



**GUARANTEE**

**TERMS AND CONDITIONS**

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## What does the shading mean?

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

# Message from NZHL

The **borrower's** NZHL adviser has arranged your **guarantee** as security for the **borrower's** NZHL-arranged home loan with Kiwibank.

Kiwibank is the lender to the **borrower** and the party that you are giving your **guarantee** to. These **guarantee terms and conditions** form part of your **guarantee** with Kiwibank. They don't apply to NZHL.

NZHL will continue to support the **borrower** in their journey towards financial freedom.

# Guarantee Terms and Conditions

Effective 7 October 2024

## Some key things you need to know about your guarantee

- Your **guarantee** is between you and Kiwibank. Kiwibank is the lender to the **borrower**. When we talk about “we”, “us” and “our”, we mean Kiwibank as described in the shaded box above section 1.
- NZHL is your adviser. Your **guarantee** has been arranged by NZHL. We are not responsible for any advice that NZHL provides to you.
- You may see NZHL’s and/or Kiwibank’s name or logo on your **guarantee** documents or communications relating to your **guarantee**.
- By giving this **guarantee**, you become personally liable for all **money owing** – which includes all amounts owed by the **borrower** to us. We may agree with you that the amount we can ask you to pay is limited. If we do that, the limit will be set out in your **guarantee summary**.
- We can ask you to pay **money owing** under your **guarantee** without asking the **borrower** or any other **guarantor** to pay first.
- We can lend the **borrower** more money without getting your agreement, and that money will be **money owing** and will be covered by your **guarantee**.
- If the **borrower** has guaranteed the obligations of any other person to us, the **money owing** will include any amounts the **borrower** owes to us under that guarantee. We can lend more money that is guaranteed by the **borrower**, without getting your agreement, and that money will also be covered by your **guarantee**.
- Your **guarantee** asks you to give up some of the rights you have. We need you to do this because we rely on being able to recover the **money owing** (whether from you or the **borrower**) and any other amounts you owe us under your **guarantee**, now or in the future.
- We don’t have any obligation to tell you any information about the **borrower** or any other person.
- Your **guarantee** remains in place until we give you a written release of your **guarantee**, even if there is no longer any **money owing**.
- You can’t cancel your **guarantee**, but you can ask us to stop your **guarantee** covering certain money in the future.
- In some circumstances we can still rely on your **guarantee**, even if we’ve released it.
- This is an important document that sets out terms that apply to your **guarantee**. If you have any questions about anything in this document, or anything about your **guarantee** that isn’t clear, please **contact NZHL** or your solicitor.

In your **guarantee**, when there's a reference to:

- "Kiwibank", or "we", "us" and "our", it means Kiwibank Limited and our successors, assignees, transferees and authorised agents, unless the context requires otherwise.
- "NZHL", it means The New Zealand Home Loan Company Limited and its network of advisers.
- "you" and "your", it means each person named as the "Guarantor" in your **guarantee summary**. If more than one of you is named as "Guarantor", then your obligations are "joint and several". This means:
  - » each of you is responsible for meeting all the obligations of the Guarantor under your **guarantee**; and
  - » we can choose to ask any one or more of you, or all of you, to meet the obligations. This is completely our choice.
- "**borrower**", it means the person whose obligations you are guaranteeing under your **guarantee** and who is named as "Borrower" in your **guarantee summary**, or their successors or assignees. Where there is more than one person named as "Borrower", it means each person individually and any two or more persons together. If a **borrower** has guaranteed the obligations of any other person to us, the obligations you are guaranteeing include any amounts the **borrower** owes us under that **guarantee**.
- "**money owing**", it means all amounts owing to us by the **borrower** now or in the future and includes amounts a **borrower** may owe us as a guarantor and the other amounts described in the definition of this term in section 23 of these **guarantee terms and conditions**.

You'll also notice that some other words are in bold. These have particular meanings, which we've outlined in section 23 at the end of these **guarantee terms and conditions**.

## 1. What is your guarantee made up of?

Your **guarantee** is made up of:

- (a) your **guarantee summary**; and
- (b) our **guarantee terms and conditions**.

