People First Bank

Lending Terms & Conditions

Current as at 30 October 2026

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About this Document Part 1

Part 1 of this document forms part of your Contract with us. The other terms and conditions forming part of your Contract are as specified in paragraph 1 below.

Part 2

Part 2 of this document is not part of your Contract.

It contains information we need to give you. It only applies if you are an individual or a strata corporation and you use or intend to use the Amount of Credit we lend you:

- wholly or predominantly for personal, domestic or household purposes; or
- wholly or predominantly to purchase, renovate or improve residential property for investment purposes; or
- to refinance credit that has been provided wholly or predominantly to purchase, renovate or improve residential property for investment purposes.

PART 1

Terms & Conditions

1. Your Contract

The Contract consists of:

- these Terms; and
- the Schedule set out in the Offer and Loan Contract document we give to you; and
- our Fees & Charges document (to the extent referred to in this document) and any other specific terms and conditions applicable to a Facility as referred to in the Schedule.

You must read each of the documents that form the Contract together so that you understand what you are agreeing to.

2. Acceptance

2.1. You accept our offer for any Facility:

- (if the Offer and Loan Contract document makes provision for you to sign it) by signing the Offer and Loan Contract in the space provided and returning it to us; or
- (if the Offer and Loan Contract document does not make provision for you to sign it) when you, or a person authorised by you, accesses or draws down on the credit offered to incur a liability or activates a card which may be used to access or draw down on the credit.

2.2. If you do not agree to any terms and conditions of the Contract:

- do not sign the Offer and Loan Contract document;
- do not sign any card we give you in relation to the Contract;
- do not authorise a transaction; and
- return all cards we give you in relation to the Contract to us.

3. Definitions and Interpretation

3.1. In the Contract:

"account" means the account we establish in your name for the purposes of the Contract unless the context requires otherwise;

"Confirmation of Payee service" is an industry initiative that enables a person making a payment to an account with an Australian financial institution using the account's BSB and account number to confirm the account name of the account;

"**Contract**" is defined in clause 1;

"Construction Loan" means a loan Facility where the loan proceeds are used primarily to finance construction activity;

"Construction Period" means 24 months commencing from the date the first progress payment is made by us;

"Direct Debit" means an arrangement made by an accountholder for a third party to automatically debit funds from your Account through the Bulk Electronic Clearing System administered by the Australian Payments Clearing Association;

"**Due Date"** means the last day of the calendar month following the end of the Statement period;

"**EFT**" means Electronic Funds Transfer;

"**end of the day**" in respect to any calendar day means the earlier of:

- the time we commence our end of day processing for the day; and
- 11:29:59pm in South Australia;

"**Facility**" means the product, service or loan we offer to provide to you in the Contract;

"**Future Loan Contract**" is defined in clause 21.5;

"Guarantor" means a person giving a guarantee to us that you will pay your debt and comply with your obligations under the Contract;

"Lenders Mortgage Insurance" means insurance taken out to protect us against losses on the Facility we provide to you if you default;

"Line of Credit" means a credit facility secured with a mortgage over residential property that allows you to withdraw funds up to a set limit from time to time;

"Linked account" means any account you link to your VISA Card to enable you to draw from or deposit funds and includes the accounts described in the Schedule;

"**Mortgaged Property**" means the property described in the Schedule (if any) as Mortgaged Property or property over which we require a mortgage or security interest and includes any property acquired by you as an addition or accessory to such property, any property you acquire in replacement of such property or any proceeds of such property;

"**Offset Account**" means a transaction account which is designed to help reduce the interest which accrues on a home loan;

"Online Redraw Facility" means the redraw facility described in clause 12 of this document;

"Redraw Facility" means the redraw facility described in clause 11;

"**Schedule**" means the Schedule set out in the Offer and Loan Contract document we give you;

"**Statement period**" means the period to which a statement of account in relation to the Contract relates;

"Terms" means the terms and conditions set out in this document;

