connected with a Lending Document, you must pay us what you owe us for the supply plus an additional amount. This additional amount is equal to the amount for the supply multiplied by the prevailing GST rate.

14.8 We can debit your account

If you owe us money at any time, we can debit the amount due to any account you have with us. If making a debit causes any limit for the account to be exceeded, this will not cure any Event of Default that exists.

15. Releasing a guarantee or security

We can release all or part of any guarantee or security at any time.

We will provide a release of a guarantee or security if, in our reasonable opinion:

- (a) a guarantor or security provider has met its obligations under the relevant guarantee document or security document, and
- (b) no further obligations will arise under that guarantee or security document or in relation to any amounts recovered under them.

Each guarantee and security will stay in place after repayment of any Loan Product until we give a formal release of the guarantee or security to the guarantor or security provider.

Any release may be worded in such a way as to protect us if you subsequently become insolvent.

16. How we manage your personal information

16.1 We may collect your information

We may collect, use and disclose your personal information according to the following:

- (a) the Privacy Act 1993
- (b) the provisions of our Standard Terms and Conditions that relate to personal information (**Privacy Statement**), and
- (c) this clause 16.

16.2 We may accept information from you about another person

If you give us, or authorise us to collect, personal information about another person (for example, a guarantor or security provider), you confirm that:

- (a) you have their authority to provide us with, or they have authorised us to collect, their personal information in accordance with our Privacy Statement
- (b) you have informed them of their rights to access and request correction of their personal information.

16.3 We may use your information

Without limiting our Privacy Statement, we may:

- (a) disclose your personal information to:
 - (i) any person to whom we transfer any of our rights or obligations under any Lending Document or any other agreement with you
 - (ii) any guarantor or security provider (and, if necessary, we may disclose personal information about any guarantor or security provider to you)
 - (iii) any regulatory authority
- (b) use your personal information to the extent necessary to exercise our rights or satisfy our obligations under these Master Terms, any Lending Document or any other agreement with you.

16.4 We can use your information to send you information about our products and services

We may contact you (including by email and other electronic means) about, and offer you, any of our products or services that we reasonably believe might interest you. We can do this both while you are a Loan Party and for a reasonable time afterwards. We can also use and share your personal information so you can be sent information that we reasonably believe might interest you about:

- (a) events, fundraising or organisations that we support
- (b) third-party offers, products and services from persons or organisations we have partnered with (we only partner with organisations that meet our high standards).

You have the right to ask us not to use your personal information to conduct market research or contact you with marketing or promotional messages, as covered in our Standard Terms and Conditions.

17. We can transfer rights and obligations

You agree that we can transfer any of our rights and obligations under any Lending Document to another person and you consent to any such transfer.

You may not transfer any of your rights or obligations under a Lending Document without our prior written consent.

18. We do not waive our rights

If we don't do, or we delay doing, something we are allowed to do under any Lending Document or by law, that doesn't mean we have waived our right to do it, and it will not stop us being able to do it later if we wish.

Our rights under each Lending Document are additional to any rights we have under the law.

19. Any certificate is conclusive

Any certificate we give you about an amount or fact relating to a Lending Document will, in the absence of a clear error, be binding on you.

20. If one provision is invalid, that won't affect the others

If any part of a Lending Document is illegal or can't be used, that doesn't affect the rest of that Lending Document.

21. How we manage communications

21.1 How we will communicate with you

Notices, demands, statements, certificates and other communications from us can be delivered in any of the following ways:

- (a) given to you personally
- (b) left at or posted to the address you last gave us
- (c) faxed to the fax number you last gave us
- (d) published in the press or on our website: www.bnz.co.nz
- (e) given to you electronically by:
 - (i) short message service ('SMS') or 'txt' to your mobile telephone number
 - (ii) email or any other electronic means
 - (iii) referring you to information on our website.

You agree that we may use your last nominated mobile number, email address or other electronic address for an electronic notice. You may notify us in writing of a change to any of these contact details at any time. If you ask us to, we will give you paper copies of anything we send you electronically.

We might send notices at any time, so make sure you check your email, mobile phone and other electronic addresses regularly, and tell us if these details change.

A Lending Document may list other ways in which we will communicate with you.

21.2 Your receipt of our communications

You are taken to have received:

- (a) a document or communication sent to you by ordinary post, five days after it was posted
- (b) a fax, at the time and date shown on the delivery receipt
- (c) a document or communication sent by another form of electronic communication (such as SMS or email), when sent
- (d) a document or communication published in the press or on our website, when it is first published.

21.3 Written communications from you

Any written communications you send us must be signed by you (or, in the case of a company or another entity, by a director or another person we have approved).

21.4 Telephone recording

We may record and retain some conversations with you, including to:

- (a) make sure we have carried out your instructions correctly
- (b) help improve our products
- (c) make sure we comply with our regulatory obligations
- (d) help detect or prevent fraud or other crimes.

22. How we make amendments

22.1 Changes to Master Terms and Lending Documents that we can make without your consent

We can amend the Master Terms or any Lending Document without your consent if we think the amendment:

- (a) is minor
- (b) is to correct an error
- (c) is required to comply with any law or regulatory directive
- (d) is to provide service enhancements, including for new technology and electronic capabilities, or
- (e) will not have a material adverse effect on you.

We will notify you of any amendments we make under this clause 22.1 to the Master Terms by making the updated Master Terms available on our website: www.bnz.co.nz. We will notify you of any changes to a Lending Document in one of the ways described in clause 21.1. Failure to notify you will not affect the validity of the amendments.

22.2 Other changes

All other changes to these Master Terms will need your written or verbal agreement. If we agree a change verbally, we will send you confirmation of what has been agreed.

22.3 Changes to interest and fees

At any time, at our discretion, we can change:

- (a) the base rate that applies to your variable interest rate
- (b) the margin that forms part of an interest rate, or
- (c) the fees that apply to a Loan Product.

We will give you at least 14 days' notice of any changes to your margin or fees. Base rates may change at any time. Our website displays the current base rate for a Rate Reset Period of 90 days.

22.4 Changes to the Loan Products we offer

If you are no longer eligible for a type of Loan Product, or that type of Loan Product is no longer available, we can choose to transfer you to another type of Loan Product. We will tell you of our intention to transfer you, and will give you information about the nature and cost of the new Loan Product. You will be given the opportunity to select a different type of Loan Product or you can choose to repay the Amount Outstanding under your current Loan Product.

If we do not hear from you within the time set out in the notice we send you, you agree to us transferring you to the type of Loan Product we have selected. If you choose to repay the Amount Outstanding under your current Loan Product, you may have to pay us Early Repayment Costs (see clause 5).

23. Consumer legislation does not apply

You confirm that you have obtained each Loan Product for business purposes, and therefore neither the Consumer Guarantees Act 1993 nor Part 2 of the Credit Contracts and Consumer Finance Act 2003 will apply.

24. Signing documents

24.1 Multiple copies of documents can be signed

Any Lending Document may be signed in multiple separate copies, with all copies taken to constitute the one document.

24.2 Borrower can sign on behalf of guarantors and security providers

Each guarantor and security provider that is part of a group of companies with the borrower agrees that the borrower under the relevant Loan Product may act on its behalf under the relevant Lending Documents and can:

- (a) sign any amendments to those Lending Documents
- (b) give and receive notices and other communications under those Lending Documents.

Each guarantor and security provider referred to above agrees that anything the borrower does under this clause will be binding on them.