If there are inconsistencies between these documents, your **guarantee summary** has priority over our **guarantee terms and conditions**.

In addition, your relationship with us is governed by our **general terms and conditions**. If there are inconsistencies between your **guarantee** and our **general terms and conditions**, your **guarantee** has priority.

## 2. What is your guarantee for?

You have entered into your **guarantee** in return for us agreeing to lend, or continuing to lend, money to the **borrower** or agreeing to provide or continuing to provide another financial service to the **borrower**.

Your **guarantee** works as if you were the “principal debtor”. This means that our rights to require you to make payments to us are the same as if you were the **borrower** and your obligations are not affected by anything that might otherwise release you from or limit your obligations to us.

## 3. What are you responsible for?

You guarantee to us that the **borrower** will pay all **money owing** on its due date for payment and will comply with all their other obligations to us.

In addition, you agree that if the **borrower** does not pay any **money owing** to us on its due date for payment, you’ll immediately pay that amount to us if we ask you to.

In some cases, we may agree to limit the maximum amount that you have to pay us under your **guarantee**. See section 7 for more detail on this.

## 4. What indemnities do you give us?

You indemnify us for any **costs** we incur or losses we suffer because, for any reason, we aren’t able to recover all or any part of the **money owing** from you or the **borrower**, or we’re required to repay any of the **money owing** we recover.

You have to pay all the amounts you’ve indemnified us for immediately if we ask you to. However, any amount which you have to pay under this indemnity won’t ever be greater than the maximum amount you’d be required to pay us under section 3 (if we were able to recover under the **guarantee** under section 3).

All of the indemnities given in your **guarantee** are continuing obligations, and are separate from each of your other obligations under your **guarantee**. The indemnities continue to apply even if the **money owing** is paid or if we've released your **guarantee**.

## 5. When can we charge you default interest on the money owing?

If we've asked you to make a payment under your **guarantee** and you don't pay it when due, we may charge you default interest on the overdue amount from its due date until it's paid in full.

Default interest is calculated daily by multiplying the daily default interest rate by the overdue amount at the end of that day. The relevant daily default interest rate is equal to the interest rate that we could charge the borrower on the relevant portion of the **money owing** if they failed to pay the money owing when we asked them to, divided by 365.

Any default interest that has accrued will be charged on:

- (a) the last day of each month; and
- (b) the day you pay the amounts owing.

Once default interest has been charged, you'll need to pay it immediately. If it isn't paid immediately, we may add it to the amount you owe us. We may also charge you default interest on that overdue amount.

## 6. What other costs do you have to pay?

In addition to the amounts described in sections 3 and 4, you must pay us:

- (a) any **costs** we incur in connection with preparing, executing, changing, releasing, and replacing your **guarantee**;
- (b) any **costs** we incur in connection with exercising, clarifying or protecting any of our rights under your **guarantee**, or asking you to comply with any term or condition of your **guarantee**;
- (c) any **costs** we incur in connection with recovering any **money owing** from you, or any other amount owing by you, under your **guarantee**; and
- (d) any **costs** we incur in connection with currency conversion if you pay us in the wrong currency and we have to convert it.

You must pay these **costs** within three **business days** after we ask you to.

We won't ever ask you to pay for **costs** or losses under this section that arise from our (or any of our officers', employees', agents' or receivers') fraud, negligence, mistake or intentional misconduct.

## 7. What amount are you responsible for?

If we've specified a dollar amount in your **guarantee summary** under the heading "Your liability", you're still liable for all of the **money owing**, but the maximum amount that we can recover under your **guarantee** is:

- (a) the amount specified in your **guarantee summary** under the heading "Your liability" (the "relevant amount")  
plus
- (b) an amount equal to two years' worth of interest on the relevant amount, calculated at the highest interest rate which applies to any portion of the **money owing** (before any default interest is applied) at the time we ask you to pay us  
plus
- (c) any **costs** that you owe us under your **guarantee**, including under sections 6 and 9.