"Visa Credit Card Contract" means a Contract under which the Amount of Credit is ordinarily accessed by using a Visa Credit Card;

"Website" means our website accessible at peoplefirstbank.com.au;

"We", **"us"** or **"our"** refers to People First Bank, a trading name of Heritage and People's Choice Ltd ABN 11 087 651 125, Australian Financial Services Licence number 244310, Australian Credit Licence number 244310;

"You" means each person named in the Schedule as "**Customer**", "**Borrower**", "**Creditor**" or "**Cardholder**" as the case may be. If there are more than one, "**you**" means each person separately and all persons jointly;

"**Your**" has a corresponding meaning.

3.2. In the Contract:

3.2.1. headings are only for convenience and do not affect interpretation;

3.2.2. a reference to a clause is a reference to a clause in these Terms, unless otherwise specified;

3.2.3. the singular includes the plural and vice versa;

3.2.4. a reference to a gender includes the other genders;

3.2.5. a reference to a party includes that party's executors, administrators, successors and assigns;

3.2.6. a reference to a document is a reference to it as varied from time to time;

3.2.7. if a word or phrase is given a meaning by the National Credit Code or the Personal Property Securities Act 2009 (Cth) it has the same meaning; and

3.2.8. if a word or phrase is given a meaning in the Schedule it has the same meaning in these Terms.

4. Code of Practice

The relevant provisions of the Customer Owned Banking Code of Practice (as amended, varied or substituted from time to time) apply to the Contract.

5. Payments

5.1. You must repay the balance of the Facility by making the repayments set out in the Schedule. However, this is subject to other terms of the Contract, for example, if we increase repayments or if you are in default.

5.2. If you draw more than the Amount of Credit you must, when we ask you, immediately pay us the amount required to reduce the balance of your account to the Amount of Credit.

5.3. If we do not receive value for a cheque, payment order or direct credit, we may:

5.3.1. reverse the credit; and

5.3.2. charge you interest or default interest or an arrears administration fee; and

5.3.3. exercise any right or remedy under the Contract as if the payment had never been made.

5.4. If you are liable to us under two or more contracts and do not tell us to which account we are to credit any payment we may, acting reasonably, credit the payment to the Contract or any of the other contracts we choose and will notify you in writing if we do this.

5.5. We may apply any payment from you or the Guarantor to reasonable enforcement expenses, arrears administration fee, credit fees and charges, interest or principal in the order we choose (unless the Contract is a Visa Credit Card Contract, in which case we will apply the payment to the amounts that have the higher interest rate at the last statement period).

5.6. We may apply any payment from you or the Guarantor to the most recent debit to your account (unless the Contract is a Visa Credit Card Contract, in which case we will apply the payment to the amounts that have the higher interest rate at the last statement period).

5.7. If under the Contract you must make a payment or do any other thing on or by a day, you must do so by 5pm (in South Australia) on that day.

5.8. If the Contract is a Visa Credit Card Contract and clause 16.7 applies, for the purpose of determining interest free eligibility, payments

must be made by 5.00pm (in South Australia) on the relevant date whether or not it is a business day, otherwise the payment may be treated as being received on the following day.

If the contract is an overdraft Contract, you can request an overdraft minimum repayment transfer to pay the minimum repayment required on your overdraft facility on a monthly basis. This occurs on the last day of the month.

5.9. You must make all payments due under the Contract and any related mortgage, to the extent permitted by law, without any deduction, set-off, counterclaim or condition (except to the extent that you have a right of set-off granted by law which we cannot exclude by agreement).

5.10. If you fail to make the minimum scheduled repayment required under your Contract, and you have Excess Payments available, we may take your minimum scheduled repayment amount from the Excess Payments. If we do this, you will not be considered in default; however your Excess Payments will reduce accordingly.

In this clause:

"Excess Payments" has the same meaning as in clause 11.

6. Credit Fees and Charges

6.1. You must pay to us the fees and charges and Lenders Mortgage Insurance at the times set out in the Contract and our reasonable expenses of enforcing the payment of any amount you owe us or any right we have.