25. Electronic signing

At our discretion, a Lending Document may be signed by each party electronically in any form that satisfies the requirements of the Contract and Commercial Law Act 2017.

26. Third parties can rely on a Lending Document

The Contract and Commercial Law Act 2017 allows us, each lender's representative, a receiver and an attorney to use every provision of a Lending Document that confers a benefit, even if we, or they, are not party to the document. The consent of a lender's representative, receiver or attorney who receives a benefit under a Lending Document is not needed for any amendments made to any Lending Document.

27. Any legal proceedings will normally occur in New Zealand

You and we agree that any lawsuits connected to any Lending Document may be brought in the courts of New Zealand. Neither of us will object to those proceedings being taken there. You also agree that we may bring a lawsuit in any other jurisdiction if you, a guarantor or a security provider are located overseas.

28. Serving legal notices

We can serve legal notices as follows:

- (a) if you are a company or other legal entity, through any of the methods available under the Companies Act 1993, or by sending an email to your usual email address or to the usual email address of one or more of your directors, trustees, partners or governing officers,
- (b) if you are not resident in New Zealand, you:
 - (i) permanently appoint the borrower as your agent for receiving legal notices concerning any lawsuits under any Lending Document, and
 - (ii) agree that failure to notify you will not invalidate the lawsuit.

29. Resolving a conflict between documents

If anything in these Master Terms conflicts with something in another Lending Document, the provision in the Lending Document will apply.

30. The terms are subject to New Zealand law

These Master Terms and each Lending Document are subject to New Zealand law.

Part 4: Terms for trusts, charitable trusts, partnerships, limited partnerships, incorporated societies, local authorities and individuals

If this Part 4 applies to you, then each representation you make under clause 31.1, 32.1, 33.1, 34.1, 35.1, 36.1 or 37 will be repeated on each day when an amount of money is payable under a Lending Document or we lend you money.

The representations and covenants in this Part 4 are in addition to the representations and covenants in any other Part of these Master Terms or in any Lending Document. Each representation applies when an amount of money is payable under a Lending Document and when we lend you money. Each covenant applies at all times while you are party to a Lending Document.

If at any time you think you may not be able to comply with anything in this Part 4, please let us know. We can always agree to things like a change in trustee or a change in partner, as long as it doesn't adversely affect our position.

31. Particular terms for trusts

31.1 Things trustees state are true

If you sign a Lending Document as a trustee of a trust, you make each of the representations in clause 8 and also represent that each of the following is true:

- (a) the full name of the trust is as set out in the Lending Document
- (b) the trust exists in compliance with the laws of New Zealand
- (c) you have given us details of all trustees of the trust and the trustees are the legal owners of all trust property
- (d) you have given us a complete copy of the constitutional documents for the trust
- (e) you have a right to be reimbursed from the trust property for any amounts you have to pay under a Loan Product
- (f) no action has been taken or proposed to wind up the trust.

31.2 Things trustees will and won't do

If you sign a Lending Document as a trustee of a trust, you agree to do, or not do, each of the things in clause 9 and also agree that you will not:

- (a) resign
- (b) agree to any new trustee being appointed
- (c) change your constitutional documents in any material respect
- (d) in any way prejudice the rights of each trustee to be reimbursed from the trust property or the beneficiaries.

31.3 Your liability if you are an independent trustee

If you are named as an independent trustee in a Facility Document, your liability under each Lending Document is limited to the trust property available to meet your liability. However, this limitation does not apply if you lose your right to be indemnified out of the trust property, or diminish the value of the trust property through your fraud or willful breach of trust. If either of these apply, we can claim against you personally to the extent we are unable to recover amounts due to us from the trust property.

31.4 The order in which we recover amounts

We can decide the order in which we recover any amounts due from you in your capacity as a trustee of a trust. We have the sole right to decide whether we recover out of trust property or your personal assets.

32. Particular terms for partnerships

32.1 Things partners state are true

If you sign a Lending Document as a partner, you make each of the representations in clause 8 and also represent that each of the following is true:

- (a) the full name of the partnership is as set out in the Lending Document
- (b) the partnership exists in compliance with the laws of New Zealand
- (c) you have given us details of all partners of the partnership and the partners are the legal owners of all partnership property
- (d) you have given us a complete copy of the constitutional documents for the partnership
- (e) no partner has given notice that they are retiring from the partnership, nor have any of their powers been passed on to someone else.

32.2 Things partners will and won't do

If you sign a Lending Document as a partner, you agree to do, or not do, each of the things in clause 9 and also agree each of the following:

- (a) you'll make sure the partnership is not ended
- (b) you'll make sure no partner retires
- (c) you'll make sure no partner transfers their partnership interest to anyone other than another partner
- (d) you'll make sure the partnership's constitutional documents are not changed in any material respect.

32.3 Things a partner acknowledges

If you sign a Lending Document as a partner, you acknowledge that:

- (a) as well as being liable with the other partners, you are individually liable for all the obligations of the partnership and we may be able to claim against your personal assets
- (b) any partner may give us instructions that bind all of the partners and we may act on those instructions, and
- (c) you're all still bound by that Lending Document despite any changes to the partnership, whether by death, incapacity, or retirement of any partner, the admission of any new partner, or in any other way.

32.4 The order in which we recover amounts

We can decide the order in which we recover any amounts due from you in your capacity as a partner of a partnership. We have the sole right to decide whether we recover out of partnership property or your personal assets.

33. Particular terms for limited partnerships

33.1 Things a general partner states are true

If you sign a Lending Document as a general partner in a limited partnership, you make each of the representations in clause 8 and also represent that each of the following is true:

- (a) the full name of the limited partnership is set out in the Lending Document
- (b) the limited partnership exists in compliance with the laws of New Zealand
- (c) you have given us details of each general partner and each limited partner
- (d) all of the property of the limited partnership is legally owned by you and each other general partner, if any, and is under the control of the general partner or general partners

- (e) you have given us a complete copy of the constitutional documents for the limited partnership
- (f) no step has been taken to remove you as a general partner.

33.2 Things a general partner will and won't do

If you sign a Lending Document as a general partner of a limited partnership, you agree to do, or not do, each of the things in clause 9 and also agree each of the following:

- (a) you'll make sure that no partner retires
- (b) you'll make sure that no partner transfers their partnership interest to anyone other than another partner
- (c) you'll make sure the limited partnership's constitutional documents are not changed in any material respect
- (d) you'll make sure the property of the limited partnership will continue to be available to meet your obligations under the Lending Documents even if the limited partnership ends, or the members of the limited partnership change
- (e) you'll remain as a general partner of the limited partnership and will not pass any of your powers and authority to anyone else
- (f) you'll tell us about any change to the limited partnership and make sure these are recorded on the register for limited partnerships under the Limited Partnerships Act 2008
- (g) you'll tell us about any circumstances that may give rise to a 'terminating event' (as defined in the Limited Partnerships Act 2008) regarding the limited partnership
- (h) you'll make sure that no actions are taken to end the limited partnership and will not make any request to deregister it
- (i) you'll make sure that all property of the limited partnership is kept separate from your other property, and it is clearly identified as the property of the limited partnership.

34. Particular terms for charitable trusts

34.1 Things a charitable trust states are true

If you sign a Lending Document as a charitable trust, you make each of the representations in clause 8 and also represent that each of the following is true:

- (a) you have given us details of all trustees of the trust and the trustees are the legal owners of the trust property
- (b) you have given us a complete copy of the constitutional documents for the charitable trust
- (c) your trust board was correctly appointed under your constitutional documents and the laws of New Zealand
- (d) you are a registered charity
- (e) no member of the trust board has resigned or had its appointment cancelled, nor have any of their or the trust board's powers been given to anyone else
- (f) none of the charitable trust's property has been:
 - (i) given or transferred to any other trust or person, or
 - (ii) mixed with any property that is not the charitable trust's property
- (g) no action has been taken or proposed to wind up the charitable trust.

