



BUSINESS BANKING

PĒKE PAKIHI

Business Facility Terms & Conditions

Effective 1 December 2025

As part of our identity, Kiwibank worked with multi-disciplinary Māori artist Tristan Marler (Manawa Tapu) to design a set of **tohu** (cultural motifs or symbols) that represent attributes of our brand and of a thriving community.

Kia Manaaki - Show Heart and uses the Pātiki tohu. Pātiki communicates balance between people and environment to produce a thriving, resilient community that can manaaki, or care, for others.

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What does the shading mean?

You'll notice shaded boxes (like this one) throughout **these terms** and your **business facility summary**. These boxes contain particularly important information or terms that we want to bring to your attention.



Common facility terms

Effective 1 December 2025

Some key things you need to know about your business facility agreement

- Under your **business facility agreement**, we agree to lend you money under one or more **loans**, for your business purposes. You'll need to repay the money you borrow under each **loan**.
- You'll also need to pay interest, fees and other costs and losses. The interest rate and fees applying to your **business facility** may change from time to time.
- You can repay your **loans** early, but you may need to pay us early payment costs if you do – these could be large.
- It's important that you always pay us on time and comply with the other terms of your **business facility agreement**. If you don't do this, you could cause a **default**.
- If a **default** occurs, we can ask you to repay any of your **loans**. We can also cancel any unused part of any **loan**, so you can't borrow any more money under that **loan**. If we hold **security** over any property for your **loans**, we can also sell that property to recover the money you owe us. This could include your home, if you've given us a mortgage over it.
- If you're struggling to pay us on time or if your circumstances change, please let us know. In some cases, we may be able to amend the terms of your **business facility agreement** to help you.
- We can make changes to your **business facility agreement**, but we'll always give you notice.

This is an important document that sets out the terms that apply to your **business facility**. You should read this document alongside your **business facility summary** and our **business banking fees and limits** brochure.

Please read everything carefully. If you have any questions about anything in this document, or if anything about your **business facility** isn't clear to you, please **contact us** or your solicitor – we're always happy to help.

In your **business facility agreement**, when we talk about:

- “we”, “us”, and “our”, we mean Kiwibank Limited and anyone who we assign or transfer our rights or obligations to;
- “you” and “your”, we mean each person named as the “Borrower” in your **business facility summary**. If more than one of you is named as “Borrower”, then your obligations are “joint and several”. This means:
 - each of you is responsible for meeting all the obligations under your **business facility agreement**; and
 - we can choose to ask any one or any number of you, to meet the obligations under your **business facility agreement**;
- “principal”, we mean the balance of a **loan** at that time. Your principal includes the money you’ve borrowed from us and any interest, fees or other costs that have been added to the **loan**, less the payments you’ve made to repay your **loan**; and
- “interest”, we mean what we charge you to borrow your principal. Interest doesn’t include fees or other costs, but if these amounts are added to the principal we’ll charge you interest on these.

You’ll also notice that some words are in bold. These have particular meanings, which we’ve outlined in section 21 of **these terms** (or in the **specific loan terms**, if we’ve only used them there).



1. Your business facility agreement

1.1 What is your business facility agreement made up of?

Your **business facility agreement** is made up of:

- (a) your **business facility summary**;
- (b) these **business facility terms and conditions** (also referred to as “**these terms**”); and
- (c) our **business banking fees and limits** brochure.

In addition, our **general terms and conditions** govern our relationship with you.

1.2 What if these documents are inconsistent with each other?

- (a) If there are inconsistencies between the documents making up your **business facility agreement**, they have priority in the following order:
 - your **business facility summary**,
 - **these terms** (where each set of **specific loan terms** has priority over the **common facility terms**); then
 - our **business banking fees and limits** brochure.
- (b) If there are inconsistencies between your **business facility agreement** and our **general terms and conditions**, your **business facility agreement** has priority.

1.3 What does your business facility cover?

Your **business facility summary** sets out the **loans** we’ve agreed to make available to you under your **business facility**. You can only have one **business facility** under your **business facility agreement**. Your **business facility** might have only one **loan** under it or might have several different **loans**.

You may also have more than one **business facility agreement**, each with its own combination of **loans**.

1.4 How to read these terms

These terms are made up of:

- the **common facility terms** (which you’re reading now); and
- each set of **specific loan terms** (which you can find at the back of **these terms**).

Common facility terms	Set out the terms that generally apply to your business facility .
Specific loan terms	<p>Set out further terms that are specific to each type of loan. They deal with things like:</p> <ul style="list-style-type: none"> ▪ how you can borrow from your loans; ▪ making payments on your loans; ▪ paying interest on your loans; ▪ cancelling and reducing the limits on your loans; and ▪ paying fees on certain types of loans.

1.5 Our commitment to act reasonably

We'll act reasonably when we do anything under any **transaction document**, taking into account both your and our business interests at the time. For example, we'll act reasonably when:

- (a) considering any request;
- (b) deciding whether to exercise any right we have (including whether we ask you to do something); and
- (c) exercising that right (including how we exercise that right and what we'll ask you to do).

You'll find more information about what we mean by acting reasonably in our **general terms and conditions**.

2. Borrowing your loans

- (a) We've agreed to make each **loan** set out in your **business facility summary** available to you on the terms set out in your **business facility agreement**.
- (b) For each **loan**, you can borrow (in total) up to the **loan amount** or **credit limit** set out in your **business facility summary** for that **loan**.

- (c) You can only borrow a **loan** (and if a **loan** has a **credit limit**, we'll only make that **credit limit** available for you to borrow) if:
- you've satisfied all of the conditions and we've received all of the things we tell you we need before you borrow the **loan**, as set out in your **business facility summary**; and
 - no **default** (or any event described in section 15.2 that may become a **default**) has occurred (or would occur if you borrow the **loan**). More information about what a **default** is can be found in section 15.
- (d) You'll need to borrow each **loan** (or, if it's an **on demand loan**, have your **credit limit** in place) on or before the **final borrowing date** for that **loan**. Otherwise, we're not required to lend you money under that **loan**.

You'll find more information about how to borrow each type of **loan** in the **specific loan terms**.

3. Purpose

You can only use each **loan** for the relevant purpose set out in your **business facility summary** for that **loan** and not for any personal, domestic or household purposes.

4. Paying and repaying your loans

- (a) If you have a **loan** that has **regular payments**, you must make those **regular payments** on each **payment date**. Your **business facility summary** will tell you if a **loan** has **regular payments**, how much those **regular payments** are, and whether they're made up of interest only, or principal and interest. Some types of **loan** don't have **regular payments**.
- (b) You'll need to make a final payment of the **amounts owing** under each **loan** on, or before, the **end date** for that **loan**.

You'll find more information about paying and repaying your **loans** in the **specific loan terms**.

5. Interest

5.1 We'll charge you interest on your loans

We'll charge you interest on the outstanding principal amounts of each of your **loans**. Details of your interest rate for each of your **loans** are set out in your **business facility summary**.

5.2 How do we calculate interest on your loans?

- (a) Interest accrues on your **loans** on a daily basis.
For each of your **loans**, we calculate interest every day from the day you first borrow your **loan** until, but excluding, the day we receive payment of the **amounts owing** under that **loan**.
- (b) For all **loans**, we calculate the daily amount of interest by multiplying the daily interest rate by the **daily balance** on that **loan** at the end of each day. The daily interest rate is equal to the interest rate that applies to the **loan** on that day, divided by 365.

More information about how interest works on each type of **loan** is set out in the **specific loan terms**.