If we haven't specified a dollar amount in your **guarantee summary** under the heading "Your liability", then the amount that you'll be responsible to pay to us under your **guarantee** is unlimited, unless you're a "limited liability trustee", in which case the limit of your liability is set out in section 8 below.

## 8. What if you're the trustee of a trust?

### 8.1 Your representations to us as a trustee

If you enter into your **guarantee** as a trustee of a trust, you confirm to us that:

- (a) the guarantors named in your **guarantee summary** are (and at all times will be), all of the trustees of the trust;
- (b) the trust deed permits the trustees to enter into your **guarantee**; and
- (c) you're entitled to (and will, at our request) claim on the assets of the trust to help you meet your obligations under your **guarantee**.

As a trustee of a trust, your obligations under your **guarantee** are personal and not limited to what you can pay from the trust assets, unless you're a "limited liability trustee" – we explain this more in section 8.2 below.

### 8.2 Limited liability trustees

A limited liability trustee is a trustee who:

- (a) is an independent trustee (meaning a person who is not a beneficiary of the trust, has no interest or right in the assets of the trust (other than as trustee) and has no right to select or designate new beneficiaries);

- (b) hasn't breached their duties as a trustee;
- (c) hasn't breached the trust deed or any relevant law; and
- (d) hasn't made any untrue representation under this **guarantee**.

If you're a limited liability trustee, you're still liable for all of the **money owing** and any other amount that you owe us under your **guarantee**. However, the maximum amount we'll ask you to pay to us under your **guarantee** is an amount equal to the amount you can recover from the trust assets.

### 8.3 Ceasing to be a trustee

If you cease to be a trustee of the trust, you'll remain liable to us under your **guarantee** until we give you a written release of your **guarantee**.

## 9. Payments under your guarantee

### 9.1 Borrower in default

If the **borrower** is in **default**, we can ask you to pay us any **money owing** by giving you notice in writing and you must pay us the amount we ask you to immediately. We can ask you to pay us as well as, or instead of, the **borrower**, without first asking the **borrower** or any other **guarantor** to pay us any **money owing**.

### 9.2 Manner of payment

All payments under your **guarantee** must be made:

- (a) in cleared funds. This means that the payment you've made to us cannot be revoked, dishonoured or reversed for any reason;
- (b) without any restrictions or conditions of payment; and
- (c) in New Zealand dollars.

### 9.3 No deductions or withholding

You can't make any deduction or withholding from the payments you make under your **guarantee** (for example, on account of withholding tax), unless you're required to by law. In that case, the deduction or withholding must be of 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 must pay to us (or pay us a further amount), so that we receive and can keep the full amount that we would have received if the deductions or withholdings hadn't been made – we call this "gross-up".

## 9.4 No set-off

You give up any right to set-off any amounts that we owe you against amounts you owe us under your **guarantee** or any other agreement you have with us (for example, if you have money in an account with us or we owe you interest on your savings account, you can't then deduct that amount from any **money owing** that is due or any other amounts you owe us under your **guarantee**).

## 9.5 Other things to know about making payments

When any payment is made by you under your **guarantee** we can decide how to apply the payment against the **money owing** and any other amounts owing under your **guarantee**. You don't have the right to decide or tell us how we should apply a payment you make.

If we receive any payments from you or any other person in relation to any **money owing**, we can choose to hold the money from those payments in an account and only use it to reduce the **money owing** when we choose.

If at any time you are required to make payment to us under your **guarantee** and there is any amount that we owe you or that we may owe you in the future (such as a deposit), we can use that money we owe you, or will owe you in the future, to pay the amount you owe us. We may also hold that money in an account as described above. We can do this even if you've told us differently. We can also break any deposit that you hold with us early when exercising these rights.