34.2 Things a charitable trust will and won't do

If you sign a Lending Document as a charitable trust, you agree to do, or not do, each of the things in clause 9 and also agree to:

- (a) do all things you need to do to maintain your status as a registered charity, including filing annual returns when due

- (b) not do anything that would result in a change to your trust board
- (c) not change your constitutional documents in any material respect
- (d) not allow the charitable trust to be wound up.

35. Particular terms for incorporated societies

35.1 Things an incorporated society states are true

If you sign a Lending Document as an incorporated society, you make each of the representations in clause 8 and also represent that each of the following is true:

- (a) you are the only legal owner of the incorporated society's property
- (b) you have given us a complete copy of the constitutional documents for the incorporated society
- (c) your committee was correctly appointed in accordance with the laws of New Zealand
- (d) you are a registered incorporated society
- (e) no member of your committee has resigned or had their appointment cancelled, nor have any of their or the committee's powers been passed on to anyone else
- (f) none of the incorporated society's property has been:
 - (i) given or transferred to any trust or person, or
 - (ii) mixed with any property that is not the incorporated society's property
- (g) no action has been taken or proposed to wind up the incorporated society.

35.2 Things an incorporated society will and won't do

If you sign a Lending Document as an incorporated society, you agree to do, or not do, each of the things in clause 9 and also agree to:

- (a) do all things you need to do to keep being an incorporated society
- (b) not do anything that would cause a change to your committee
- (c) not change your constitutional documents in any material respect
- (d) not allow the incorporated society to be wound up.

36. Particular terms for local authorities

36.1 Things a local authority states are true

If you sign a Lending Document as a local authority, you make each of the representations in clause 8 and also represent that each of the following is true:

- (a) you are a local authority named in Schedule 2 to the Local Government Act 2002
- (b) you are the only legal owner of all of the local authority's property
- (c) no action has been taken to wind up the local authority
- (d) for the purposes of section 117 of the Local Government Act 2002, your involvement with each Lending Document:
 - (i) complies with the Local Government Act 2002
 - (ii) is something you're allowed to do, and
 - (iii) is for a purpose authorised by either the Local Government Act 2002 or another Act.

36.2 Things a local authority will and won't do

If you sign a Lending Document as a local authority, you agree to do, or not do, each of the things in clause 9 and also agree that you will:

- (a) give us, when we ask, a copy of your:
 - (i) current annual plan and a copy of the annual plan for each following year as soon as you have adopted it

- (ii) latest long-term plan and liability management policy and, as soon as there are any material changes to either, details of those changes
 - (iii) latest annual report and your annual report for each following year as soon as you have adopted it, and
- (b) make sure that any security you give us includes security over any rates that may be charged under the Local Government Act 2002 and the Local Government (Rating) Act 2002.

36.3 We acknowledge the Crown gives no guarantee

We acknowledge that your obligations as a local authority under each Lending Document are not guaranteed by the Crown.

37. Particular terms for individuals

If you sign a Lending Document as an individual (and not as a trustee of a trust), you:

- (a) agree to do, or not do, each of the things in clause 9
 - (b) make all of the representations in clause 8, and
- you also represent that each of the following is true:
- (c) you are doing so in your personal capacity
 - (d) you have full mental capacity to do everything required under each Lending Document.

Part 5: Terms for guarantors

This Part 5 applies to each person who is party to a Lending Document as a guarantor.

WARNING. We advise each person entering into a Lending Document as a guarantor to receive independent legal advice about the guarantee without the borrower being present. The independent legal advice must be given by a solicitor who does not act for the borrower, another Loan Party or any third party receiving a direct benefit from any Lending Document.

The things you tell us are true and the things you agree to do or not do in this Part 5 are in addition to the obligations you agree to in any other Part of these Master Terms or in any Lending Document.

38. You give us your guarantee

38.1 Your guarantee of payment is unconditional

You guarantee to us payment of the guaranteed amounts when they are due. This is an unconditional obligation. It can only be cancelled with our agreement.

38.2 Your payment obligations

At any time, we can demand you pay the guaranteed amounts that are due for payment, and you must pay them without deduction (whether by set-off, counterclaim or otherwise). We can make multiple demands and can demand all or part of the guaranteed amounts. You must pay, whether or not another person may also be required to pay, all or part of the guaranteed amounts.

We will charge you interest on all amounts that we demand. We will calculate the interest:

- (a) from the date those amounts are demanded to the date we receive them
- (b) on the daily balance of the amount unpaid, and
- (c) at the highest rate we would charge the relevant Loan Party if it failed to pay any amount.

This interest will be payable monthly and, if not paid, will be added to and then become part of the guaranteed amounts.

If you do not pay any interest due to us under this clause, we can also charge you additional interest on the unpaid interest at the highest rate we would charge the relevant Loan Party if it failed to pay any amount.

38.3 The amounts that you guarantee

The guarantee applies to all Indebtedness the relevant Loan Parties owe us at any time. Guaranteed amounts include any amounts:

- (a) we advance or pay to, on behalf of, or at the request of, any Loan Party at any time
- (b) currently owing by a Loan Party under any Lending Document
- (c) owing by a Loan Party in the future under any Lending Document
- (d) owing by any Loan Party alone or together with another person
- (e) making up any interest, fees and other amounts payable in relation to the amounts in (a) to (d) above.

38.4 Amounts payable if a guarantee limit amount is set

- (a) If a guarantee limit amount is set out in a guarantee document, the maximum amount we can demand from you is limited to:
 - (i) that guarantee limit amount, plus
 - (ii) interest calculated in the way we have described in clause 38.2, plus
 - (iii) any Costs we incur when we exercise our rights under, or enforce the guarantee document.

- (b) If a guarantee limit amount is calculated by reference to your interest in specific property and you are a joint owner of that property, your liability under that guarantee document will be limited to your share of that property.

38.5 Amounts payable if a guarantee limit amount is not set

If no guarantee limit amount is set out in your guarantee document, the maximum amount we can demand from you is unlimited.

38.6 You are liable as if you borrowed the loan

As between you and us (but without affecting the obligations of any other Loan Party), you are liable under this guarantee as a sole and principal debtor and not as a surety.

38.7 You are liable to repay the guaranteed amounts jointly together with other guarantors and on your own

Where a guarantee document is provided by more than one guarantor, each guarantor providing that guarantee is jointly and severally liable with each other guarantor providing that guarantee. This means each guarantor is liable on its own to pay the guaranteed amounts as well as being jointly liable with the other guarantors. We may ask any of the guarantors to pay all of the guaranteed amounts. We don't have to ask any other guarantor to pay.

38.8 We can exercise our rights under any security separately

If you have provided any security to us, we can exercise our rights under that security independently of this guarantee. We will apply any amounts received from the Disposal of secured property towards payment of the guaranteed amounts.

38.9 Costs of recovery

You indemnify us against all Costs we incur in enforcing your obligations under a Loan Document, including recovering any amounts due.