5.3 Your interest rate may change

- (a) We can change your interest rate at any time (unless you're on a **fixed rate**). Your interest rate might also change automatically if any underlying base rate which it's linked to changes.
- (b) If your interest rate changes, we'll tell you as soon as we can.
- (c) If your interest rate changes, the amount of any **regular payments** for that **loan** may also change.
- (d) If you don't want to continue a **loan** with any new interest rate (including any new margin or discount), you must repay that **loan** and all other **amounts owing** on that **loan** in full. Depending on the type of **loan** you have, we treat this as an early repayment and/or cancellation of the **loan**.

The **specific loan terms** set out what happens when you repay and/or cancel your **loan** early, including any notice you have to give us and whether you need to pay us any early payment costs.

You can **contact us** to find our current interest rates.

6. Fees

You may need to pay some fees in relation to your **business facility** and each **loan** under it.

You must pay the fees that are set out in your **business facility summary** and any other fees in our **business banking fees and limits** brochure that apply to you.

We tell you when these fees are payable in those documents.

You can find our current fees in our **business banking fees and limits** brochure. We may change our fees and how we calculate them from time to time, but we'll give you at least 14 days' notice before the change applies to you. You can **contact us** to find the most up to date version of our **business banking fees and limits** brochure.

7. We can cancel your loans in certain circumstances

7.1 When can we cancel your ability to borrow?

- (a) We can cancel your ability to borrow from us under one or more of your **loans** at any time before you first borrow that **loan** (or we make a **credit limit** available on that **loan**). We can only do this if something happens (whether by your actions or not) that we think has a negative impact on:
 - your ability to meet your obligations under your **business facility agreement**;
 - the ability of any **guarantor** to meet their obligations to us (in any capacity and under any agreement);
 - the value of any property that we have (or will be granted) **security** over or our rights in relation to that **security**; or
 - your or any **guarantor's** obligations in relation to that **security** (if a **guarantor** has granted **security**).
- (b) If we cancel one or more of your **loans**, we'll tell you before we do so (if we can and we think it's appropriate in the circumstances). Otherwise, we'll tell you as soon as we can afterwards.

7.2 What happens if your business facility becomes unlawful?

Although unlikely, if providing your **business facility** or the way in which you use your **business facility** ever:

- (a) becomes unlawful;
- (b) would cause us to breach our legal obligations; or
- (c) would otherwise breach contractual commitments or confirmations we have given, or are required to give, to third parties,

we can cancel your **loans** and require you to repay the **amounts owing** under those **loans**.

8. Other things to know about making payments

8.1 You must make payments in full

You must make all payments in full, without any restrictions or conditions. You can't deduct or withhold any amount from the payments you make under your **business facility agreement** (for example, on account of withholding tax), unless you're required to by law. In that case, you can only deduct or withhold the minimum amount required. If we don't receive the full amount we're owed (because of a deduction or withholding), then, if we ask you to, you must increase the amount you pay us (or pay us a further amount) so that we receive the full amount that we would have received if the deductions or withholdings hadn't been made – we call this "gross-up".

8.2 We can use your payments in any order

When you make a payment to us, we can choose which **amounts owing** we use that payment for. You can't decide or tell us how we should use your payments. For example, we could use your payment to pay off the most recent amounts you owe, like fees or interest, instead of repaying older amounts you owe.

8.3 We can set-off amounts

We can use any money we owe you (such as the credit amount of any bank account or deposit you have with us) to pay off the **amounts owing**. We call this “set-off”. We don’t need to ask you to pay us the **amounts owing** before we use this right, and we don’t need to tell you first. We’ll tell you after we’ve set-off the relevant amounts.

If the **amounts owing** are more than the amount we set-off, then after we exercise this right you’ll still owe us the difference between the set-off amounts.

8.4 You can’t set-off amounts

You give up any right to set-off any amounts that we owe you against amounts you owe us under your **business facility agreement**, or any other agreement you have with us. For example, if we owe you interest on your business bank account, you can’t deduct that amount from a **regular payment** that you owe us.

8.5 We can deduct money from your accounts

You authorise us to deduct any money you owe us under your **business facility agreement** from any account you have with us. We can do this even if it would mean that the relevant account goes into overdraft or exceeds any approved credit limit.

8.6 We can charge amounts to any loan

We can also charge any amounts you owe us under your **business facility agreement** (like fees) to any of your **loans**. If we charge amounts you owe us to your **loan**, this may mean that you’ll pay interest on those amounts.

8.7 What happens if we’re required to pay back money you pay us?

If you pay us any money that we’re later required to pay back to you or to someone else (for example, because the payment is set aside by a liquidator), you agree that we can still recover that money from you.

9. Other amounts you may have to pay

- (a) You're responsible for meeting all your **costs** that need to be paid in relation to any **transaction document**.
- (b) You're also responsible for the **costs** that we incur in relation to preparing, signing, registering, changing, replacing or releasing any **transaction document** or waiving any term of any **transaction document**.
- (c) You must also pay for all **costs** that we incur and losses we suffer, in relation to:
 - any **default**;
 - exercising, enforcing, protecting or clarifying our rights under any **transaction document**;
 - any missed payments;
 - converting money from one currency to another for the purposes of making payments in relation to the **transaction documents**;
 - us not funding any **loan** on the day we were supposed to fund it but didn't because a term of your **business facility agreement** stopped us from doing so (unless it's our fault);
 - you not doing anything that you're contractually or legally required to do, and us doing that thing instead;
 - us being required to pay an amount to a third party as a result of any transaction or account you have with us;
 - any investigations, claims or proceedings in relation to you or any **transaction document** by us or against us by any third party; and
 - increased costs due to a change in law. When we say increased costs here, we mean any additional or increased costs relating to us performing our obligations under any **transaction document** or us receiving a reduced rate of return or a reduced amount due to us under any **transaction document**.

- (d) If we ask you to pay for any of these **costs** or losses, you must pay them within three **business days** after we ask you to.
- (e) We won't ever ask you to pay for **costs** or losses that arise from our (or any of our officers', employees', agents' or receivers') fraud, negligence, mistake or intentional misconduct.

10. We can ask you for further security or guarantees

- (a) You must do everything we ask you to do to make sure the **security agreements** and **guarantees** we hold in relation to your **business facility** are effective and provide us the cover that we expect under your **transaction documents**. For example, you must do any of the following things if we ask you to:
 - grant us any new or additional **security agreement** or **guarantee**;
 - agree to replace or amend any existing **security agreement** or **guarantee**; and
 - take any step we ask you to take in order to perfect or protect any **security agreement** or **guarantee**, or to help us exercise our rights and powers under any **transaction document**.

We ask this because we need to be sure that, if we needed to, we'd be able to recover the money we lend you by enforcing the **security agreements** or **guarantees** we hold.

- (b) If you don't do these things within the time we've asked you to, you'll need to repay your **loans** in full instead (or we may agree that you only need to repay some or part of them, along with any other **amounts owing**). Depending on the type of **loans** you have, we treat this as an early repayment and/or cancellation of the relevant **loans** (and this means you won't be able to borrow any more money under them). The **specific loan terms** set out what happens when you repay and/or cancel your **loans** early, including any notice you have to give us and whether you need to pay us any early payment costs.

11. Your representations

In this section, we ask you to confirm that certain statements are true. These are called “representations”. We rely on these representations to understand your circumstances and to help us decide whether to lend you money.

You make each of these representations on the date you sign your **business facility summary** and on each date you borrow a **loan**.

When you read through this section, make sure you look up what the words in bold mean so you fully understand what representations you’re making. The words in bold are defined in section 21.

By signing the **business facility summary**, every **guarantor** also gives each of the below representations at the same time you do, as if each reference to “you” and “your” were references to that **guarantor**.

