

GENERAL TERMS

By signing this Agreement you agree to the following terms:

1. **Payments**

- 1.1 To pay to us:
- 1.1.1 the Loan Amount and Interest at the Interest Rate and at the times set out in the Disclosure Statement.
 - 1.1.2 the Further Advances (if we agree to make further advances to you) together with Interest on such as set out in any further Disclosure Statement.
 - 1.1.3 all moneys owing on the Payment Dates as set out in the Disclosure Statement.
 - 1.1.4 Interest at the Default Interest Rate if you do not make payment of any moneys owing to us on any Payment Date on the overdue amount due from the Payment Date until the date the amount is actually paid.
 - 1.1.5 all costs and expenses we incur relating to, or in connection with, this Agreement, including:
 - a. the preparation, signing, registration, administration, variation, release, or consent relating to any security agreement, financing statement, mortgage, security, or caveat that we are entitled to take as security under this Agreement;
 - b. any act or attempted act to exercise or enforce or protect any right or remedy we have under this agreement or any security;
 - c. any court proceedings (other than any court proceedings subsequent to the repossession and sale of any Goods);
 - d. any dispute with you or any other person who claims an interest in any property (including any security interest);
 - e. any transfer of any security interest to or from us;
 - f. any dispute with you or a guarantor; and
 - g. anything that we do which you should have done, either under our general rights as a secured lender or under the power of attorney that you have given us or under any security.
- 1.2 To pay on time all rents, rates, taxes and other charges payable in respect of the Property; and to provide to us upon request receipts for any such payments.
- 1.3 That you will not deduct any amount we may owe you from any amount that you must pay us under this Agreement.

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- 1.4 Unless we agree otherwise, all payments must be made by way of direct debit authority on your bank account or by way of an automatic payment authority on your bank account.

2. **Property Obligations**

2.1 You agree to:

- a. take proper care of the Property and keep it in good condition and repair;
- b. repair any loss or damage to the Property as soon as possible;
- c. keep any motor vehicles when not in actual use at the address shown in the Disclosure Statement;
- d. not alter or deface the Property;
- e. not permit the Property to be taken out of New Zealand without our prior written consent;
- f. allow us reasonable access to the Property at any time, free of charge; and
- g. pay the local authority rates.

2.2 You must not:

- a. do anything which might affect our rights in the Property including (but not limited to):
 - i. using the Property or permitting it to be used contrary to any law, regulation or, by-law or for a purpose for which it is not designed or intended to be used;
 - ii. use or allow the Property to be used for a purpose or in a way which breaches or invalidates the insurance on the Property; or
 - iii. do or permit any act or thing which leads or is likely to lead to any Goods being seized as a result of other legal proceedings or to a charge being created over the Goods in favour of a third party.
- b. commit any act of bankruptcy or allow any receiver to be appointed or any distraint to be made on the Property or make assignment for the benefit of any creditors or enter into any composition with any creditors.
- c. sell the Property, lease it or allow others to use it, or allow someone else to register a security or any rights over the Property.

2.3 Where you have given security over a vehicle, you must:

- a. comply with all provisions of the Transport Act 1962 and all laws and by-laws and pay all taxes and licence fees payable in respect of registration and the operation of the vehicle; and
- b. not use the vehicle whilst intoxicated and must not allow any unlicensed person to use the vehicle.

2.4 If any Goods are removed, seized or taken out of your possession, you must give us written notice within 24 hours of it happening, and also tell us the address of the place to which the

Goods have been removed. We shall immediately be entitled to all or any of the remedies conferred by clause 7 of this Agreement.

3. Insurance

- 3.1 You must insure the Property to its full insurable value against fire, accident, theft, and such other risks as we may require in our joint names for our respective rights. Any motor vehicle insurance must also include cover for third party risks.
- 3.2 If you do not insure the Property under clause 3.1 or the insurance cover ceases for any reason, we may insure the Property and the cost of such insurance shall be part of the moneys owing to us .
- 3.3 Should any of the Property be lost or damaged and the insurer not repair, reinstate or replace it, any proceeds of such policy shall be paid to us and we may at our option:
- a. use the money to replace, repair or rebuild the Property and in such event such Property shall be deemed to be the Property secured by this Agreement and all the provisions of this Agreement shall apply or;
 - b. use the money payable under any such policy of insurance to repay the moneys owing to us.