39. Your obligations as guarantor

39.1 Things you acknowledge and agree

You acknowledge and agree that:

- (a) all terms and conditions of your guarantee are set out in your guarantee document and these Master Terms
- (b) you have not relied on any documents, promises or statements made by us or on our behalf, or made by any other person
- (c) you are responsible for carrying out your own checks of each Loan Party and their ability to make payments to us when they are required to
- (d) we do not have to satisfy any condition before making a demand on you
- (e) you may not terminate or cancel your obligations to us unless we agree in writing
- (f) if you ask us, we may provide you with details of the guaranteed amounts but we don't have to do so, and we don't have to provide any details about any other Loan Party, any other guarantee or security we hold, or anything else
- (g) we don't have to tell you about any changes made to a Loan Product that you have guaranteed. This is the case however fundamental a change may be and even if it increases your liability under this guarantee.

39.2 You are still liable even if we can't claim against another Loan Party

As a separate obligation to the guarantee in clause 38.1, you unconditionally and irrevocably agree to pay to us on demand the equivalent amount to any guaranteed amounts we have been unable to recover from you or any other Loan Party. You accept this as a separate obligation whatever the reason for our failure to make the recovery:

- (a) whether or not we know that reason
- (b) whether or not that reason is:
 - (i) a Loan Party or any other person didn't have the power to do something or didn't exercise its power properly, or
 - (ii) a person who tried to act on behalf of a Loan Party or any other person wasn't authorised to do so, or
 - (iii) a Loan Party didn't have the legal right to do something it tried to do, or
 - (iv) a Loan Party is in liquidation or put under administration; changes status, constitution or control; or is reconstructed, amalgamated or reorganised (or steps are taken to do any of these things), or
 - (v) a provision of any Lending Document or these Master Terms or an obligation of any Loan Party to pay any guaranteed amounts is or becomes void or unenforceable, or
 - (vi) any other matter whatever.

Your obligation is an independent obligation to pay us on demand that amount we could have recovered if the things described above had not occurred. You must pay us on a full indemnity basis as if you had incurred the Indebtedness yourself.

The words 'guaranteed amounts' include any amount that would have been included in the guaranteed amounts if the things described in this clause hadn't happened.

39.3 Things that happen to other parties do not release you from your obligations

You will not be released from this guarantee, nor are your obligations affected, because:

- (a) we give a waiver, consent or other concession to any Loan Party or another person, or give them longer to pay
- (b) we agree to any amendment (however fundamental and even if it increases your liability under this guarantee) to any Lending Document or another security interest, guarantee or other agreement
- (c) we agree to a replacement or release of any Lending Document or another security interest, guarantee or other agreement
- (d) any Lending Document or other security interest, guarantee or agreement ceases to exist or be enforceable, or we enforce or don't enforce any such document
- (e) a Loan Party is in liquidation or put under administration; changes status, constitution or control; or is reconstructed, amalgamated or reorganised (or steps are taken to do any of these things)
- (f) a person named as a Loan Party in any Lending Document, or who was intended to enter into any Lending Document or otherwise provide security or a guarantee, hasn't done so or hasn't done so effectively, or
- (g) anything else happens that could affect your obligations under the guarantee were it not for this clause.

We are not liable to you regarding any of these matters, even though your right to claim against the borrower or another Loan Party may be affected as a result.

40. Your obligations continue and survive recovery

40.1 If we lose a recovery, your obligations continue

If any amount we receive (a 'recovery') is or may be taken from, or required to be repaid by, us in an insolvency process or for some other reason:

- (a) the recovery will not count towards reducing the guaranteed amounts
- (b) our rights will be restored to those we had under the guarantee and any security as if there had been no recovery
- (c) we can exercise all of our rights under the guarantee and any security as if there had never been a recovery (even if we provided a notice of final discharge to you).

40.2 Your obligations continue until we release them

Your guarantee is a continuing guarantee for all the guaranteed amounts until we send you a written release. Until we send you that release, your obligations to us will not be satisfied by, or released, as a result of any of the following:

- (a) any payments you (or any other Loan Party) make to us
- (b) your (or any other Loan Party's) accounts with us being in credit at any time
- (c) any settlement of accounts we have with you (or any other Loan Party)
- (d) the cancellation or repayment in full of any Loan Products that are the subject of the guarantee
- (e) any other matter that might affect your obligations to us.

40.3 You can limit further liability

- (a) You may stop a guarantee from extending to further loans made to a borrower by giving us a written stop notice (a 'Stop Notice').
- (b) A Stop Notice will only apply to any guaranteed amounts that arise from a loan made after the date we actually receive the Stop Notice. If we have already agreed to provide a loan before the date we receive the Stop Notice, the guarantee will also apply to that loan.
- (c) If we receive any payment of the guaranteed amounts after we have received a Stop Notice, we may apply the amount received to reduce any new liabilities of the borrower rather than the amount you have agreed to guarantee.
- (d) A Stop Notice relates solely to loans we agree to make after the date we receive it and does not in any way limit your liability for any other amounts that may become payable under the guarantee, whether those amounts arise before or after the delivery of the Stop Notice.

40.4 Release of guarantees

Each guarantee may only be released in accordance with clause 15.

41. You can't try to recover money from anyone who owes us money

Until we receive all the guaranteed amounts and you are no longer liable to us under a guarantee, you must not do any of the following (unless we ask you to):

- (a) make any claim against any Loan Party for any reason, whether or not that Loan Party is in insolvency
- (b) take steps regarding any debt any Loan Party owes you to:
 - (i) recover that debt (whether directly or by set-off, counterclaim or by any other means), or
 - (ii) accept money or other property, or exercise any rights
- (c) make any claim or enforce any right, or try to recover any amount, against any Loan Party if we are owed money by that Loan Party
- (d) claim the benefit of any security, guarantee or indemnity from any Loan Party
- (e) take over any of our rights against any Loan Party
- (f) require us to resort to any other security or right we hold in support for any guaranteed amounts before making demand on you.

If you don't comply with this clause, you will hold any money or property you receive on trust for us. You must give it to us if we are still owed any guaranteed amounts.

Part 6: Terms for security providers

This Part 6 applies to each person who is party to a Lending Document as a security provider but:

- (a) if you have given us a mortgage, clauses 43.1 - 43.6, 44.1, 45.4, 45.5 and 46 don't apply to you in relation to that mortgage, and
- (b) if you have given us a specific security interest, clauses 43.1 and 43.6 don't apply to you in relation to that specific security interest.

The things you tell us are true and the things you agree to do or not do in this Part 6 are in addition to the obligations you agree to in any other Part of these Master Terms or in any Lending Document.

42. Things you need to do

42.1 You must make payments

You must pay your secured indebtedness, or make sure it's paid:

- (a) when it's due under the relevant Lending Document, or
- (b) if there is no relevant Lending Document, on demand, or when required under these Master Terms, or as we instruct.

42.2 You must meet your other obligations

You must perform all of your secured obligations.

42.3 You must maintain insurance

You agree that you will do all of the following:

- (a) maintain insurance over your business and all your property for all risks that should prudently be insured against according to best commercial practice and with a level of cover that reflects best commercial practice
- (b) insure your property with reputable insurers and, if asked, give us evidence of insurance or copies of the policies
- (c) make sure that each insurance policy (other than those for third party liability):
 - (i) names us as an interested party
 - (ii) requires the insurer to give us copies of all notices given by the insurer that affect the insurance, and
 - (iii) can't be cancelled unless at least 14 days' notice has been given to us
- (d) pay all premiums on time and do anything else required to ensure your insurances are kept in force
- (e) not do anything, or allow anything to happen, that could be detrimental to any of your insurances.