If you’re unsure whether you’re able to make any of these representations, please **contact us**. We may be able to waive them if we think they’re not relevant to your circumstances.

You represent to us that all the statements set out below in this section are true:

- (a) You have the power to enter into and perform your obligations under each **transaction document**. You’ve done everything you’re required to do to authorise your entry into and performance of your obligations under each **transaction document**.
- (b) You haven’t breached any of your **constitutional documents** or any relevant law that applies to you (and by entering into the **transaction documents**, you also won’t breach any of these things). This only applies if that breach would be likely to **materially increase our risk**.
- (c) No **default** (or any event described in section 15.2 that may become a **default**) has occurred or is reasonably likely to occur.
- (d) No default or breach has occurred under any other agreement that’s binding on you where that default or breach would be likely to **materially increase our risk**.

- (e) As far as you're aware, no one is currently taking or threatening to take legal proceedings against you where, if those proceedings were decided against you, they would be likely to **materially increase our risk**.
- (f) If you've entered into your **business facility agreement** as a trustee of a trust, the person(s) named in your **business facility summary** as the trustees of that trust are (and will be at all times) all the trustees of that trust.
- (g) If you're a limited partnership, the person(s) named in your **business facility summary** as the general partner(s) of that limited partnership are (and will be at all times) all the general partners of that limited partnership.
- (h) All material information you've provided to us (or that someone else has provided to us on your behalf) is true and complete on the date you provided it or, if it's financial information, it gives a true and fair view of your financial position.
- (i) You don't know of any other information that you've not given us that could reasonably be expected to affect our decision to lend to you.

12. Your requirements to provide information

12.1 You must provide us certain financial information

- (a) You must send us your financial statements and any half-yearly accounts when we ask you to.
- (b) You must make sure that your financial statements and accounts are prepared using generally accepted accounting principles in New Zealand.

12.2 You must keep us informed

- (a) You must provide any information we ask you to provide about:
 - you, your financial position, business or operations;
 - any **guarantor**;
 - any **secured property**; or
 - any matter under any **transaction document**.

You must provide this information to us when we ask you to.

(b) You must tell us (and provide details) if:

- any **default** (or any event described in section 15.2 that may become a **default**) happens or is likely to happen;
- any person breaches any agreement that's binding on you or any **guarantor** and that fact is likely to **materially increase our risk**;
- anyone starts or threatens any litigation or proceedings against you or any **guarantor** that, if decided against you or that **guarantor**, would be likely to **materially increase our risk**; or
- anything else happens, or is likely to happen, in relation to you, your business, your property or any **guarantor** that is likely to **materially increase our risk**.

You must tell us these things as soon as you practically can and without us asking you first.

13. Your financial covenants

We may also require you to keep your financial position within certain limits. We call these “financial covenants”. You must comply with any financial covenants set out in your **business facility summary**. Your **business facility summary** may also require you to regularly report how you're complying with these financial covenants.

We rely on your business keeping within these financial limits as part of our decision to lend you money.

14. Your obligations

Because we rely on you being able to repay us on time, we need you to do certain things to protect your business, your financial position and your assets. You also can't do things that would make it more difficult for us to recover our money (for example, if we needed to enforce any **security agreement** or **guarantee**).

This section sets out things you must (and must not) do to make sure we'll be repaid. All of these obligations apply for so long as you owe us any money or we've committed to lend you money under your **business facility agreement** (even if you haven't yet borrowed anything). We can agree that any of these obligations don't apply by providing our prior written consent.

In addition, any **guarantor** who signs your **business facility summary** must comply with all of these obligations, as if references to "you" and "your" in this section 14 are references to that **guarantor**.

If you're unsure about anything you can or can't do without our consent, or if you think you're unable to comply with any of these obligations, please **contact us**.

14.1 Your obligations in relation to other things that are binding on you

- (a) You must do each of the following things, if not doing so would be likely to **materially increase our risk**:
 - comply with all laws, court or authority decisions, notices and agreements that apply to you, your business or your property;
 - comply with your **constitutional documents**;
 - comply with and maintain all consents that apply to you, your business or your property;
 - not terminate any agreement that's binding on you; and
 - pay all your outgoings (such as rent or bills) on time.
- (b) You must pay all your taxes on time. The only exception to this is if you reasonably disagree that you owe the tax and you're discussing this with the IRD. If you rely on this exception, you'll need to set aside enough money to pay the tax if you're wrong.

14.2 Your obligations about how you run your business

- (a) You must insure your business and your assets against the type of risks and for an amount that is usual for your type of business. You must keep that insurance in place until you've repaid all **amounts owing** and we're not committed to lend you any more money. You must give us a copy of your certificate of insurance if we ask for it. If we hold **security** for your **business facility**, your **security agreements** will also include more detailed insurance requirements which you must comply with.
- (b) You must run your business properly and prudently.
- (c) You must not change the nature or scope of your business in any significant way.
- (d) You must not move your business out of New Zealand.

14.3 You must not borrow money or grant security to others

- (a) You must not borrow money from anyone else, except if the lender of that debt has agreed in writing with us that they won't be repaid before us – this type of debt is called "subordinated debt".

When we say "borrow money", we mean borrowing money from any person, raising money by issuing redeemable shares where the shareholder has the option to redeem them, or any other transaction that has the commercial effect of borrowing. For the purposes of this section, "borrow money" doesn't include owing money under transactions you enter into in the ordinary course of your business on normal commercial terms to buy or lease goods or services, but you must pay any such money you owe on time.

- (b) You must not grant or permit any **security** to anyone else except if it's a limited type of **permitted security interest**.

14.4 Restrictions on how you deal with your money and assets

- (a) You must not lend money to anyone or give anyone else a guarantee.
- (b) You must not sell, give away, transfer or otherwise dispose of any of your material assets or any interest in them, except if it's in the ordinary course of your business on normal commercial terms and at arm's length. If your **business facility** is secured, your **security agreements** will include further restrictions about how you deal with your secured assets, which you'll need to comply with.
- (c) You must not make any **distribution** to any shareholder (if you're a company) or partner (if you're a partnership or a limited partnership) or to any beneficiary (if you're a trustee of a trust) or any equivalent payment to anyone else, unless making that **distribution**:
 - can be made out of net profits; and
 - would not be likely to **materially increase our risk**.

14.5 You can't change important things about yourself

You must not:

- (a) allow your **constitutional documents** to change in any material way;
- (b) amalgamate with another company (if you're a company);
- (c) allow any general partner to change (if you're a limited partnership);
- (d) allow any trustees of the trust to change (if you've entered into your **business facility agreement** as a trustee of a trust);
- (e) allow anyone who **owns or controls** you to change;
- (f) change your name or address without giving us at least 10 **business days'** notice; or
- (g) allow any person to take any step to dissolve you or wind you up.

14.6 If you're a trustee, you must preserve your right of indemnity

If you've entered into your **business facility agreement** as a trustee of a trust, you must not do anything that would risk your ability to be indemnified out of the assets of the trust.

15. Defaults

A **default** occurs when any of the events set out in section 15.1 or 15.2 below happen. It's also a **default** if any of these events happen in relation to any **guarantor**.

We divide **defaults** into immediate **defaults**, which we can act on immediately, and other events that will only be **defaults** if they are not corrected within a certain time frame or if they can't be corrected.

If a **default** occurs, we can do any of the things set out in section 15.3 below. This includes requiring you to pay all **amounts owing** and enforcing any **guarantee** or **security agreement**.

If anything happens that results, or could result in a **default**, you must tell us as soon as you practically can after you become aware of it – don't wait for us to ask you first.