4. Other General Obligations

- 4.1 You must give us at least five days prior, written notice of any change of your address.
- 4.2 If more than one person is named as Borrower each person is responsible for complying with this Agreement both together and separately.

5. Full Repayment

- 5.1 You can repay the moneys owing to us in full before the end of the term.
- 5.2 If you do repay the moneys owing to us before the last payment date, we can charge you administrative costs and a further fee to compensate us for any loss we suffer because of the early repayment.

6. Unforeseen Hardship

- 6.1 If you are unable to meet your obligations under the Agreement because:
- a. you are sick or injured;
 - b. your relationship has ended;
 - c. you have lost your job; or
 - d. of another reasonable cause;

and you think you could continue to meet your obligations if the terms of this Agreement were changed, you may apply to us in writing with a proposed repayment plan

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7. Default

7.1 You are in default of this Agreement if:

- a. you do not perform your obligations;
- b. you do not do something you agreed to do;
- c. you give us incorrect or misleading information;
- d. you or another person, acting together, have acted fraudulently;
- e. you become insolvent or have a court judgment against you; or
- f. you receive a Property Law Act notice in respect of the land.

7.2 If you are in default of your obligations under this Agreement, we can:

- a. demand full payment of all money owing and unpaid under this security agreement.
- b. remove and take possession of and sell any Goods or enforce our rights under any Collateral Security. You give us permission without notice to enter into, and if necessary to break into, any building occupied by you where any Goods may be, and as your agent to enter upon any other lands, buildings or premises to search for, remove and take possession of any Goods without being liable in any way to you or any person claiming under you for such action.
- c. sell the goods by auction or otherwise subject to any applicable obligations under the Personal Property Securities Act 1999 and under the Credit Contracts and Consumer Finance Amendment Act 2014.
- d. sell the Land by way of mortgagee sale in accordance with the terms of the Mortgage referred to in clause 12 and the provisions of the Property Law Act 2007.

7.3 If you have acted fraudulently (either alone or together with any other person) you will be liable for all our losses and for those losses suffered by any other person or entity.

8. Attorney

8.1 You appoint us and each of our Directors to be your attorney to do all things which you have agreed to do under this Agreement or which, in our opinion is necessary to protect our interests under this Agreement or to give effect any right, power or remedy conferred on us.

8.2 You cannot cancel or revoke this power of attorney.

9. Set Off

9.1 We may use any amount which we owe you to offset against any moneys owing to us by you under this Agreement. We may do this even if you are insolvent, bankrupt or have entered into any arrangement.

9.2 If you are in default we can apply any payment we receive from you in any way that we decide. Generally repayments will be applied in the following order, but we can change this:

- a. fees;
- b. interest;
- c. any overdue Loan Amount; and
- d. regular payment, and any remaining debit balance of the total advance.

10. **Further Advances**

- 10.1 If you ask us to make Further Advances to you and we agree, then those Further Advances:
- a. are governed by this Agreement and these terms and conditions;
 - b. are secured by each security interest and mortgage that you give or have given us; and
 - c. the details regarding repayment of those further advances will be set out in a Changed Disclosure Statement.
- 10.2 If you have applied to us in writing for a Further Advance then you agree that the application signed by you, this Agreement and the change disclosure statement to be given to you will be sufficient to record your obligation to repay the Further Advances without the need for any further documentation.
- 10.3 If there is a guarantor, then any application for a Further Advance must be consented to by the guarantor. When consenting to the application the guarantor will be acknowledging that the guarantee applies to the Further Advance.
- 10.4 Just because we provide for Further Advances doesn't mean that we must make them if you apply for one. We have the right not to approve any Further Advance or to make any further advance on such additional terms and conditions as we think fit.
- 10.5 If we make Further Advances to you or we change the terms and conditions of the Agreement then we are required by New Zealand Law to disclose the details of that change and we will give you a Changed Disclosure Statement.
- 10.6 A Changed Disclosure Statement will form part of the Agreement after it has been given to you.