43. How you secure your obligations

43.1 You grant us rights to secure your obligations

To support the payment of your secured indebtedness and the performance of your secured obligations, you grant us:

- (a) a security interest in your personal property
- (b) a fixed charge over your other property.

As well as the security given in this clause, you agree to mortgage to us your present and future interest in any real property.

You acknowledge that you will get a benefit from us in exchange for providing this security.

43.2 How your security interest takes effect in relation to contractual rights

The security interest created under clause 43.1 takes effect as:

- (a) a transfer to us of any present and future accounts receivable and chattel paper (and your rights regarding them)
- (b) an assignment by way of security of any of your other present and future rights (including any that arise out of lawsuits).

43.3 When a floating charge becomes a fixed charge

If the fixed charge referred to in clause 43.1 above is not legally effective as a fixed charge, it will be a floating charge until it becomes a fixed charge under this clause.

Any floating charge will automatically become a fixed charge without us having to do anything:

- (a) either on or immediately before (at our option) an Event of Default, or
- (b) when we advise you.

43.4 The security interest cannot be postponed or subordinated

Nothing in a Lending Document will be taken to mean:

- (a) that a security interest is intended to attach (or take effect) at a later time than the time specified in section 40(1) of the PPSA
- (b) that a security interest held by any other person ranks ahead of our security interest.

43.5 Your security interest secures future advances

For the purposes of sections 71 and 72 of the PPSA, each security document secures future advances.

43.6 You will give us a mortgage if asked

Without limiting anything in clause 44.4, you will, if we ask you to do so, immediately:

- (a) give us an all obligations mortgage in the form we require over any of your real property
- (b) sign any agreement, and do any other thing that we reasonably ask in order to register a mortgage.

You agree that any mortgage given under this clause will be in substitution for the agreement to mortgage given in clause 43.1, and will not in any way affect the security interest given under clause 43.1.

43.7 You grant us continuing security

Each security interest you grant in our favour:

- (a) is a continuing security and remains in place regardless of any payments made, or anything else
- (b) remains fully effective until a final discharge is given to you under clause 15, regardless of anything else including any settlement or payment
- (c) applies to both the present and future amount of your secured indebtedness and to all your present and future secured obligations
- (d) remains fully effective regardless of any cancellation or repayment of any Loan Product which it secures
- (e) is in addition to, and remains separate from, every other security.

43.8 You cannot revoke your obligations

Your obligations under a security document are not subject to any conditions and you cannot revoke them.

Your liability under a security document will not be affected by any of the following:

- (a) we grant a waiver, consent or other concession to any Loan Party or another person or give them longer to pay
- (b) we agree to any amendment (however fundamental and even if it increases your liability under this security) to any Lending Document or another security interest, guarantee or other agreement
- (c) we agree to a replacement or release of any Lending Document or another security interest, guarantee or other agreement

- (d) any Lending Document or other security interest, guarantee or agreement ceases to exist or be enforceable or we enforce or don't enforce them
- (e) any Loan Party (or another person) becomes insolvent or is amalgamated; changes status, constitution or control; or is reconstructed (or takes any steps to do any of these things)
- (f) a person named as a Loan Party in any Lending Document, or who was intended to enter into any Lending Document or otherwise provide a security or guarantee, hasn't done so or hasn't done so effectively
- (g) anything else happens that could affect your obligations under this security.

We are not liable to you for any of these matters, even though your right to claim against the borrower or another Loan Party may be prejudiced as a result.

43.9 Release of security

Any security may only be released in accordance with clause 15.

43.10 Reinstatement

If any amount received by us, a receiver, or a lender's representative (a 'recovery'), is or may be taken from, or required to be repaid by, us in an insolvency process or for some other reason:

- (a) the recovery will not count towards reducing the secured indebtedness
- (b) our rights will be restored to those we had under the security document and any security as if there had been no recovery
- (c) we can exercise all of our rights under the security document as if there had never been a recovery (even if we provided a notice of final discharge to you).

44. How our security interest is protected

44.1 We may register under PPSR

We may, at your cost, register a financing statement on the Personal Property Securities Register (PPSR) for the security interest you have granted us, and do anything else we think is reasonable to make sure the security interest is perfected and fully effective under the PPSA.

You agree that you don't need to be given copies of any of the statements referred to under section 148 of the PPSA.

44.2 We can open a new account to counter third party interests in secured property

If we are told that someone else has an interest in any secured property, we may open a new account in your name. However, even if we don't do that, we will be taken to have done so at the time we were told about the other interest.

From the time the new account is opened (or is taken to be opened), the following amounts will be, or will be treated as, debited or credited to the new account:

- (a) all amounts we pay or make available to you, and
- (b) all payments you make to us.

Amounts received into (or deemed to be received into) the new account will be applied only to reduce secured indebtedness, unless the account is overdrawn.

44.3 You must help us to hold a first ranking security interest

If we ask you to do so, you must ensure that any other holder of a security interest in the secured property (a holder) enters into an agreement with us:

- (a) that confirms that our security interests rank ahead of the other holder's security interest
- (b) that is in a form which is satisfactory to us.

44.4 You will do things we ask to protect our position

If we ask you to do so, you must, at your own cost, sign any document or do anything else to:

- (a) give us the priority we want under a security
- (b) perfect any security interest, including any of the following:
 - (i) providing serial numbers and other details relating to you or any secured property
 - (ii) giving possession of, or transferring, any secured property to us
 - (iii) registering, or allowing the registration of, a financing statement or a financing change statement in respect of any security interest
 - (iv) giving us a mortgage over any real property
- (c) transfer any secured property to us (or our nominee) or a purchaser
- (d) secure to us the full benefit of our rights under any security whether on enforcement or otherwise (including granting us a power of attorney)
- (e) allow us, a lender's representative or a receiver to exercise our, or their, rights under any security.

44.5 How insurance proceeds may be used

Money paid out under any insurance is to be used, at our option, to either:

- (a) fix or replace whatever was lost or damaged, or put towards whatever was insured against
- (b) reduce your secured indebtedness.

You must hold any insurance proceeds you are given on our behalf until used as set out above.

44.6 We are not liable for the secured property

- (a) We are not responsible for any obligation you have regarding your secured property.
- (b) Even though we are not responsible, we can do something you should have done (but didn't do) connected with your secured property, and you must reimburse us, on demand, for any amount we pay in connection with your secured property and all Costs we incur as a result.

44.7 Limits to our liability

Unless the law makes us liable, we will not, and neither will a lender's representative nor any receiver be liable:

- (a) for any loss or damage that results from anything we or they do or don't do under a security document or any law
- (b) to account as a mortgagee in possession if we, they or any other person on behalf of any of us takes possession of any secured property.

44.8 Limits on our liability to third parties

When we or a lender's representative or receiver are doing things under a security or as permitted by the law, nobody:

- (a) need enquire:
 - (i) whether the security created by the relevant security document has become enforceable
 - (ii) whether a receiver or a lender's representative has been properly appointed
 - (iii) whether the relevant rights were properly exercised or exercisable
 - (iv) about the need for any conditions of any transaction or dealing
 - (v) about how amounts paid to us, a receiver or a lender's representative were or are used
 - (vi) about the correctness of any transaction or dealing
- (b) will be affected by knowing that any such transaction or dealing was unnecessary or out of order.

44.9 We are not obliged to do things in any set order

We are not required to do anything in any set order, either:

- (a) under any security interest, guarantee or other rights we hold, or
- (b) in respect of any money or property that we hold at any time or are entitled to receive.

If we hold more than one security or guarantee, we can exercise our rights under them in whatever order we think will help us maximise our recovery.