15.1 Immediate defaults

A **default** occurs under your **business facility agreement** immediately and without notice if:

- (a) you don't pay an amount when it's due under your **business facility agreement** or any other **transaction document** (unless it was a scheduled amount that wasn't paid because of an administrative or technical error and it's paid within two **business days** of its due date);
- (b) you exceed any applicable **credit limit** of any **loan** (unless you exceeded it because of an administrative or technical error that is corrected within two **business days**);
- (c) an **insolvency event** occurs;
- (d) you're required to repay any other debt you owe us early as a result of a default (however it's described);
- (e) any **security** you've granted is enforced;
- (f) any judgment, court order or warrant is issued against you or your assets in circumstances that are likely to **materially increase our risk**;
- (g) any of your assets are lawfully seized in circumstances that are likely to **materially increase our risk**;

- (h) any material part of your **secured property** is “at risk” within the meaning of the Personal Property Securities Act 1999 or the Property Law Act 2007 (for example, the **secured property** will be “at risk” if we have reasonable grounds to believe that it will be destroyed, damaged or disposed of in breach of any **security agreement**);
- (i) you (including your shareholders, directors, officers, employees, agents, affiliates or subsidiaries):
 - are or become subject to **sanctions**, or are or become located in a country or territory that is subject to **comprehensive sanctions**; or
 - use any **loan** or any **secured property** in any way that will breach **sanctions**;
- (j) if you’re not a natural person, any step is taken to dissolve you, wind you up, or to do anything else that would result in you effectively ceasing to exist;
- (k) if you’re a natural person, you die or become legally incapacitated;
- (l) any event of default occurs under any other **transaction document**; or
- (m) any of the events described in this section above happen to any **guarantor** or in relation to the assets of any **guarantor**.

15.2 Other defaults

The events set out below can also become **defaults**. Each of these events is a **default** if the underlying issue can’t be corrected, or it can be corrected but it’s not corrected within 15 **business days** of you or any **guarantor** becoming aware of it (or such other period we tell you or the relevant **guarantor** to correct it in):

- (a) you breach any term of your **business facility agreement** or any other **transaction document** (other than a breach that would be a **default** under section 15.1 above);
- (b) any representation you make to us is untrue or misleading in a material way and we wouldn’t have provided your **business facility** on the same terms had we known the truth at the time;

- (c) any **transaction document** is invalid, illegal or unenforceable for any reason;
- (d) you don't pay any money that you owe anyone else in circumstances that are likely to **materially increase our risk**;
- (e) whoever **owns or controls** you changes, without our consent;
- (f) we suspend, close or cancel any account, product or service that you have with us under the terms of our **general terms and conditions** as a result of circumstances specific to you; or
- (g) any of the events described in this section above happen to any **guarantor**.

15.3 What happens if a default occurs?

- (a) If a **default** occurs, we can do any or all of the following:
 - ask you to pay us all or any part of the **amounts owing** under your **business facility agreement**, which you must do immediately;
 - exercise our rights of set-off in section 8.3;
 - cancel your ability to borrow more money under your **business facility agreement**; and/or
 - enforce any of our rights under any **transaction document** (including any **guarantee** or **security agreement**).
- (b) In some cases, we may also charge you a demand fee and/or default interest. You'll find more information about demand fees and default interest below.

15.4 Some types of loans are on demand loans

Nothing in this section limits our right to ask you to repay any **on demand loan** (such as an overdraft or a revolving loan) at any time. We explain more about how **on demand loans** work in the **specific loan terms** for those types of **loans**.

15.5 Demand fee

We may charge you a demand fee if we've asked you to pay the **amounts owing** under your **business facility agreement** following a **default**. You can find our current demand fee in our **business banking fees and limits** brochure.

15.6 Default interest

- (a) We may charge you default interest at the relevant **default interest rate**:
- on any amount under any of your **loans**, if you don't pay it when it's due; or
 - on any amount over any **credit limit** you have for a **loan**, if the **daily balance** of that **loan** exceeds its **credit limit**.
- (b) We calculate default interest daily by multiplying the relevant daily default interest rate by the overdue or over limit amount at the end of that day. The daily default interest rate is equal to the relevant **default interest rate**, divided by 365.
- (c) If we ask you to repay:
- any **loan** (other than an **on demand loan**) early, we'll only charge default interest on the amounts that you hadn't paid at the time we asked you to repay that **loan** early; or
 - an **on demand loan** early and you haven't paid us the **amounts owing** by the time we asked you to, we can charge default interest on any **amounts owing** that you haven't paid.
- (d) If we charge you default interest, it will accrue on the **loan** from the day the relevant amount was due or we asked you to pay it until the day we receive the **amounts owing** for that **loan**.
- (e) We'll charge you any default interest that has accrued on your **loans** on:
- the last day of each month; and
 - the day you pay the **amounts owing**.
- (f) Once we charge you default interest, you'll need to pay it immediately. If you don't pay it immediately, we may add it to the **daily balance** of the **loan**. This means that we may also charge you default interest on the default interest that you didn't pay.

16. Investigators

16.1 We can appoint an investigator

- (a) We can appoint any person to act as an investigator if we have grounds to suspect that a **default** has happened or might happen.
- (b) If we appoint an investigator in relation to a **default** (whether or not that **default** occurs before or after we appoint the investigator):
 - you will be responsible for paying the **costs** we incur in relation to the investigation (including any fees of the investigator); and
 - the investigator acts as your agent, meaning that you're responsible for its actions.

16.2 What does an investigator do?

An investigator has the power to investigate your affairs, including your business, finances and operations.

They can also:

- (a) enter and inspect your property;
- (b) ask you, your officers, your employees or anyone else reasonably connected to you about other matter that is relevant to the investigation; and
- (c) inspect or take copies of your accounts, documents or other records.

16.3 You must co-operate with any investigation

You agree to do anything that an investigator reasonably asks you to do to help with its investigation.

17. Changes to your business facility agreement

17.1 Can you change your business facility agreement?

You can't change your **business facility agreement** without our written consent.

If there's more than one "Borrower" named in your **business facility summary**, each Borrower has full authority to agree to any changes to your **business facility agreement** with us. This means that, if one Borrower agrees a change with us, it'll be binding on all Borrowers.

17.2 What changes can we make?

- (a) We can change any of the documents that make up your **business facility agreement** at any time, but we must give you at least 14 days' notice before any change applies to you.
- (b) This is in addition to the other changes that we've told you we can make (for example, changes to your interest rate or our right to reduce the **credit limit** of an **on demand loan**).
- (c) Keep in mind that we don't need your consent to make any of these changes.

18. How do we communicate with each other?

For the purposes of this section, "you" and "your" also refers to any **guarantor**.

- (a) We've set out the ways in which we'll give you notice in our **general terms and conditions**. We can give you notices about your **transaction documents** in one or more of these ways.
- (b) You agree that we can use any email address or mobile number you've given us to receive notices.
- (c) These notice provisions are in addition to any notice requirements we're permitted or required to follow under law.
- (d) If you're required to give us any notice or information under any **transaction document**, you should do so in writing to Kiwibank Limited, Private Bag 39888, Wellington 5045.
- (e) For anything else, you can always **contact us**.

19. Special terms if you're a partnership or a trust

19.1 Special terms if you're a partnership

If you're a partner in a partnership, you confirm:

- (a) each **transaction document** will continue to bind each partner even if the partnership changes or ceases to carry on business; and
- (b) you're individually liable (as well as jointly liable) with each other partner under your **business facility agreement**.