## 10. What things won't affect your guarantee?

Your obligations and rights under your **guarantee** are continuing and are not affected or discharged by any of the following:

- (a) the **borrower** or any other **guarantor** dies, dissolves or becomes insolvent;
- (b) we give the **borrower** or any other person time to pay or we waive or do not exercise any of our rights against the **borrower** or any other person;
- (c) the **borrower** or any other **guarantor** ceases to be liable to us including where we release any other **guarantor** from its obligations to us;
- (d) the **borrower** or any other **guarantor** repays part of the **money owing** or we agree any settlement in relation to any part of the **money owing**;
- (e) we aren't able to require the **borrower** to make payments to us for any reason, for example if:
  - » the **borrower** is underage, bankrupt or didn't have legal capacity to enter into any **agreement**;
  - » the **borrower** didn't properly sign any **agreement**; or
  - » any **agreement** is otherwise illegal or unenforceable;

- (f) another **guarantor** fails to provide **security** expected by you, by any other guarantor, or by us;
- (g) we release any security provided to us by another **guarantor**, the **borrower** or anyone else;
- (h) we delay or don't exercise any rights under any **security** we hold;
- (i) we agree to increase the amounts the **borrower** might have to pay to us now or in the future or provide further finance to the **borrower** or any other **guarantor**;
- (j) any agreement or other relevant document is amended, discharged or released or we otherwise change any of the terms that apply to the **money owing** (for example, if we agree that the interest or fees payable by the **borrower** to us will increase);
- (k) any person enforces, or fails to enforce, any agreement or other relevant document;
- (l) any other person grants us a guarantee;
- (m) the **borrower** or any other **guarantor** amalgamates, changes its constitution, status, shareholding or the person who controls it changes; or
- (n) anything else which, but for this section, may affect or discharge your obligations or otherwise provide a defence to you.

## 11. How does your guarantee come to an end?

Your **guarantee** remains in place until we give you a written release of your **guarantee**, even if there's no longer any **money owing** or you have paid the maximum amount that we can ask you to pay (see section 7). We'll only give you a written release if we're satisfied that:

- (a) all **money owing** has been paid to us;
- (b) no payment made or to be made to us may be avoided or recovered from us;
- (c) there won't be **money owing** in the future that we need your **guarantee** for; and
- (d) you've complied with any reasonable requests we've made to enable us to finalise any outstanding matters relating to your guarantee and to release your **guarantee**.

While you can't cancel your **guarantee**, you can ask us to stop your **guarantee** applying to certain money as set out in section 13.

## 12. We can still rely on your guarantee

In certain circumstances, we can still rely on your **guarantee** even if we've released it:

- (a) If you, the **borrower** or any other **guarantor** make a payment to us that is later claimed to be void, voidable or set aside for any reason, or we're required to repay any money that you, the **borrower** or any other **guarantor** have paid us, then we can still recover that money from you, as well as any interest and **costs** you're responsible for under your **guarantee**, even if we've released your guarantee in the meantime.
- (b) We'll have the benefit of your **guarantee** and any **security** that you give us for two years after the **money owing** has been paid to us in full. But, if an insolvency event happens to you, the **borrower** or any other **guarantor** during that two-year period, we'll keep the benefit of your **guarantee** for any longer period we think is necessary.

## 13. Can you stop being a guarantor?

Even though you can't cancel your **guarantee**, you can at any time give us a written notice stating that you want your **guarantee** to stop applying to any new **money owing**. If you do this, you'll stop being responsible for any new **money owing** 21 days after the date we receive your notice ("stop date").

It's important to note that your obligations under your **guarantee** will continue for:

- (a) all **money owing** on or before the stop date or which becomes payable under or in connection with any **agreement** or obligations we agreed with the **borrower** before the stop date, and any interest or fees we charge in relation to that **money owing** now or in the future;
- (b) any amounts which we have already agreed to provide to the **borrower** under an **agreement** or to any person whose obligations are guaranteed by the **borrower**, even if we haven't provided those amounts to the **borrower** at the time we get your notice; and
- (c) all **costs** we incur in connection with your **guarantee**, even after we receive your notice.

When we receive payments of **money owing** in the future, we can apply those amounts to any obligations that the **borrower** has to us (including amounts that aren't guaranteed by you). This means that the amounts we can demand from you may not reduce.