44.10 Our rights under the Property Law Act 2007

- (a) **Personal property**
Clauses 3(2), 6(2) and 12 of Part 2 of Schedule 2 to the Property Law Act 2007 don't apply to a security.
- (b) **Real property**
If a mortgage forms part of any security, clauses 3(2), 8(2), 16(2) and 18 of Part 1 of Schedule 2 to the Property Law Act 2007 don't apply to that security.
- (c) **Conflicts with the Property Law Act 2007**
If there is any conflict between a security and Part 1 or Part 2 of Schedule 2 to the Property Law Act 2007, the security will apply.

45. The things you state as true and the things you agree to do or not do

45.1 Things you state to be true about the secured property

You make all the representations set out in clause 8, and those set out below.

- (a) **No foreign property**
All of your secured property is in your possession, and is in New Zealand unless you have notified us under clause 45.3(e).
- (b) **Sole owner**
You are the sole legal and, except if you are a trustee, beneficial owner of your secured property or, if you don't own it, you have rights in it.
- (c) **No security interests**
There are no other security interests in any of your secured property, and none are contemplated other than a security in our favour or a security interest which is allowed under clause 9(e).
- (d) **No other interest**
No one else has any interest in, or other rights over, your secured property which could adversely affect our security.
- (e) **Right to grant security interest**
You are able to grant an effective security interest in any of your secured property that is also subject to a purchase money security interest (as that term is defined in the PPSA).

45.2 These statements continue to be true

- (a) **Repetition**
Each representation in clause 45.1 is repeated continuously, so long as any security remains in force.
- (b) **Statements relating to future secured property**
Whenever you acquire any secured property in the future, you must give the same representations in clause 45.1 regarding that property.

45.3 The things you promise to do and not do regarding secured property

You will do the things set out in clause 9 (and Part 4 if applicable) and those set out below.

- (a) **Serial-numbered goods**
Give us, if we ask, details of all motor vehicles and aircraft that are consumer goods or equipment.

- (b) **Do not allow accessions or fixtures**
Not allow any of your secured property to become an accession or fixture to any property (unless that property belongs to you and is subject to a security interest in favour of us).
- (c) **Do not allow rights of set-off**
Not allow any of your accounts receivable to be subject to any right of set-off or combination of accounts, or another claim (other than rights that arise in the ordinary course of business or by operation of law).
- (d) **Maintain and repair secured property**
Maintain all of your secured property in good working order and, if asked by us, fix anything that's damaged or broken.
- (e) **Whereabouts of secured property**
Notify us in writing and, in the case of (i) and (ii) below, obtain our prior consent:
 - (i) if the location of your secured property changes, other than any property which moves in the ordinary course of business (for example, vehicles)
 - (ii) if any secured property is outside New Zealand, or moves from one country to another
 - (iii) if we ask, of the present location of any of your secured property.
- (f) **Ownership papers**
Give us all ownership or registration papers for your secured property if we ask for them.
- (g) **No altered agreements**
Make sure that there is no change to any agreement relating to the secured property which would have a material adverse effect.
- (h) **Preserve and protect security**
Promptly do everything we reasonably ask to:
 - (i) preserve and protect the value of your secured property, and
 - (ii) maintain your ownership of, and rights in, and our interest in, the secured property.
- (i) **Access**
Make sure we have full access at all reasonable times to the secured property.
- (j) **Registration of security**
Promptly register each security interest created under a security in each country (other than New Zealand) in which registration may be necessary or recommended.
- (k) **Accounts receivable**
Make sure the proceeds of all accounts receivable are deposited into your account with us when they are paid to you.
- (l) **No harmful actions or omissions**
Do not do, forget to do, or allow to happen, anything that might:
 - (i) make any secured property or a security interest created under any security unenforceable or liable to be cancelled
 - (ii) cause or contribute to a material drop in value of any of your secured property
 - (iii) otherwise adversely affect our rights under any security.
- (m) **Name changes**
Give us at least 10 business days' notice before you:
 - (i) change your name (the notice must include the proposed new name)
 - (ii) allow anything to happen that would cause any information in a PPSA financing statement to be different if it were re-registered.
- (n) **Registration details**
Give us all information we ask for to ensure that registration of each security interest remains fully effective and has the priority we want.

(o) **Security provider as secured party**

If you are, or could be, a secured party regarding any security interest (or any deemed security interest as set out in section 17(1)(b) of the PPSA), you must identify and perfect those security interests (or deemed security interests) by doing:

- (i) anything a person conducting a similar business would prudently do
- (ii) anything else we request.

This includes everything necessary:

- (iii) for you to obtain the highest priority possible, unless we have agreed otherwise
- (iv) to minimise the risk of a third party acquiring an interest in your secured property free of your security interest or deemed security interest.

45.4 Things you agree to do, or not do, relating to specific security

If you have given us a specific security interest in any secured property, you agree to do (or not do) all of the things set out below.

(a) **Use of the property**

Make sure that the secured property is used solely:

- (i) in accordance with the manufacturer's instructions
- (ii) for the purposes of your business.

(b) **Ownership papers**

If we ask for them, you must give us:

- (i) copies of any certificates of registration and licences to operate the secured property
- (ii) proof that all taxes, licence fees and other fees payable for the secured property have been paid.

(c) **Notice of change**

Tell us immediately if:

- (i) the secured property is taken out of your possession for any reason or is lost or damaged
- (ii) you become aware of any claim against you relating to your use of the secured property or use by anyone on your behalf.

(d) **Keep with insurance terms**

Do not use the secured property in any way that would allow an insurer to disclaim liability under any insurance policy.

(e) **Not lease or hire**

Do not lease or hire the secured property without our prior written consent. If we do consent, make sure that, at all times during the term of the lease, you:

- (i) ensure the lessee complies with each of the requirements set out in this Part 6 as if they were expressed to be binding on the lessee
- (ii) make sure the lessee identifies the secured property in its records as being your property
- (iii) register your interest on the PPSR.

(f) **Motor vehicles**

If the secured property is a motor vehicle, you will:

- (i) not permit the motor vehicle to be driven by a person without a driver licence
- (ii) not permit the motor vehicle to be driven by a person who is unfit to drive it
- (iii) comply with all laws and regulations affecting the use of motor vehicles
- (iv) not modify the vehicle in any way
- (v) keep the motor vehicle registered and not change its registration number
- (vi) if a vehicle identification number has not been allocated to that motor vehicle when we take security over it, immediately notify us of any vehicle identification number that is allocated.

(g) **Certification**

Make sure a current warrant of fitness and any other certification required by law is always correctly displayed on the secured property.

45.5 Waiver of rights under PPSA

You:

- (a) agree that you have no rights under sections 114(1)(a), 133 or 134 of the PPSA, and
- (b) waive your rights to:
 - (i) not have goods damaged if we remove something from them under section 125 of the PPSA
 - (ii) receive notice of the removal of an accession under section 129 of the PPSA
 - (iii) apply to the Court for an order under section 131 of the PPSA
 - (iv) receive a statement of account under section 116 of the PPSA
 - (v) receive notice of any proposal by us to keep something under section 120(2) of the PPSA
 - (vi) object to any proposal by us to keep something under section 121 of the PPSA.

46. What happens if we enforce our rights

46.1 Rights on enforcement

In addition to the things we can do under clause 11.3, whenever an Event of Default has happened and is still going:

- (a) each security will become immediately enforceable
- (b) we may:
 - (i) do anything, either in our own name or in the name of a Loan Party, that the Loan Party could do, regarding both the secured property and each Loan Party's business
 - (ii) do anything that a receiver could do, regarding both the secured property and each Loan Party's business, including under clauses 46.5 and 46.6, and whether or not a receiver has been appointed.