19.2 Special terms if you're a trustee of a trust

- (a) If you've entered into your **business facility agreement** as a trustee of a trust, your obligations under your **business facility agreement** are personal and not limited to what you can pay from the trust assets, unless you're a **limited liability trustee**.
- (b) If you've entered into your **business facility agreement** as a trustee of a trust and you're a **limited liability trustee**, your obligations under your **business facility agreement** are limited to what you can pay from the trust assets.

20. What else do you need to know?

20.1 Consumer legislation does not apply to your business facility agreement

- (a) You agree with us that the provisions of the Consumer Guarantees Act 1993 (**CGA 1993**) do not apply to your **business facility agreement**. We and you both acknowledge that this is on the basis that:
 - we've supplied and you've acquired the **business facility** in trade;
 - both we and you are in trade; and
 - it's fair and reasonable for you to agree with us to contract out of the CGA 1993.
- (b) You agree and acknowledge that your **business facility agreement** is not a consumer credit contract for the purposes of the Credit Contracts and Consumer Finance Act 2003. You confirm to us that you'll use your **loans** wholly or predominantly for business and/or investment purposes and not for any personal, domestic or household purposes.

20.2 We'll make all the calculations under your business facility agreement

Where your **business facility agreement** requires a calculation to be made (for example, an amount to be paid or an interest amount), we'll make that calculation. Unless we've made an error, you agree to accept our calculation.

20.3 Electronic signatures

You and we agree that any **transaction document** can be signed electronically for the purposes of the Contract and Commercial Law Act 2017 (even though we may sometimes require you to sign certain documents, such as **security agreements**, on paper in ink).

20.4 How do we manage your personal information?

We take the protection of your information seriously (including our legal obligations relating to the protection of information).

For details about how we collect and handle information, please see our privacy policy. You can **contact us** for a copy of the privacy policy.

20.5 We don't have to use our rights immediately

Your **business facility agreement** gives us several rights (including to take certain actions). However, we don't have to use those rights, or take those actions, either immediately or at all. Unless we've agreed in writing that we won't, we can still use those rights or take those actions later.

20.6 What rights do we have to transfer your business facility?

- (a) We can assign or transfer some or all of our rights and obligations under your **business facility agreement** or any other **transaction document** to one or more others. We don't need your consent for any assignment or transfer and we don't need to give you notice of this.
- (b) If we assign or transfer any of our rights and obligations under your **business facility agreement**:
 - references to "we", "us", or "our" in your **business facility agreement** will mean the person we've assigned or transferred our rights and obligations to;
 - unless we notify you otherwise, references to any of our interest rates, or our early payment costs will still mean the relevant interest rate and early payment costs of Kiwibank Limited; and
 - where we've only assigned or transferred some of our rights and obligations, references to "us" in parts of your **business facility agreement** that contain rights and obligations that we've not assigned or transferred, will still be read as references to Kiwibank Limited.

- (c) You can't transfer any of your rights or obligations under your **business facility agreement** or any other **transaction document** without our prior written consent.

20.7 If any provision of your business facility agreement isn't binding on you, it doesn't affect the other parts

If any provision of your **business facility agreement** isn't binding on you and/or us (for example, because of a court ruling), the other provisions of your **business facility agreement** still apply. This means that we can still ask you to do all the other things you've agreed to do under your **business facility agreement**.

20.8 General legal provisions

New Zealand law applies to your **business facility agreement**.

You agree that New Zealand courts have the power to settle any legal proceedings in relation to your **business facility agreement**. However, we may take proceedings in any overseas court in relation to your **business facility agreement** if that's where you are or a **guarantor** is located.

The rights we have in your **business facility agreement** are in addition to, and not instead of, any other rights we have under any other agreement or at law.

21. Meaning of the words in bold

Word	Definition
amounts owing	At any time, the total amount of money you owe us in relation to your business facility or, as the context requires, in relation to a loan , including principal, interest, fees and costs .
business banking fees and limits	Our brochure entitled "Business Banking Fees & Limits".
business day	Any day other than a Saturday, Sunday or a national public holiday in New Zealand.
business facility	The borrowing facility which we've agreed to make available to you under your business facility agreement . Your business facility will be made up of one or more loans . The details of the loans making up your business facility are set out in your business facility summary .
business facility agreement	The agreement we've made with you to provide you a business facility which allows you to borrow one or more loans . Your business facility agreement is made up of these terms , your business facility summary and our business banking fees and limits brochure.
business facility summary	The document addressed to you entitled "Your business facility summary" which sets out details of the loans that make up your business facility and further key terms of your business facility agreement which are specific to you.
business facility terms and conditions	These business facility terms and conditions, which are entitled "Business Facility Terms & Conditions". Also referred to in this document as " these terms ".
common facility terms	These are the terms that apply to all types of loans in your business facility and can be found at the start of these terms .

Word	Definition
comprehensive sanctions	These countries and territories are subject to comprehensive sanctions : Cuba, Iran, North Korea, Syria and the Crimean, Donetsk, and Luhansk regions of the Ukraine.
constitutional documents	Any of your founding documents which, depending on what type of entity or borrower you are, includes constitutions, partnership agreements, limited partnership agreements, trust deeds or any equivalent articles or rules for association.
contact us	<p>If you need help, we're available by:</p> <ul style="list-style-type: none"> ▪ going to Kiwibank.co.nz; ▪ calling 0800 601 601; ▪ visiting your nearest Kiwibank; or ▪ writing to Kiwibank Limited, Private Bag 39888, Wellington 5045.
costs	Includes costs, taxes, duties, liabilities, fees, charges and other expenses, including legal costs (on a full indemnity basis) and any receiver's costs and expenses (on a full indemnity basis). When we say "on a full indemnity basis", we're referring to your obligation to pay the actual costs incurred.
credit limit	The amount set out as the "credit limit" in relation to a loan in your business facility summary . The credit limit is the total amount that you're able to borrow under that loan .
daily balance	On any day, the principal amount outstanding under a loan at the end of that day.
default	<p>A default occurs if:</p> <ul style="list-style-type: none"> ▪ any event set out in section 15.1 occurs; or ▪ any event set out in section 15.2 occurs and either it can't be corrected or it's not corrected within the specified time period.

Word	Definition
default interest rate	The rate described as the default interest rate for a loan in the relevant specific loan terms for that type of loan .
distribution	<p>In relation to a distribution by a company to a shareholder, by a partnership or limited partnership to any partner, or a trustee to any beneficiary means:</p> <ul style="list-style-type: none"> ▪ directly or indirectly transferring money or property to that person (except for, in the case of a company, its own shares); ▪ directly or indirectly transferring money or property for the benefit of that person; or ▪ incurring debt for the benefit of that person. <p>In the case of a company, this includes redeeming or acquiring its shares for the benefit of its shareholder.</p>
end date	The date set out as the “end date” in relation to a loan in your business facility summary . This is the last day of the term of that loan or otherwise, the last day you’re required to pay us all amounts owing .
final borrowing date	The date set out as the “final borrowing date” in relation to a loan in your business facility summary . This is the last day that you can borrow your loan or, for on demand loans , the last day that we’ll put your credit limit in place so that you can borrow from that on demand loan .
fixed rate	An interest rate that is fixed for a fixed rate period .
fixed rate period	The period of a loan during which we agree that the interest rate doesn’t change.
general terms and conditions	Our document entitled “Personal & Business Banking General Terms & Conditions”.