11. **Purchase of Goods**

- 11.1 If you are not, at the date of this Agreement, the owner of the Goods then the Loan Amount is to be used in whole or part in purchase of the Goods and where applicable to repay any debt outstanding and discharge any security over the Goods.

12. **Agreement to Mortgage**

- 12.1 You agree:
- a. if we ask, you will sign a registerable Mortgage in our favour over the Land described in the Disclosure Statement, to secure payment of all moneys owing to us and to charge such property accordingly;

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- b. the Mortgage will be in the current Auckland District Law Society form of All Obligations Mortgage or such other form as we may reasonably require and the Priority Sum for the purposes of Section 92(1) of the Property Law Act 2007 shall be the sum specified in the Disclosure Statement;
 - c. we may register a caveat against the title to the Land pending registration of the mortgage referred to in this clause;
 - d. we can sign the mortgage at any time without asking you first;
 - e. we are not responsible for damage or loss you or others suffer because of our actions as your attorney or if we don't act; and
 - f. when we act as your attorney, you must immediately if required confirm any actions we have taken. If we ask you, you must immediately pay the costs we incur as your attorney.
- 12.2 To enable us to register the mortgage, or for the purpose of creating a security interest under the PPSA or causing one to attach, you irrevocably appoint us and any director or officer of Pioneer Finance to be your lawful attorney for all purposes and with power for us to do on your behalf anything you can do including (without limiting in any way the complete generality of this power) the execution of any instrument under the Land Transfer Act 1952 and of any other deed or document.

13. Collateral Security

- 13.1 Where the Property includes land, this Agreement and the Memorandum of Mortgage which relates to the land, both secure the money owed to us and if you default in your obligations under this Agreement or the Memorandum of Mortgage, you will be deemed to be in default under the other.

14. Indemnity

- 14.1 You promise to pay us the amount of any claim by any person relating to the Property or the use of it.
- 14.2 If we incur any loss, liability or expense in respect of the Property or this Agreement then the amount of such loss plus any Goods and Services Tax (if any) shall be payable by you to us upon demand.

15. Costs

- 15.1 You will pay all costs, in relation to the preparation, completion and registration of this Agreement, any satisfaction variation or cancellation, and any other documents required incidental to this Agreement, including any mortgage or caveat.
- 15.2 The amount of the establishment fees and credit fees and charges at the date of the Loan Advance are set out in the Disclosure Statement. We can vary these from time to time.

16. **Default Fees**

- 16.1 In the event that any amounts payable to us under this Agreement are not paid on the due date, we may demand that you pay us a reasonable fee to meet our administration costs in respect of such default. Our fees may be varied from time to time.

17. **Security Interest in Goods**

- 17.1 You acknowledge that this Agreement creates a security interest (**Security Interest**) (as that term is defined in the PPSA) in any Goods. You will, at our request, immediately sign any documents (including replacement security documents), provide all necessary information and do anything else required by us to ensure that the Security Interest constitutes a Perfected Security Interest (as that term is defined in the PPSA) and which will have priority over all other security interests in any Goods.
- 17.2 You waive your rights under the PPSA to receive a copy of any Verification Statement (as that term is defined in the PPSA which contains information about the charge which is registered against the Goods).
- 17.3 You agree, to the extent permitted by law, that you shall have no rights under the following provisions of Part 9 of the PPSA to:
- a. receive a notice under section 114(1)(a);
 - b. receive a statement of account under section 116;
 - c. surplus distributed under section 117;
 - d. recover any surplus under section 119;
 - e. receive notice of any proposal of the Lender to retain collateral under section 120(2);
 - f. object to any proposal of the Lender to retain collateral under section 121;
 - g. not have goods damaged in the event that the Lender were to remove an accession under section 125;
 - h. receive notice of the removal of an accession under section 129;
 - i. apply to the Court for an order concerning the removal of an accession under section 131;
 - j. redeem collateral under section 132; and
 - k. reinstate the agreement under section 133.
- 17.4 You further agree that where we have rights in addition to those under Part 9 of the PPSA (which relate to our rights to enforce our security), those rights shall continue to apply.
- 17.5 The Security Interest granted in any Goods has the same priority in relation to all amounts owing by you to us, including future advances.