46.2 Appointment of receiver

In addition to exercising our other rights, we may appoint, remove, replace and fix the terms of appointment of one or more receivers (acting solely or together) regarding any secured property on terms we consider necessary if:

- (a) an Event of Default happens and is still going
- (b) you ask us to, or
- (c) we believe that any of the secured property risks being taken, becoming subject to another security interest, or being dealt with in a way that breaches any Lending Document.

46.3 Receiver's fees

We may set the fees of a receiver either as agreed with the receiver or, failing agreement, as we decide. You must pay all the receiver's fees on demand, and those fees form part of your secured indebtedness.

46.4 Receiver is your agent

A receiver is your agent, and we will not be responsible for anything the receiver does or doesn't do.

46.5 Receiver's general rights

A receiver has:

- (a) all the rights given to it by law, including under the Receiverships Act 1993
- (b) all the rights we have under clause 46.1 (whether or not we are currently entitled to enforce those rights)
- (c) all the rights an individual would have if that individual owned your secured property and businesses
- (d) all other rights conferred by law (including under Part 9 of the PPSA) in relation to your secured property.

In each case, the receiver may exercise any or all of these rights without being responsible for any loss.

46.6 Receiver's specific rights

Without limiting clause 46.5, a receiver may, either in its own name or your name, do any or all of the following:

- (a) manage, take possession or control of, collect, and sell or otherwise Dispose of, the secured property
- (b) do anything that you could do regarding your secured property and your business, including:
 - (i) carry on your business and deal with your secured property, and stop doing so at any time, and
 - (ii) repair, purchase additional property, and do anything else it considers necessary or desirable to protect or improve the secured property, or obtain income or produce from it
- (c) borrow any amount that it may need for the purposes listed in this clause 46.6, and grant security over the secured property. The receiver can decide the priority of this security and it may rank ahead of our security
- (d) insure, hire out, lease or license the secured property, with or without a purchase option, and whether or not the receiver has taken possession
- (e) remove fixtures belonging to you and deal with them separately
- (f) take any steps to make you bankrupt, and liquidate companies or other entities. Do everything in connection with any bankruptcy or liquidation that the receiver considers appropriate
- (g) do everything necessary to honour any of the things you agreed to do in any Lending Document
- (h) settle, negotiate or compromise accounts, claims or disputes connected to your business or the secured property or in any way relating to the Lending Documents. Arrange any necessary releases or other discharges
- (i) make demand on your shareholders regarding any uncalled capital, and sue to recover amounts due under those demands. For this purpose, the relevant clauses in your constitution, or arising under law, will, with any necessary modifications, continue to apply regardless of any change in directors, and the receiver can exercise the rights given under those clauses in place of those directors
- (j) do anything incidental to the exercise of any other power given to it under any Lending Document
- (k) take legal proceedings, or continue any legal proceedings currently underway
- (l) delegate any of the powers given to it by this clause 46 to any person, and engage employees, agents, lawyers, advisors and contractors for any purpose of this clause.

In each case, the receiver may do all these things without being responsible for any loss.

46.7 Receiver's rights of sale

A receiver may do any or all of the following:

- (a) sell all or any part of the secured property, with or without any other property:
 - (i) subject to any prior ranking security interest that exists
 - (ii) together, or in separate lots, in any manner and subject to any conditions it sees fit
 - (iii) on whatever sale terms it considers suitable, including by allowing the purchase price to remain owing without security or outstanding on any security over the property sold, or over any other property
 - (iv) whether or not you have prepared the secured property for sale
 - (v) on any terms the receiver considers suitable
- (b) cancel an agreement for sale over the secured property, in which case it may:
 - (i) re-sell the secured property without being responsible for any reduction in price
 - (ii) refund to the potential purchaser any amounts to which the potential purchaser may be entitled from the cancellation
 - (iii) reverse any application of sale proceeds it previously made
- (c) sign any transfer documents for the secured property (including in your name), receipts for the purchase proceeds, and do anything else to complete the sale
- (d) do anything else in connection with the sale that a receiver can do, whether under the Lending Documents, or by law, agreement or otherwise.

The receiver is not responsible for any loss, or for anything done or not done by any purchaser, and is not obliged to enforce any agreement for sale.

46.8 You will cooperate in a sale

If a receiver intends to sell secured property, you must not do or cause anything to delay, adversely affect, or otherwise prevent a timely sale and transfer of ownership to the purchaser.

46.9 Proceeds of enforcement

We can set the order in which we use all money we or a receiver recover or have following enforcement of our rights over the secured property or against you.

46.10 Use of proceeds (if we don't set the order)

If we don't set the order under clause 46.9, all money we receive on enforcement is to be used:

- (a) first, to pay all Costs we incur or incurred by any lender's representative or any receiver
- (b) second, to pay any receiver's fees
- (c) third, towards payment of all your secured indebtedness
- (d) fourth, to pay anyone with a subsequent security interest
- (e) fifth, any surplus goes to you.

46.11 Amounts that may be payable in the future or after some other event happens

If, at the time of allocation of any money under clause 46.9 or clause 46.10, any secured indebtedness or guaranteed amounts are or might become contingently owing to us, we, any lender's representative or any receiver:

- (a) may keep an amount equal to all or part of that contingent Indebtedness
- (b) may put that amount on deposit until that contingent Indebtedness either becomes definitely owing, or ceases to be contingently owing
- (c) will apply the amount kept back in payment of your secured indebtedness or guaranteed amounts when those amounts become definitely owing
- (d) will apply the balance of the amount kept back, together with any interest earned on it, in the order set in clause 46.10.

Part 7: Meanings

47. Meanings

In these Master Terms and any Lending Document, some words have special meanings which we have set out below. We have used capital letters for some terms where the meaning is different to the ordinary meaning of the words we have used. Some other words are also defined in Part 5 and Part 6 of these Master Terms and in some of the clauses.

Amount Outstanding means, regarding a Loan Product (or a component of a Loan Product), all amounts you are, or at any time may be, liable to pay under the Lending Documents for that Loan Product (or that component) including interest and Costs.

attorney means an attorney appointed under a Lending Document.

availability period means the period during which you can use a Loan Product. It will be in your Facility Document.

base rate means, for a Loan Product, the base rate set out in your Facility Document.

borrower means each person named as a borrower in your Facility Document.

business day means any day on which banks are open for normal banking business in Auckland or Wellington. Saturday and Sunday aren't business days, even though some banks may be open.

constitutional documents means:

- (a) for a company, its constitution
- (b) for a trust, its trust deed
- (c) for a partnership, its partnership agreement
- (d) for a limited partnership, its limited partnership agreement
- (e) for a charitable trust, its trust deed
- (f) for an incorporated society, its governing rules.

Costs include Early Repayment Costs, general costs, solicitor-client costs, fees, losses, liabilities and taxes.

default rate means, in relation to a Loan Product, the rate set out in your Facility Document. If no rate is set out, the default rate is the one we specify on our website www.bnz.co.nz as being the default rate for the purposes of these Master Terms and the relevant Loan Product.

Dispose means sell, lease, transfer, release or give an interest in property and an agreement to do any of those things and Disposal has an equivalent meaning.

drawing date means each date on which a loan is to be made under a Loan Product.

Early Repayment Costs are described in clause 5.2.