Word	Definition
guarantee	Any guarantee specified in your business facility summary and any other guarantee granted by a guarantor in relation to your obligations under your business facility agreement .
guarantor	Any person who guarantees your obligations under your business facility agreement , including any person named as “Guarantor” under any guarantee .
insolvency event	<p>An insolvency event occurs if any of the following things happen:</p> <ul style="list-style-type: none">▪ you’re not able to pay your debts when they fall due;▪ your assets are less than your liabilities (including contingent liabilities);▪ anyone starts any insolvency action against you;▪ any step is taken to declare a moratorium, suspend your payments or to dissolve you;▪ you or your creditors enter into a creditors’ arrangement or compromise or anyone takes any step to do so;▪ any step is taken to appoint a statutory manager, liquidator, receiver, administrator or similar officer in relation to you or your assets; or▪ if you’re a natural person, you’re adjudicated bankrupt.
interest only period	The period of a loan during which your regular payments are only made up of interest and don’t include any repayment of the principal of the loan .

Word	Definition
limited liability trustee	<p>A trustee who:</p> <ul style="list-style-type: none"> ▪ is an independent trustee (meaning a person who is not a beneficiary of the trust, who has no interest or right in the assets of the trust (other than as trustee) and who doesn't have any right to select or designate new beneficiaries); ▪ hasn't breached their duties as a trustee; ▪ hasn't breached the trust deed or any relevant law; and ▪ hasn't made any untrue representation under any transaction document.
loan	<p>A loan we've made to you or that we've agreed to make available to you as part of your business facility under your business facility agreement. The details of your loans are set out in your business facility summary.</p> <p>If the context requires, loan can also refer to the principal amount outstanding of a loan from time to time.</p>
loan account	The designated account for a loan .
loan amount	The amount set out as the "loan amount" in relation to a loan in your business facility summary . The loan amount is the total amount that you're able to borrow under that loan .

Word	Definition
materially increase our risk	<p>Our risk materially increases if the risk of any of the following things happening materially increases:</p> <ul style="list-style-type: none"> ▪ our reputation being seriously damaged; ▪ us suspending, closing or cancelling an account, product or service under the terms of our general terms and conditions; ▪ you or a guarantor not being able to pay us any amounts we're owed on time; ▪ us not being able to recover amounts we're owed by enforcing any security agreement or guarantee for any reason (including because the value of any secured property has changed or because any security agreement or guarantee is not effective); ▪ any secured property becoming "at risk" within the meaning of section 109 of the Personal Property Securities Act 1999; or ▪ us not being able to assess the risk of any of these things happening.
on demand loan	<p>A loan that is identified as being an on demand loan in these terms or in your business facility summary. If a loan is "on demand" it means that we can ask you to repay the amounts owing under that loan at any time.</p>

Word	Definition
owns or controls	<p>A person owns or controls another person if:</p> <ul style="list-style-type: none">▪ they beneficially own at least 50% of its share capital (if it's a company) or have at least 50% interest in it (if it's a partnership or a limited partnership or other type of entity);▪ they can control at least 50% of its voting or decision-making rights;▪ they can appoint or remove a majority of its directors (if it's a company) or any equivalent officers; or▪ they can effectively direct their operating and financial policies.
payment account	<p>The account that we can generally deduct your regular payments from, as well as any other amounts payable by you under your business facility agreement. We will agree with you which of your accounts is the payment account.</p>
payment date	<p>A date on which you're required to make a regular payment to us under your business facility agreement. Your business facility summary sets out your regular payment dates.</p>

Word	Definition
permitted security interest	<p>Any security is a permitted security interest if it is:</p> <ul style="list-style-type: none"> ▪ a lien or any other similar charge that arises by law (a lien is a type of security interest that might arise over your property in certain circumstances if you owe people money in relation to that property – for example, a mechanic might have a lien over a car they’ve fixed, if they’re not paid); ▪ a security interest in property you purchase that a seller takes to secure the purchase price of that property; or ▪ a security interest under a true lease of goods (such as for equipment you might lease for use in your business), <p>provided that, in all cases, it:</p> <ul style="list-style-type: none"> ▪ arises in the ordinary course of your business on normal commercial terms; ▪ doesn’t secure money you borrow; and ▪ doesn’t secure overdue money.
regular payment	<p>The payments that you must make to us at a regular frequency in relation to amounts you owe under any loan. Your business facility summary sets out any regular payments you need to make.</p>

Word	Definition
sanctions	Any applicable economic, political or trade sanctions administered or enforced by the United Nations Security Council or the governments of New Zealand, the United Kingdom, the European Union or the United States of America.
secured property	Any property secured by any security agreement .
security	A mortgage, charge, pledge, lien, encumbrance or other security interest that secures any obligation of any person or any other similar agreement or arrangement.
security agreement	Any security agreement specified in your business facility summary and any other agreement under which any person grants us security in relation to your obligations under your business facility agreement (such as a mortgage).
specific loan terms	These are the terms that apply to a specific type of loan . Each type of loan has its own specific loan terms which can be found at the back of these terms .
term	The period from the date you borrow a loan (or for on demand loans , the date your credit limit is made available) until the end date of that loan .
transaction document	Each of the following documents and agreements: <ul style="list-style-type: none"> ▪ your business facility agreement; ▪ each security agreement; ▪ each guarantee; and ▪ each other document that we agree with you is a “transaction document”.

22. Interpreting other words and phrases

When you're reading your **business facility agreement**:

- (a) if we refer to any agreement, document, law or policy, this means that agreement, document, law or policy as it may be amended or replaced from time to time;
- (b) examples we give in this document and references to "including" don't limit other things that might have been included;
- (c) any use of the singular includes the plural. Any use of the plural includes the singular;
- (d) when we refer to a person, this includes their successors, assignees, transferees and executors; and
- (e) when we refer to a receiver, this includes a reference to any person appointed or apparently appointed as a receiver or a receiver and manager.

Specific loan terms applying to term loans

These **specific loan terms** are relevant to you if you have a **term loan**. They contain important information about how a **term loan** works.

When we talk about a “**term loan**” we mean a **loan** that is identified as being a **term loan** in your **business facility summary**. Some of the key features of a **term loan** are:

- it has a set **term**;
- you must make **regular payments** of principal and interest during the **term** of the **term loan** (except during any **interest only period**); and
- amounts that are repaid can't be reborrowed.

If the context requires, “**term loan**” can also refer to the principal amount outstanding under a **term loan** from time to time.

1. Borrowing a term loan

1.1 How do you borrow a term loan?

- (a) You can borrow a **term loan** on any **business day** on or before the **final borrowing date**. To do this, you'll need to send us a written request at least two **business days** before the date you want to receive the **term loan**.

In your request, you'll need to tell us:

- which **term loan** you want to use (if you have more than one);
- the amount you want to borrow;
- the date you want to receive the **term loan**; and
- the account you want us to pay the **term loan** into.

Keep in mind that you can only borrow your **term loan** if you've met all the requirements set out in section 2 of the **common facility terms**.

- (b) You must borrow your **term loan** in one amount, unless your **business facility summary** says you can borrow it in stages.

1.2 If you can borrow your term loan in stages

- (a) If your **business facility summary** says you can borrow your **term loan** in stages (for example, if you're using it to pay for construction), there may be conditions in your **business facility summary** that you'll need to meet each time you want to borrow money. Before you can borrow more of your **term loan**, we'll need to be satisfied that you've met those conditions.
- (b) Unless we agree otherwise:
 - you can't borrow more than the amount of your **term loan** (for example, if your construction costs are more than that amount); and
 - you can't borrow any part of your **term loan** after 12 months from the **final borrowing date**.

1.3 You can't reborrow from your term loan

You can't reborrow any amount of your **term loan** that you've repaid. If you require additional lending, you'll need to **contact us** to apply for it.