Each of you and any other **guarantor** who wants to stop being responsible for new **money owing** needs to provide us with a separate written notice. If any one or more **guarantors** stop further liability, this will not affect the obligations of any remaining **guarantors**.

## 14. Security

We hold your **guarantee** in addition to any **security** we hold from you. If you've given us any **security**, or do so in the future, we can rely on that **security** for any **money owing**, as well as for any other amounts you owe us under any other guarantee or any other agreements you have with us.

If you've given us any **security**, including a mortgage over your home, and you don't pay us any amounts you owe us under your **guarantee** when we ask you to, we have the right to take control of the secured property and/or sell it.

If we sell the secured property and receive less than the amount you owe us under your **guarantee**, you'll still be required to pay us the remaining amounts owing under your **guarantee**.

## 15. How do we exercise our rights under your guarantee?

Your **guarantee** gives us a number of rights and lets us take certain actions. We can choose when and how we use those rights or take those actions, or if we use or take them at all.

We can:

- (a) use our rights without first having to take action against the **borrower**, any other **guarantor** or any other party giving any **security** or guarantee;
- (b) use our rights or take action against one, some or all **guarantors**;
- (c) use some or all of our rights, or take any action, under your **guarantee** or any **security** at our discretion, and in any order we wish; or
- (d) decide not to use any of our rights or take any action under your **guarantee** or any **security**, or delay using our rights or taking action.

If we decide not to use any of our rights or take any action, or delay using any of our rights or taking any action, it doesn't mean we won't exercise those rights or take that action in the future. Unless we've agreed in writing that we won't, we can still use those rights and take those actions later.

## 16. You agree to give up some of your rights

We rely on being able to recover the amounts you owe us under your **guarantee**. To help with this, you agree to give up some of your rights as set out in this section until we have received all **money owing** and any other amounts you owe us under your **guarantee** (and, whether or not you have paid the maximum amount we agreed, we can ask you to pay under your **guarantee**).

You can exercise these rights only after we've released you from your obligations under your **guarantee** in accordance with section 11.

### 16.1 You won't take security or make claims

You agree that you'll only do the following with our prior written consent or if we ask you to:

- (a) take, receive the benefit of, enforce or recover (including by way of set-off) any security or guarantee (including holding any money or property) from the **borrower** or any other **guarantor**;
- (b) if the **borrower** or any other **guarantor** becomes **insolvent**, make any claim as a creditor, or take any steps to recover any money owed to you by the **borrower** or other **guarantor**, or enforce any security against the **borrower** or other **guarantor**; and
- (c) if the **borrower** or any other **guarantor** is a natural person and they die, make any claim on their estate.

If you take any of the actions listed above (even if we ask you to), you agree to hold any **security**, guarantee, money (including interest on that money), property, or the benefit of any set-off that you receive, take, obtain, or recover as a result of such action on trust for us, and pay such money or transfer such property to us on demand.

### 16.2 Rights in relation to security and other guarantees we hold

If we hold **security** from the **borrower**, or **security** or a guarantee from any other person:

- (a) you cannot require us to enforce that **security** or guarantee before asking you to pay; and
- (b) you won't "step into our shoes" and benefit from that **security** or guarantee.

### 16.3 Rights against the borrower and other guarantors

You agree that you'll only do the following with our prior written consent or if we ask you to:

- (a) if you pay us money under your **guarantee**, recover the amount you paid to us from the **borrower**;
- (b) ask for contribution from any **guarantor** if you've paid us more than your share of the **money owing**; and
- (c) take any legal action against the **borrower** or any other **guarantor**.

We may impose conditions on you before you exercise those rights. You agree to hold any money or other property you recover from the **borrower** or any other **guarantor** on trust for us, and pay any such money or transfer such property to us on demand. We may keep that money or property until all the **money owing** is repaid to us.

## 17. How do we communicate with each other?

- (a) We've set out the ways in which we'll give you notice in our **general terms and conditions**. Unless we're required by law to give you notice in a particular way, we can give you notices about your **guarantee** in one or more of these ways.
- (b) To give us any notice or information which you're required to give us under your **guarantee**, you must do so in writing to: Kiwibank Limited, Private Bag 39888, Wellington 5045.
- (c) For anything else, you can always **contact us**.