Event of Default means any of the events described in clauses 11.1 and 11.2.

excess rate means, in relation to a Loan Product, the rate set out in your Facility Document. If no rate is set out, the excess rate is the one we specify on our website www.bnz.co.nz as being the excess rate for the purposes of these Master Terms and the relevant Loan Product.

Facility Document means, in respect of a Loan Product, the document setting out the commercial terms of that Loan Product.

fundamental default means an event of the kind described in clause 11.1.

general security interest means a security interest given over all assets of the relevant security provider.

guarantee means each guarantee given by a guarantor in our favour in the guarantee document and, if relevant, these Master Terms.

guarantee document means a document under which a guarantor guarantees to us the Indebtedness and obligations of one or more persons named or identified in that document. A guarantee may be contained in a Facility Document.

guarantee limit amount means the limit (if any) on the amount we can claim under a guarantee. The limit amount is described in your guarantee document.

guaranteed amounts means, in relation to a guarantor, all Indebtedness owed to us by each person named or identified in the relevant guarantee document as being a person whose Indebtedness, obligations or both are guaranteed under that guarantee document.

guarantor means each person named or identified as guarantor in a guarantee document, and each person who has otherwise given us a guarantee concerning a Loan Product.

Indebtedness means any obligation relating to the payment of money. It includes any obligation now or in the future, any obligation that is contingent, both secured and unsecured obligations, and any obligation owed by a person alone or owed jointly with others.

independent trustee means each person named as an independent trustee in a Facility Document.

insolvency includes:

- (a) the liquidation, dissolution, administration, receivership or bankruptcy of a person (including committing any act of bankruptcy under the Insolvency Act 2006)
- (b) the entry into a compromise, scheme or equivalent arrangement with a view to avoiding insolvency
- (c) any equivalent procedure, and

insolvent has a corresponding meaning.

interest payment date means each date on which you are due to pay interest for a Loan Product as set out in your Facility Document or as otherwise set out in these Master Terms.

interest rate means the rate set for interest on a Loan Product in your Facility Document, as varied from time to time in accordance with that Facility Document or these Master Terms.

lender's representative means anyone we appoint to act for us under a Lending Document. It includes an attorney, but excludes a receiver.

Lending Document means every agreement relating to a Loan Product, including:

- (a) these Master Terms
- (b) each Facility Document
- (c) each guarantee document
- (d) each security document
- (e) each mortgage
- (f) each agreement under which a party to a Lending Document enters into a markets transaction with us, and
- (g) any terms and conditions that apply to the relevant Loan Product.

limit means the maximum amount that may be outstanding for a Loan Product, as set out in your Facility Document. If a Loan Product has separate components, 'limit' also means the maximum amount that may be outstanding under each of those components.

loan means each amount borrowed, or to be borrowed, under a Loan Product.

Loan Party means each borrower, each guarantor, each security provider and each other person (other than us) who is a party to a Lending Document for a Loan Product.

Loan Product means any credit, loan, guarantee or other financial product of any kind that we may give you.

margin means, in relation to a Loan Product, the rate set out in your Facility Document, as varied from time to time under clause 3.4.

Master Terms means, at a particular time, the version of the BNZ Business Lending Master Terms in effect at that time.

material adverse effect means something that, in our reasonable opinion, materially and adversely affects:

- (a) a person's:
 - (i) financial condition or operations
 - (ii) ability to comply with its obligations under any Lending Document
- (b) the enforceability, or the ranking, of any security interest given to us by that person, or our rights under any Lending Document entered into by that person.

References to **material adverse change** have an equivalent meaning.

Maturity Date means the earliest of:

- (a) the date when a Loan Product must be repaid as set out in your Facility Document or, if no date is set out, the date we say is the Maturity Date, and
- (b) the date on which we cancel the Loan Product.

mortgage means each mortgage given in our favour to support repayment of secured indebtedness.

obligations means all obligations of any kind that a Loan Party has to us under or in connection with any Lending Document, other than an obligation to pay money. This applies whether the obligation is now or in the future, express or implied, actual or contingent, secured or unsecured, and whether incurred alone or together with others as principal, guarantor or otherwise.

other property means a security provider's real property and all of its property that is not personal property.

personal information means your personal information (information that identifies you), confidential information, tax-related information, transaction information and any related information. It also means any such personal information that you, or someone else on your behalf, provides to us about other people, such as a guarantor, security provider or your representatives.

personal property means a security provider's present and after-acquired personal property, including livestock and crops, and all personal property in which it has rights now or in the future.

Potential Event of Default means anything that we think is likely to become an Event of Default.

PPSA means the Personal Property Securities Act 1999.

Rate Reset Period means each period we use to determine a variable interest rate. These periods are set out in the terms of your Facility Document or notified by us.

real property means a security provider's freehold, stratum and leasehold land, all interests in land and all buildings, structures and fixtures on that land.

receiver means a person appointed as a receiver or receiver and manager under these Master Terms or any security document.

Review Event means any of the following.

- (a) A guarantor or security provider has sent us a notice terminating, or requesting a release of, any guarantee or security given in support of a Loan Product.
- (b) We reasonably believe that the value of any security undergoes a material decrease, or we receive a request to change a security.
- (c) An event happens that, in our reasonable opinion, is likely to result in a material deterioration in your financial position, or the financial position of any guarantor or security provider. This could be:
 - (i) the loss of a key supplier, major customer or tenant
 - (ii) a change in the nature of your activities
 - (iii) any other event.
- (d) Exchange rates or interest rates change in a way that may adversely affect you, any guarantor or any security provider.
- (e) We reasonably believe that a change in your financial position, or the financial position of any guarantor or security provider, means you, or they, will not be able to meet obligations under a Lending Document.

secured indebtedness means all Indebtedness of a security provider to us (including, for the purposes of sections 71 and 72 of the PPSA, future advances), and includes any part of that Indebtedness.

secured obligations means, in relation to a security provider, the performance and observance of all obligations of that security provider, and includes any part of those obligations.

secured property means all personal property and all other property, wherever situated, other than any property that may not be subject to a security interest under Part 3A subpart 6 of the Credit Contracts and Consumer Finance Act 2003.

security means each security interest given, or to be given, in our favour, and which secures, or is intended to secure, secured indebtedness.

security document means any document under which a security provider gives a security interest in our favour. A security interest may be given to us in a Facility Document.

security interest means an interest in property created by a transaction that, in substance, secures payment or performance of an obligation without regard to the form of the transaction or the identity of the person who owns the property.

security provider means, in relation to a Loan Product, each person who has given a security interest in our favour to secure repayment of that Loan Product.

specific security interest means a security interest given over one or more specific assets described in the relevant security document.

Standard Terms and Conditions are our transaction and savings account terms and conditions which are subject to change from time to time and available on our website www.bnz.co.nz.

sub-limit means the maximum amount that may be outstanding under each separate component of a Loan Product.

trust property means all property held by you as trustee of a trust.

The terms 'attach', 'consumer goods', 'debtor', 'equipment', 'financing change statement', 'financing statement', 'future advance', 'goods', 'motor vehicle', 'personal property', 'possession', 'proceeds', 'purchase money security interest' and 'secured party' have the meanings given to them in, or in the context of, the PPSA. The terms 'aircraft' and 'serial-numbered goods' have the meanings given to them in the Personal Property Securities Regulations 2001.

Any reference to legislation includes any update of and re-enactment of that legislation and any other legislation enacted in substitution for that legislation. Reference to legislation also includes any regulation, order-in-council and other instrument issued or made under that legislation.

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