6.2. You must also pay to us all government taxes, duties and fees relating to any transaction in connection with the Contract and any insurance policy, when we ask you.

6.3. You agree to pay our reasonable costs and expenses in connection with any guarantee, mortgage or security interest related to the Contract (including establishment, registration and enforcement costs).

6.4. We may debit any amount payable by you under this clause to your account when it is due to us or incurred by us.

6.5. We will determine the charges after taking into account any discount or other rebate (except a rebate on tax) or other applicable allowance received by, or which will be paid to, us.

6.6. If your application is withdrawn or rejected, you can apply for the application fee to be refunded.

6.7. If you terminate the Contract before using the Facility, you must pay any fees and charges, and government taxes, duties and fees incurred before you terminate the Contract.

7. Pre-Conditions

7.1. We do not have to provide you with the Facility until, if we reasonably request:

7.1.1. we receive the mortgages and the guarantees, if any, we require as stated in the Schedule in a form that is satisfactory to us;

7.1.2. we are satisfied that all security interests granted to us in relation to the Contract are valid and effective;

7.1.3. you and the Guarantor take out any compulsory insurance or Mortgaged Property insurance that we reasonably require noting our interest as mortgagee and provide us with satisfactory proof that the insurance has been taken out;

7.1.4. any applicable mortgage or security interest is properly stamped and registered;

7.1.5. we are satisfied with the valuation of the Mortgaged Property;

7.1.6. we are satisfied that all other pre-conditions to your drawing down on the Facility have been complied with; and

7.1.7. we receive in a form satisfactory to us solicitors' certificates relating to advice you and each Guarantor (if any) have independently received.

7.2. We do not have to provide you with the Facility or provide you with further drawings under the Facility if a Guarantor withdraws from the Guarantee before the credit is first provided or if you are in breach of the Contract or we reasonably believe you would not be able to repay any credit because of a change in your financial circumstances.

8. Amount of Credit

8.1. Subject to clause 7 and this Contract, we agree to make available to you credit up to the Amount of Credit.

8.2. However, we will not advance to you the difference between the amount of a credit fee or charge we are to pay out of the Amount of Credit and the amount that we actually pay of that credit fee or charge.

8.3. You agree not to exceed the Amount of Credit.

8.4. Subject to clause 22, we may reduce the Amount of Credit to the balance of your account at any time. We do not have to notify you before we do this, but we must notify you as soon as practicable afterwards.

8.5. If your Contract is a Visa Credit Card Contract or overdraft Contract, you may reduce the Amount of Credit to any amount that equals, or exceeds, our minimum Amount of Credit for Contracts for that Contract type by request to us. If you want to request an Amount of Credit that is less than the balance of your account, you must pay the amount necessary to reduce the balance of the account to

the reduced Amount of Credit you want to request before we can action your request. Our minimum Amount of Credit for Visa Credit Card Contracts is $1,000 and the minimum Amount of Credit for overdraft Contracts is $500.

8.6. If your Contract is a Visa Credit Card Contract or overdraft Contract, you may terminate the Contract at any time by:

8.6.1. repaying the balance of your account, the amount of any transaction that you have authorised that does not yet form part of that balance and any interest that has accrued but not yet been charged to the account; and

8.6.2. requesting that we close your Facility.

8.7. If you request that we close your Facility, you must immediately:

8.7.1. cease using the Facility,

8.7.2. cease using access facilities attached to the Facility such as cards (only required for overdraft Contracts where you are requesting the account attached to the overdraft also be closed); and

8.7.3. cancel any authorisations on the account such as direct debits or recurring Visa Purchases (only required for overdraft Contracts where you are requesting the account attached to the overdraft also be closed).

Termination of the Contract will not affect any rights or obligations that accrue in relation to anything that occurs prior to the termination becoming effective. The termination does not become effective until we action your request and close your Facility.