## 18. Sometimes the law requires us to give you information in writing

### 18.1 Disclosure of information

There are certain laws that require us to give you information in writing. For example, under the Credit Contracts and Consumer Finance Act 2003, we're required to disclose information to guarantors of consumer credit contracts at certain times, such as:

- (a) if the **borrower** enters into another **agreement** with us to which your **guarantee** applies;
- (b) if the **borrower's agreement** with us is changed in a way that increases the **borrower's** obligations (and consequently, your obligations under your **guarantee**) or gives the **borrower** less time to make any payment due under the **agreement**; or
- (c) if you ask us for information (this is known as "request disclosure"). However, there are some exceptions to when we have to provide request disclosure to you.

### 18.2 Credit Contracts and Consumer Finance Act 2003

If the disclosure rules of the Credit Contracts and Consumer Finance Act 2003 apply to your **guarantee**, you agree that we may give you any information electronically including:

- (a) sending that information to you by email or another electronic messaging system, such as a text message; or
- (b) sending you an email or other electronic message letting you know where you can access that information.

You agree that we can use the email address or mobile phone number you've given us for that purpose. You may update either of these at any time.

## 19. Informing you about the borrower

Unless required by law, we don't have any obligation, now or in the future, to give you any information about the **borrower**, any other **guarantor** or any person whose obligations are guaranteed by the **borrower**, including their finances or any transaction the **borrower** or any other **guarantor** undertakes with us or to notify you or any **borrower** if we exercise any of our rights under your **guarantee**. Neither do we need your or the **borrower's** consent to do so.

You must make your own arrangements with the **borrower** to inform yourself as to all matters relevant to your **guarantee**.

## 20. What rights do we have to transfer your guarantee?

Your **guarantee** belongs to us. However, we can assign or transfer some or all of our rights and obligations under your **guarantee** to one or more others. We don't need your agreement for any assignment or transfer and we don't need to give you notice of this.

If we assign or transfer any of our rights and obligations under your **guarantee**:

- (a) references to "we", "us", or "our" in your **guarantee** will mean the person we've assigned or transferred our rights and obligations to;
- (b) where we've only assigned or transferred some of our rights and obligations, references to "us" in parts of your **guarantee** that contain rights and obligations that we've not assigned or transferred, will still be read as references to Kiwibank Limited; and
- (c) we may disclose any information that you've given to us to the person who we've assigned or transferred our rights and obligations to, or any other person who we may contract with in connection with any **money owing** by the **borrower**.

You can't transfer any of your rights or obligations under your **guarantee** to another person without our prior written consent.

## 21. How do we manage your personal information?

We take the protection of your information seriously (including our obligations under the Privacy Act 2020 and any other legal obligations we have relating to the protection of information).

For details about how we collect and handle your information, please see our privacy policy. You can download a copy at [kiwibank.co.nz/nzh](https://kiwibank.co.nz/nzh) or contact us on 0800 113 355 to request a copy.

## 22. What else do you need to know?

### 22.1 Information provided to us

If at any time we ask you for any information about you or your **guarantee** (including information relating to your financial position or your business or operations), you must give it to us within any reasonable time period we specify.

We rely on that information and any other information that you, or someone on your behalf, gives us. You confirm to us that all material information you give us is true and complete and that you don't know of any important information that we don't have that could reasonably be expected to affect our decision to accept your **guarantee**.

### 22.2 We'll make all the calculations under your guarantee

Where your **guarantee** 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.

### 22.3 Changes to your guarantee

You can't change your **guarantee** unless we agree to the changes in writing.

We may change your **guarantee summary** and our **guarantee terms and conditions** at any time, but we must give you at least 14 days' notice before the change applies to you.

Our **general terms and conditions** explain how those terms and conditions can be changed.

Keep in mind that we don't need your consent to make any of these changes.