18. Other Terms

- 18.1 You acknowledge that we may receive a commission for the introduction of any insurance business in relation to the Agreement.
- 18.2 This Agreement may be varied by you and us agreeing to the variation in writing, provided that we shall be under no obligation to agree to any variation which may be requested by you. Where any variation is agreed to, the respective rights and obligations of the parties as set out in this Agreement shall continue in force except where they may be expressly varied or negated. We will give you a Changed Disclosure Statement.
- 18.3 This Agreement shall be a continuing security agreement and will operate as such irrespective of any intervening payment, settlement of account or other matter or thing until a release has been signed by us and delivered to you.
- 18.4 We may allocate any payments we receive in respect of the moneys owing in any manner we determine as to principal, interest, default interest or in respect of any costs or expenses payable by you in accordance with this Agreement.
- 18.5 If any provision in this Agreement becomes legally ineffective, invalid or unenforceable it will be severed and the rest of the Agreement will remain in full force and effect.
- 18.6 If a party delays or does not exercise any right of remedy under this Agreement, it is not a waiver of that right or remedy, and the single or partial exercise of any right or remedy does not preclude the exercise of any other right or remedy or its further exercise.
- 18.7 We may assign any of our rights and obligations to any person. You may not assign any of your rights and obligations to any person without our prior written consent.
- 18.8 You authorise us:
- a. to retain and use personal information about you for the purposes of assessing credit worthiness and administering and enforcing our rights in this Agreement;
 - b. authorise us to provide information to and seek information from any person for these purposes;
 - c. to provide information (including details of defaults in this Agreement) and to seek information from credit reporting agencies and credit providers for the purposes of maintaining effective credit records; and
 - d. give your guarantor any information you have given us.
- 18.9 You may choose to authorise another person to instruct us for all purposes for this Agreement. If you do this you must advise us in writing of the person you have authorised and where appropriate provide a copy of a power of attorney.

19. Notices

- 19.1 If you give us notice, you can give us a letter or notice or sent it by post or email to the address in the Disclosure Statement.
- 19.2 If we need to give you notice, we will give you a letter or notice or send it by post, fax or email to the address you have given us and which are set out in the Disclosure Statement.

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- 19.3 You are considered to have received any letters or notices from us on the day it was given to you, posted to you or sent by email.
- 19.4 If there is more than one person named as Borrower, we can give or send a letter or notice to only one of those people and if we do, every other Borrower will be considered to have received it also.
- 19.5 If there are errors or omissions in any letters or notices we give or send you, it won't affect whether we can enforce our rights.

20. **Guarantee and Indemnity**

By signing as Guarantor you agree to this and acknowledge that:

- 20.1 In consideration for our lending and advancing to the Borrower at your request on the terms of this Agreement, you guarantee to us:
- a. the due and punctual payment by the Borrower of the Secured Money, and of any other sum payable to us by the Borrower under this Agreement or any other Agreement; and
 - b. the due performance and observance by the Borrower of the terms of this Agreement.
- 20.2 In addition, you indemnify us in all respects against:
- a. any loss or damage which we may suffer through any breach by the Borrower of the Borrower's obligations under this Agreement, whether expressly or impliedly contained in the Agreement; and
 - b. any loss or damage which we may suffer by reason of the Agreement being unenforceable by us.
- 20.3 If we fail to act on a breach or default by the Borrower of the Borrower's obligations under the Agreement or we negotiate with the Borrower to deal with such breaches or defaults, any such failure by us and any such negotiation will not release you from any of your obligations under this Guarantee. If we fail to act in respect of a breach or default by you under this Guarantee, that failure to act by us will also not release you of any of the obligations under this Guarantee.
- 20.4 Although as between the Borrower and you your liability may only be as a surety, as between you and us, your liability will be as principal debtor. Such liability to us will not be released or discharged by any act or failure to act which, if it were not for this provision, would have caused you to be free from your liability to us under this Guarantee.
- 20.5 The above Guarantee and Indemnity is separate from an independent of this Security Agreement.
- 20.6 Where the Guarantor is more than one person, they will be jointly and severally liable for any amount owing under this Guarantee and, in addition, each of you individually will be liable for any such amount.

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21. Definitions and Interpretation

21.1 For the purposes of this Agreement, the following terms shall have the meanings set out below, unless inconsistent with the context:

Agreement means this security agreement, any other loan agreement, Collateral Security or other agreement between us which we may enter into from time to time;

Other Security means any agreement or other document from time to time securing the payment to Pioneer Finance of the moneys owing;

Changed Disclosure Statement means the statement required under section 17 of the Credit Contracts Act and Consumer Finance Act 2003

Disclosure Statement means the statement required under section 17 of the Credit Contracts and Consumer Finance Act 2003;

Further Advances means any further amount advanced by us in addition to the Loan Amount;

Goods means the Motor Vehicles or other personal property detailed in the Disclosure Statement, and any replacement or substitute Goods of the same or similar nature you may acquire from time to time with the proceeds of sale of the Goods;

Interest Rate means the annual interest rate specified in the Disclosure Statement;

Land means the real property described in the Disclosure Statement;

Loan Amount means the total advances specified in the Disclosure Statement;

PPSA means the Personal Property Securities Act 1999;

Property means the Goods and/or the Land which are detailed in the Disclosure Schedule;

Payment Date means the date(s) calculated in accordance with the Payments detailed in the Disclosure Statement;

Security Interest means rights given to us as security for the payment of money or performance of obligations and otherwise as defined in the PPSA;

Moneys Owing means the Loan Amount and all other money owing now or in the future by you to us under this Security Agreement or any other agreement;

Vehicle means any motor vehicle described in the Disclosure Statement includes its accessories and any parts (including any replacement parts) added to it and also includes the proceeds of its sale, lease or any other disposition and of any insurance policy held in respect of any vehicle;

Unpaid Balance means the balance of the Loan Amount outstanding from time to time;

Upon Demand means within five days of the date of a notice in writing by one party to the other;

we means Pioneer Finance Limited, and **our** and **us** have a corresponding meaning;

you means the person(s) named in the Disclosure Statement as the Borrower or Guarantor and **your** has a corresponding meaning;

- 21.2 References to a person includes that person's successors, executors, administrators and permitted assigns (as applicable).
- 21.3 Unless the context requires otherwise, the singular includes the plural and vice versa and one gender includes other genders.
- 21.4 Where two or more persons are named in this Agreement as the Borrower, the covenants contained in this Agreement shall bind all such persons jointly and severally as a principal debtor.

22. **Complaints**

- 22.1 If you are not satisfied with the service you have received from us you should contact us. We have an internal complains process and undertake to investigate your concerns promptly and fairly. You may contact us to make a complaint by telephone, by mail or in writing.
- 22.2 We are a member of an independent dispute resolution scheme operate by Financial Services Complaints Limited (**FSCL**) and approved by the Ministry of Consumer Affairs. We have 40 days to respond to your complaint. If you are not satisfied by our response, you may refer the matter to FSCL by emailing infor@fscl.org.nz or calling FSCL on 0800 347257. Full details of how to access the FSCL scheme can be obtained on their website www.fscl.org.nz. There is no cost to you to use the services of FSCL.