9. Increasing the Amount of Credit Temporarily

9.1. This clause applies when:

9.1.1. you draw a cheque on your account; or

9.1.2. you authorise a Direct Debit on your account; or

9.1.3. you authorise a Visa payment on your account, the amount required to reduce the balance of your account to the previous Amount of Credit.

and

9.1.5. payment of the transaction would result in you exceeding the Amount of Credit.

9.2. You agree that presentation of your cheque, Direct Debit or Visa transaction for payment in the circumstances of clause 9.1. is your request to us to increase the Amount of Credit temporarily.

9.3. If we pay your cheque, Direct Debit or authorise a Visa payment, you agree that you will pay us, immediately after we ask.

9.4. Whether we pay on your duly presented cheque, Direct Debit or authorise a Visa transaction or not is at our reasonable discretion.

10. Drawing

You must arrange to draw the Amount of Credit within 30 days of the date of the Contract (unless we agree to you doing so later). If you do not do so, we may give you 2 days' notice of our intention to terminate the Contract, and if you do not draw the Amount of Credit within that time, we may terminate the Contract and keep any fees or charges you have paid us.

11. Redraw Facility

11.1. The Redraw Facility allows you to redraw, in accordance with this clause, against payments you have made to a loan Facility which exceed your scheduled payment obligations under the Contract.

In this clause:

"Excess Payments" means the amount by which, at any time:

(a) the loan debit balance that would exist at that time if you had only paid the minimum necessary payments under the Contract,

exceeds

(b) the aggregate of:

(i) the actual debit balance at that time; and

(ii) an amount equal to the next minimum scheduled repayment.

"**Redraw Amount**" means the amount of the Excess Payments that you redraw or seek to redraw at any time.

"**Redraw Facility Nomination Form**" means the form so described issued by us from time to time for nominating a Borrower to make redraw requests on behalf of all Borrowers.

11.2. You may request the use of a Redraw Facility if you have a:

11.2.1. variable rate home or investment loan; or

11.2.2. fixed rate home or investment loan; or

11.2.3. personal loan; or

11.2.4. any other product and we give our consent,

and

11.2.5. your loan is fully drawn;

11.2.6. we have not suspended or withdrawn the Redraw Facility by notice to you;

11.2.7. there are Excess Payments;

11.2.8. you have not repaid your loan in full;

11.2.9. the Mortgaged Property (if any is specified in the Schedule) is still mortgaged to us or we hold a valid and effective security interest over it and you are still the owner of the Mortgaged Property (we may require you to provide us with evidence that you continue to be the owner of the Mortgaged Property); and

11.2.10. there is not a hold or restriction on your account.

11.3. If you request a Redraw Amount and we allow the request, the Redraw Amount will be debited to your account and credited to a nominated savings or transaction account of your choice. The Redraw Amount will then form part of the outstanding balance of your account on which interest is calculated in accordance with the terms of the Contract.

11.4. Any potential Excess Payments attributable to a cheque or other item deposited as repayments into the account will not be available for redraw until the cheque or other item has been cleared.

11.5. You may request a Redraw Amount to the amount of the Excess Payments. However, Redraw Amounts must be $1,000 or more for home loans and $250 or more for personal loans. We can apply a maximum daily redraw limit of any amount at our reasonable discretion.

11.6. Despite clause 11.2, we can refuse a request or cancel or reduce your ability to redraw under the Redraw Facility at any time if:

11.6.1. you (if there is more than one Borrower, any one of you) ask us to in writing; or

11.6.2. you are in default under, or breach an obligation under, the Contract; or

11.6.3. a variation to the terms of the Contract is being processed; or

11.6.4. your account has a nil or credit balance; or

11.6.5. you do not complete and sign any forms or documents we require as contemplated by the Contract; or

11.6.6. you do not supply all the information we require, and this gives rise to a material credit risk or security risk for us; or

11.6.7. you supply information we require but the information is false, misleading or incomplete or cannot be verified to our reasonable satisfaction and this gives rise to a material credit risk, security risk or legal or reputation risk for us; or