### 22.4 Our commitment to act reasonably

We'll act reasonably when we do anything under your guarantee, taking into account both your and our 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.

### 22.5 Electronic signatures

We agree that you can sign your **guarantee summary** electronically for the purposes of the Contract and Commercial Law Act 2017.

## 22.6 General legal provisions

New Zealand law applies to your **guarantee**.

If a court decides that any part of your **guarantee** isn't binding on you, we can still ask you to do all of the other things you've agreed to do under your **guarantee**. You agree that New Zealand courts have the power to settle any legal proceedings in relation to your **guarantee**. However, we can still take proceedings in any overseas court in relation to your **guarantee** if that's where you are located.

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

## 23. Definitions and interpretation

| Word                | Definition                                                                                                                                                                                                                                                                                                   |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>agreement</b>    | Any arrangement between us and the <b>borrower</b> which might result in the <b>borrower</b> having to pay us any amount at any time, and any amendment made to any of those arrangements. It includes any <b>guarantee</b> provided to us by the <b>borrower</b> .                                          |
| <b>borrower</b>     | The person whose obligations you are guaranteeing under your <b>guarantee</b> and who is named as "Borrower" in your <b>guarantee summary</b> , or their successors or assignees. Where more than one person is named as "Borrower", it means each person individually and any two or more persons together. |
| <b>business day</b> | Any day other than a Saturday, Sunday or a national public holiday in New Zealand.                                                                                                                                                                                                                           |
| <b>contact NZHL</b> | NZHL are your advisers. If you need advice or help, they're available by: <ul style="list-style-type: none"><li>• contacting your adviser;</li><li>• calling 0800 333 238; or</li><li>• going to <a href="http://kiwibank.co.nz/nzhl">kiwibank.co.nz/nzhl</a></li></ul>                                      |
| <b>costs</b>        | includes costs, taxes, liabilities, fees, charges and any other expenses, including legal costs (on a full indemnity basis) and any receiver's costs and expenses. When it says "on a full indemnity basis" it means your obligation to pay us the actual costs we incur.                                    |

| Word                                  | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>default</b>                        | A default according to the terms of any <b>agreement</b> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>general terms and conditions</b>   | Our document entitled “General Terms and Conditions” specific to customers with NZHL-arranged loans.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>guarantee</b>                      | Your <b>guarantee summary</b> and our <b>guarantee terms and conditions</b> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>guarantee summary</b>              | The document addressed to you entitled “Your guarantee summary”.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>guarantee terms and conditions</b> | These terms and conditions, entitled “Guarantee Terms and Conditions”.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>guarantor</b>                      | Any guarantor who has guaranteed the <b>money owing</b> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>insolvent</b>                      | The relevant person becomes the subject of a dissolution, bankruptcy, the appointment of a receiver, manager, trustee or statutory manager, the entry into any arrangement involving a re-organisation, moratorium or administration or any other similar event having a similar effect.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>money owing</b>                    | <p>Each and all of:</p> <ul style="list-style-type: none"> <li>the amounts owing to us by the <b>borrower</b> (alone or with one or more others) now or in the future under any <b>agreement</b>. This includes amounts that are owed to us directly and amounts that are owed to us contingently (which means that payment is not yet a definite obligation, but may become one in future). It also includes amounts the <b>borrower</b> may owe us as a guarantor of another person's obligations to us;</li> <li>the amount of any judgment we get in court against the <b>borrower</b>;</li> <li>any amounts we pay, or losses we suffer, when enforcing or exercising any rights under any <b>agreement</b>, or asking the <b>borrower</b> to comply with their obligations under any <b>agreement</b>; and</li> <li>interest, including default interest, that has accrued on any of the above amounts.</li> </ul> |

| Word            | Definition                                                                                                                                                                                                                                                               |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>security</b> | Anything we can take, sell or otherwise rely on if a person (whether the <b>borrower</b> under one or more <b>agreements</b> , or you under your <b>guarantee</b> ) fails to meet their obligations to make payment to us and we need to recover the outstanding amount. |

When you're reading your **guarantee**:

- (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.



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