2. Paying your term loan

2.1 How do you make your regular payments?

Unless we agree something different with you, we'll deduct any **regular payments** you need to make on your **term loan** from your nominated **payment account** on each **payment date**.

Your **business facility summary** will tell you what **regular payments** you need to make.

2.2 The amount of your regular payments can change

- (a) We may recalculate the amount of your **regular payments** (except during any **fixed rate period**). For example, if the interest rate that applies to your **term loan** changes, your **regular payments** may also change.
- (b) We'll notify you of any changes to the amount of your **regular payments**.

2.3 You can change the amount of your regular payments

- (a) If your **term loan** is subject to a variable rate, you can ask us to change the amount of your **regular payments**, provided that:
- there's no current **interest only period** on your **term loan**; and
 - the amount of your **regular payments** must always be sufficient to ensure that all **amounts owing** on your **term loan** will be paid during the **term**.
- (b) If your **term loan** is subject to a **fixed rate**, you can ask us to change the amount of your **regular payments** provided that:
- your **regular payments** during your **fixed rate period** must not be less than the minimum **regular payment** amount that we calculate at the start of your **fixed rate period**; and
 - any additional amount of principal that you pay early in each year of your **fixed rate period** is not more than the early repayment limit set out in our **business banking fees and limits** brochure.

While these limits don't stop you making a lump sum payment or paying the **amounts owing** under your **term loan** in full at any time during the remaining part of your **fixed rate period**, we may charge you early payment costs if you do this. You can find more information about repaying your **term loan** early and early payment costs in section 3 below.

- (c) If you want to change your **regular payments**, you must give us at least two **business days'** notice, telling us the new amount you want to pay.

3. Repaying your term loan early

3.1 Can you make extra payments or repay your term loan early?

- (a) You can make additional repayments or repay your **term loan** in full at any time. If you want to do this, you must give us at least two **business days'** notice (telling us how much you want to repay).
- (b) If you make any additional repayment or repay your **term loan** in full, we may charge you:
 - early payment costs (more information about early payment costs is set out below);
 - fees (more information about fees we charge is set out in our **business banking fees and limits** brochure); and/or
 - interest on the amount you're repaying.
- (c) If you repay your **term loan** in full, you'll also need to pay any other **amounts owing** on that **term loan**.

If we charge you any early payment costs, fees, interest or any other **amounts owing**, you'll need to pay those amounts at the same time you make the early repayment.

We recommend you **contact us** before you decide to repay your **term loan** early to find out what those other amounts will be.

3.2 Early payment costs

- (a) If your **term loan** is repaid early for any reason, you must pay us early payment costs, if we ask you to. Early payment costs are the **costs** that we estimate are necessary to compensate us for any reasonable and direct **costs** or losses resulting from you repaying your **term loan** early. These include **costs** relating to movements in the wholesale interest rate market during the **term** of your **term loan** and any reasonable administration **costs**.
- (b) During any **fixed rate period**, your early payment costs are our fixed rate break costs (as described in our **business banking fees and limits** brochure).

4. Paying interest on your term loans

4.1 When do we charge you interest?

- (a) For a **term loan** with **regular payments** of principal and interest, we'll charge you interest on each regular **payment date**.
- (b) For a **term loan** with **regular payments** of interest only, we'll charge you interest on the day before each regular **payment date**.
- (c) We'll charge you a final amount of interest on the day you make final payment of the **amounts owing** on your **term loan**.
- (d) In all cases, we'll add the interest we've charged to the **amounts owing** on your **term loan**. You must then pay that interest in accordance with the next section.

4.2 When and how do you pay interest?

You must pay interest that has been charged to your **term loan** on each **payment date** for that **term loan**, as set out in your **business facility summary**. You must also pay all accrued interest on any **term loan** on the day you pay all the **amounts owing** under that **term loan**.

Unless we agree something different with you, we'll deduct accrued interest from your nominated **payment account** on each **payment date** as part of the **regular payments** you make on your **term loan**.

4.3 If your term loan has a fixed rate period

- (a) If your **term loan** has a **fixed rate period**, we'll charge you interest at the relevant **fixed rate** for that **fixed rate period**. Your **business facility summary** sets out any initial **fixed rate period** you have and the **fixed rate** for that **fixed rate period**.
- (b) We may also agree to set a **fixed rate** for another **fixed rate period**. If you'd like to set another **fixed rate period**, you'll need to **contact us** to apply for it at least five **business days** before the date you want it to start.
- (c) Your **fixed rate period** will start on:
 - the day you first borrow your **term loan**; or
 - any other day that we agree it will start on (for example, the day following the end of another **fixed rate period**).

- (d) After your **fixed rate period** ends, unless we agree something different with you, your **term loan** will automatically switch to the type of interest rate set out in your **business facility summary**.

5. Default interest

The **default interest rate** for a **term loan** is your usual interest rate for that **term loan** plus 5% p.a.

We explain more about default interest in section 15.6 of the **common facility terms**.

Specific loan terms applying to revolving loans

These **specific loan terms** are relevant to you if you have a **revolving loan**. They contain important information about how a **revolving loan** works.

When we talk about a “**revolving loan**”, we mean a **loan** that is identified as being a **revolving loan** in your **business facility summary**. Some of the key features of a **revolving loan** are:

- there are no set repayments;
- you can reborrow any amounts that you’ve repaid;
- there are no fixed **credit limit** reductions; and
- it’s an **on demand loan**, which means we can ask you to repay it at any time.

If the context requires, “**revolving loan**” can also refer to the principal amount outstanding of a **revolving loan** from time to time.

1. Borrowing a revolving loan

1.1 How do you borrow your revolving loan?

- (a) You can only borrow from your **revolving loan** after your **credit limit** has been put in place, which must happen on or before the **final borrowing date**. To put your **credit limit** in place, you’ll need to give us at least two **business days’** written notice.

Keep in mind that we’ll only put your **credit limit** in place if you’ve met all the requirements set out in section 2 of the **common facility terms**.

- (b) After your **revolving loan** has been made available to you, you can borrow any part of it on any day before the **end date** for that **revolving loan** by withdrawing amounts from your **loan account** for that **revolving loan**. However, the **daily balance** of your **revolving loan** must not at any time be more than your **credit limit** for that **revolving loan**.

1.2 You can reborrow your revolving loan

You can reborrow amounts that you've repaid under a **revolving loan** (provided that you keep within the **credit limit**).

2. Repaying your revolving loan

You can repay all or any part of your **revolving loan** at any time by depositing funds into your **loan account** for that **revolving loan**. You don't have any set **regular payments** but you'll need to make any necessary payments from time to time to make sure the **daily balance** of your **revolving loan** never exceeds the **credit limit**.

If you repay and cancel your **revolving loans** in full, you must also pay us all other **amounts owing** under your **revolving loans** (such as any accrued interest or fees) at the same time. You'll find more information about cancelling your **revolving loans** in section 6 below.

3. Paying interest on your revolving loans

We'll charge you interest that has accrued on your **revolving loan** on the last **business day** of each month. Unless we agree something different with you, we'll charge you interest by adding it to the **amounts owing** under your **revolving loan** (so it will also accrue interest itself).

You must also pay all accrued interest on your **revolving loan** on the day you pay all the **amounts owing** under that **revolving loan** and cancel it in full.

4. Default interest

The **default interest rate** for a **revolving loan** is your usual interest rate for that **revolving loan** plus 5% p.a.

We explain more about default interest in section 15.6 of the **common facility terms**.

5. Reducing your credit limit

You can reduce any unused part of the **credit limit** of your **revolving loan** at any time. To do this, you'll need to give us at least five **business days'** notice telling us the amount you want to reduce the **credit limit** to.