11.6.8. there has been a material adverse change in relation to you or any Mortgaged Property which affects your ability to satisfy your obligations to us or which affects the value of any Mortgaged Property; or

11.6.9. we are not satisfied that we will have priority under our security over the holder of, or a person who claims to have, any other interest in the Mortgaged Property (other than a mortgage registered in priority to our security interest) for the Redraw Amount and any interest, fees and charges and other amounts payable by you under the Contract; or

11.6.10. we are not satisfied with the outcome of any searches or enquiries we undertake in relation to any Mortgaged Property; or

11.6.11. we determine, acting reasonably, that we will not allow you to redraw under your Redraw Facility in order to protect our legitimate interests, including our legitimate business needs, reputation, prudential requirements, material changes to our business or systems, security requirements or to manage regulatory risk.

11.7. If there are 2 or more of you, you may authorise us to process an application for a Redraw Amount:

11.7.1. where the Redraw Amount is less than $5,000 and all of the Borrowers have completed a Redraw Facility Nomination Form – if the Borrower nominated in the Redraw Facility Nomination Form provides us with their written authority; or

11.7.2. where the Redraw Amount is $5,000 or more – if all Borrowers provide us with their written authority.

You or any one of the Borrowers (if more than one) can cancel the Redraw Facility at any time by giving written notice to us.

11.8. If there are 2 or more of you, we will comply with a request by any one of you:

11.8.1. to change the account approval so that all Borrowers must approve any future Redraw Facility or request for a Redraw Amount, or

11.8.2. to suspend the Redraw Facility to allow you and the other account holders time to reach agreement about dispersal of the Excess Payments.

Changing the account approval may change the ways you can transact on your account (for example, you may not be able to transact with a card or online). It may not prevent future withdrawals that occur due to existing Direct Debit or recurring payment arrangements.

This paragraph does not, for example, apply to an account in a single name but with multiple signatories (e.g. a company account where directors are co-signatories on behalf of the company). Refer to clause 12 of these Terms for the terms and conditions relating to Online Redraw.

12. Online Redraw

12.1. If you have access to Online Banking and the People First Bank App, the Online Redraw Facility allows you to redraw online, in accordance with this

clause, against payments you have made to your loan which exceed your scheduled payment obligations under the Contract.

In this clause:

"**Excess Payments**" has the same meaning as in clause 11.

"**Redraw Amount**" has the same meaning as in clause 11.

"**Online Redraw Registration Form**" means the form so described issued by us from time to time for applying for an Online Redraw Facility for loans other than personal loans.

12.2. This clause applies:

12.2.1. in relation to a variable rate home or investment loan, once all borrowers have signed the Online Redraw Registration Form and we notify you that we have accepted your Online Redraw Registration Form; or

12.2.2. in relation to a fixed rate home or investment loan, once all borrowers have signed the Online Redraw Registration Form and we notify you that we have accepted your Online Redraw Registration Form; or

12.2.3. in relation to a personal loan, unless you have indicated to us in the Contract that you do not wish to operate a Redraw Facility in relation to your personal loan.

12.3. If this clause applies, you will be authorised to solely activate a redraw request online through our internet banking and mobile banking facilities to make a redraw request by withdraw from the account.

12.4. Use of the Online Redraw Facility is subject to all conditions detailed in clause 11.2 and clause 11.8.

12.5. Subject to clauses 12.6 and 12.7 below, the Redraw Amount must not exceed the Excess Payments. We will calculate interest against the Redraw Amount in accordance with the terms of the Contract.

12.6. Any potential Excess Payments attributable to a cheque or other item deposited as repayments into the account will not be available for redraw until the cheque or other item has been cleared.

12.7. Any redraw under the Online Redraw Facility will not be permitted where there is a hold or restriction on the account.

12.8. Redraw Amounts must be $1,000 or more for variable rate home and investment loans and $250 or more for personal loans. We can apply a maximum daily redraw limit of any amount at our reasonable discretion.

12.9. You can cancel the Online Redraw Facility at any time by giving written notice to us.

12.10. We can refuse a request or cancel or reduce your ability to redraw under the Online Redraw Facility at any time without notice for one or more of the reasons listed in clause 11.6.1 to 11.6.11 above.

13. Construction Loans

If your facility is a Construction Loan, then this clause will apply and shall prevail to the extent of any inconsistency with any other Terms.

13.1. **Additional funding pre-conditions**

In addition to the pre-conditions set out in clause 7, we are not required to lend you the Amount of Credit (or any part of it) unless you satisfy the following additional funding pre- conditions:

13.1.1 You have given us full copies of:

(i) all building contracts, plans and specifications for the building works which are to be carried out on the Mortgaged Property which must have been approved by your local council and any other authority that must approve them;

(ii) the soil report including an engineering footing design;

(iii) the approvals from your local council and any other authority that must approve the building works;

(iv) any other licences or permits that you require to carry out the building works;

(v) the signed building contract and any annexures to it;

(vi) your builder's licence;

(vii) a course of construction or construction risk insurance policy for the building contract price and for the period until the building works are completed noting our interest as mortgagee; and

(viii) your builder's home/builders warranty indemnity insurance policy,

and we are satisfied, acting reasonably, with their form and content; and

13.1.2 You have provided us with satisfactory proof that you have already paid the amount by which the cost of the building works and the purchase of the Mortgaged Property (if any) exceeds the Amount of Credit.

13.2. **Progress payments**

13.2.1. We will lend you up to the Amount of Credit by progress payments.

13.2.2. If any part of the Amount of Credit is being used to purchase the Mortgaged Property, then we will, subject to clause 13.1 above, apply the first progress payment towards the purchase of the Mortgaged Property.

13.2.3. We will make other progress payments, other than the last, when we receive in a form satisfactory to us:

(i) a copy of a progress payment claim or request from your builder that is consistent with the terms of the building contract;

(ii) your written authority to pay the claim;

(iii) if we, in our reasonable discretion, decide to have the building works inspected, a satisfactory inspection report from our building inspector or valuer; and

(iv) if we request it, satisfactory evidence that the amount which remains to be paid to complete the building works does not exceed that part of the Amount of Credit that has not already been advanced.

13.2.4. We will make the last progress payment when we receive in a form satisfactory to us:

(i) a copy of a certificate of practical completion;

(ii) your written authority to pay the last progress payment;

(iii) a letter from you confirming you accept the building works have been completed to a satisfactory standard;

(iv) a satisfactory inspection report from our building inspector or valuer; and

(v) a building insurance policy in relation to all of the improvements on the Mortgaged Property for their full insurable value noting our interest as mortgagee.

13.2.5. We may make all progress payments, other than any payment applied to the purchase of the Mortgaged Property, direct to the builder. If we, in our reasonable discretion, agree to pay any progress payment to you, you must ensure it is promptly applied to the costs of the building works and provide us with evidence that this has occurred on request.

13.2.6. We may refuse to make any further progress payments if, in our reasonable opinion, the building works are not proceeding satisfactorily and in accordance with the building contract or if you are in default under the Contract.

13.2.7. If you are in default under the Contract, and do not remedy your default within the period allowed in a default notice we give you, any obligation we have under the Contract to advance any part of the Amount of Credit that has not already been advanced ceases.

13.3. **Commencement and Completion Timeframes**

You must take all reasonable steps to ensure the building works are:

13.3.1. Commenced within 90 days from the date of the Contract (or later as agreed in writing between you and us);

13.3.2. Carried out expeditiously and without undue delay; and

13.3.3. Completed within the Construction Period.

13.4. **Your obligations**

You must:

13.4.1. Not allow the building works to commence until you have obtained all necessary consents and authorisations and obtained our written consent which will not be unreasonably withheld;

13.4.2. Ensure the building works are completed substantially in accordance with the building contract, construction schedule, plans, specifications and any variations that have been provided to and approved by us;

13.4.3. Pay any amount required to purchase the land and complete the building works that exceeds the Amount of Credit;

13.4.4. Not terminate the building contract nor agree to any variation of the building contract that would increase or decrease the building contract price without our prior written consent which will not be unreasonably withheld; and

13.4.5. Comply with the requirements of any encumbrance, covenant, restriction or agreement that applies or relates to you, the Mortgaged Property or the building works.