If the **daily balance** of your **revolving loan** is more than the amount you want your reduced **credit limit** to be, you can still reduce it, but you'll need to repay us the amount required so that the **daily balance** of your **revolving loan** isn't more than the new **credit limit**.

Reducing your **credit limit** to zero cancels your **revolving loan**. You'll find more information about cancelling your **revolving loan** in the next section.

6. Cancelling your revolving loan

You can cancel your **revolving loan** at any time, provided you give us at least five **business days'** notice. You must also pay us all other **amounts owing** under your **revolving loan** at the same time (such as any accrued interest or fees). Once your **revolving loan** is cancelled, you won't be able to borrow any more money from it.

7. Your revolving loan is on demand

7.1 Your revolving loan is an on demand loan

As your **revolving loan** is an **on demand loan**, this means that at any time we can:

- (a) reduce your **credit limit** (including to zero); and/or
- (b) ask you to pay all or any part of the **amounts owing** under your **revolving loan**.

Keep in mind that reducing your **credit limit** to zero cancels your **revolving loan**.

7.2 How do we reduce your credit limit?

- (a) We can reduce the **credit limit** of your **revolving loan** by giving you notice. We'll give you as much notice as we think is appropriate in the circumstances. If we're not able to give you advance notice that we're reducing your **credit limit**, we'll give you notice afterwards.
- (b) We can give you this notice even if you haven't defaulted under your **business facility agreement**.
For example:
 - if we have concerns about how you're using your **revolving loans**, we may reduce your **credit limit** to zero; or
 - we may decide to reduce any unused credit limit on some or all of our customers' revolving loans to help with managing our capital costs.

7.3 What amounts do you have to pay?

- (a) If the **daily balance** of your **revolving loan** is more than your reduced **credit limit**, you must immediately repay the amount required so that the **daily balance** of your **revolving loan** isn't more than the new **credit limit**.
- (b) If we reduce your **credit limit** to zero, this means that you must immediately pay all **amounts owing** under your **revolving loan** and your **revolving loan** will be cancelled (so you won't be able to borrow any more money from it).

8. Your non-utilisation fee

- (a) We'll charge you a non-utilisation fee on any amount of your **credit limit** that you're not using, in line with your **business facility summary** and our **business banking fees and limits** brochure.
- (b) We'll charge you this fee from the day you're first able to borrow the **revolving loan** until the **end date** or the day on which your **credit limit** is reduced to zero (whichever is earlier).

We'll charge you this fee by charging it to your **loan account** on the last day of every month (except if your **loan account** is closed, in which case you'll need to pay it on the date it's closed).

Specific loan terms applying to overdrafts

These **specific loan terms** are relevant to you if you have an **overdraft**. They contain important information about how an **overdraft** works.

When we talk about an “**overdraft**” we mean a **loan** that is identified as being an **overdraft** in your **business facility summary**. Some of the key features of an **overdraft** are:

- there are no set repayments;
- you can reborrow any amounts that you’ve repaid;
- it’s an **on demand loan**, which means we can ask you to repay it at any time; and
- it doesn’t have an **end date**.

If the context requires, “**overdraft**” can also refer to the principal amount outstanding of an **overdraft** from time to time.

1. Borrowing from an overdraft

1.1 How do you borrow your overdraft?

- (a) You can only borrow from your **overdraft** after your **credit limit** has been put in place, which must happen on or before the **final borrowing date**. To put your **credit limit** in place, you’ll need to give us at least two **business days’** written notice.

Keep in mind that we’ll only put your **credit limit** in place if you’ve met all the requirements set out in section 2 of the **common facility terms**.

- (b) After your **overdraft** has been made available to you, you can borrow any part of it at any time by withdrawing amounts from your **loan account** for that **overdraft**. However, the **daily balance** of your **overdraft** must not at any time be more than your **credit limit**.

1.2 You can reborrow your overdraft

You can reborrow amounts that you’ve repaid under an **overdraft** (provided that you keep within the **credit limit**).

2. Repaying your overdraft

You can repay all or part of your **overdraft** at any time by depositing funds into your **loan account** for that **overdraft**. You don't have any set **regular payments** but you'll need to make any necessary payments from time to time to make sure the daily balance of your **overdraft** never exceeds the **credit limit**.

If you repay and cancel your **overdraft** in full, you must also pay us all other **amounts owing** (such as any accrued interest or fees) under your **overdraft** at the same time. You'll find more information about cancelling your **overdraft** in section 6 below.

3. Paying interest on your overdraft

We'll charge you interest that has accrued on your **overdraft** on the last **business day** of each month. Unless we agree something different with you, we'll charge you interest by adding it to the **amounts owing** under your **overdraft** (so it will also accrue interest itself).

You must also pay all accrued interest on your **overdraft** on the day you pay all the **amounts owing** under that **overdraft** and cancel it in full.

4. Default interest

The **default interest rate** for an **overdraft** is 22% p.a.

We explain more about default interest in section 15.6 of the **common facility terms**.

5. Reducing your credit limit

You can reduce any unused part of the **credit limit** of your **overdraft** at any time. To do this, you'll just need to give us at least five **business days'** notice telling us the amount you want to reduce the **credit limit** to.

If the **daily balance** of your **overdraft** is more than the amount you want your reduced **credit limit** to be, you can still reduce it, but you'll need to repay us the amount required so that the **daily balance** of your overdraft isn't more than the new **credit limit**.

Reducing your **credit limit** to zero cancels your **overdraft**. You'll find more information about cancelling your **overdraft** in the next section.

6. Cancelling your overdraft

You can cancel your **overdraft** at any time, provided you give us at least five **business days'** notice. You must also pay us all other **amounts owing** under your **overdraft** at the same time (such as any accrued interest or fees). Once your **overdraft** is cancelled, you won't be able to borrow any more money from it.

7. Your overdraft is on demand

7.1 Your overdraft is an on demand loan

As your **overdraft** is an **on demand loan**, this means that at any time we can:

- (a) reduce your **credit limit** (including to zero); and/or
- (b) ask you to pay all or any part of the **amounts owing** under your **overdraft**.

Keep in mind that reducing your **credit limit** to zero cancels your **overdraft**.

7.2 How do we reduce your credit limit?

- (a) We can reduce the **credit limit** of your **overdraft** by giving you notice. We'll give you as much notice as we think is appropriate in the circumstances. If we're not able to give you advance notice that we're reducing your **credit limit**, we'll give you notice afterwards.
- (b) We can give you this notice even if you haven't defaulted under your **business facility agreement**.
For example:
 - if we have concerns about how you're using your **overdraft**, we may reduce your **credit limit** to zero; or
 - we may decide to reduce any unused credit limit on some or all of our customer's overdrafts to help with managing our capital costs.

7.3 What amounts do you have to pay?

- (a) If the **daily balance** of your **overdraft** is more than your reduced **credit limit**, you must immediately repay the amount required so that the **daily balance** of your **overdraft** isn't more than the new **credit limit**.
- (b) If we reduce your **credit limit** to zero, this means that you must immediately pay all **amounts owing** under your **overdraft** and your **overdraft** will be cancelled (so you won't be able to borrow any more money from it).

8. Your overdraft fee

- (a) We'll charge you an overdraft fee on the full amount of your **credit limit** in line with your **business facility summary** and our **business banking fees and limits** brochure.
- (b) We'll charge you this fee from the day you're first able to borrow from your **overdraft** until the day your **credit limit** is reduced to zero.
- (c) We'll charge you this fee by charging it to the **loan account** for your **overdraft** in arrears on the last day of each month (except if your **loan account** is closed, in which case you'll need to pay it on the date it's closed).

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