13.5. **Additional events of default**

Subject to clause 24.1, you will be in default under the Contract if:

13.5.1. You fail to comply with your obligations under this clause 13 including by failing to commence and complete the building works as required by this clause 13;

13.5.2. You breach the terms of the building contract between you and a builder relating to the building works and, as a result, the builder terminates or threatens to terminate the building contract;

13.5.3. You breach the terms of any encumbrance, covenant, restriction or agreement that applies or relates to you, the Mortgaged Property or the building works (including in any contract for the purchase of the Mortgaged Property); or

13.5.4. Any encumbrancee, vendor or other person becomes legally entitled to require that you sell or otherwise transfer the Mortgaged Property to them, or a person nominated by them and exercises or proposes to exercise that right.

13.6. **Site inspections and valuations**

13.6.1. Our building inspector or valuer may carry out site inspections to inspect the building work at such times during the construction as we shall determine, and you must ensure that our inspector or valuer has access to the Mortgaged Property for this purpose on request. We will provide three business days' notice prior to the inspection taking place by the inspector or valuer.

13.6.2. Our building inspector or valuer will inspect the building works solely for our purposes. You cannot rely on our site inspections and should not assume, because we make a progress payment, that the building works are satisfactory or free of defects. It is your sole responsibility to monitor the building works.

14. Home Loan Package, Investment Loan Package and Line of Credit Package (not available for new business from 17 June 2025, and no new products may be added to an existing package from that date)

14.1. **Qualifying criteria**

To qualify for the package you will need to have a minimum total loan amount of $100,000 in eligible package products.

Eligible package products are defined in clause 14.2.

14.2. **Annual Fee and eligible products**

An Annual Fee is payable for each applicable package structure set out in clause 14.3. It is charged on the first draw down date (or date of renegotiation into the package) and on the anniversary of each subsequent year (as detailed in the Fees & Charges document).

There is no restriction on the number of eligible loan products that can form part of a single package structure.

Eligible package products include:

14.2.1. Home Loan Package & Fixed Home Loan Package

14.2.2. Home Loan Package - Interest Only & Fixed Home Loan Package - Interest Only

14.2.3. HL Package Construction & Fixed HL Package Construction

14.2.4. HL Package Construction - Interest Only & Fixed HL Package Construction - Interest Only

14.2.5. Investment Loan Package & Fixed Investment Loan Package

14.2.6. Investment Loan Package – Interest Only & Fixed Investment Loan Package – Interest Only

14.2.7. Inv Loan Package Construction & Inv Loan Package Construction

14.2.8. Inv Package Construction – Interest Only & Inv Package Construction – Interest Only

14.2.9. Line of Credit Package

Bridging loans, Business loans, Low Doc loans and Interest Only In-Advance loans are excluded.

14.3. An eligible package structure can only consist of loans owned by no more than two common borrowers. Loans with different borrowers will need to be covered under a separate package structure and an annual package fee will apply for these loans. Package benefits do not extend to loans outside of the package.

14.4. Top-ups and loan splits are not available on any package loan from 17 June 2025.

14.5. Renegotiating into the Home Loan Package, Investment Loan Package or Line of Credit Package will no longer be available on any package loan from 17 June 2025.

14.6. Renegotiating out of the Home Loan Package, Investment Loan Package or Line of Credit Package

When you have no remaining loans in the Home Loan Package, Investment Loan Package or Line of Credit Package, you will cease to receive the Package Benefits as detailed in clause 14.7 and will no longer be subject to the Annual Fee.

14.7. Package Benefits

The package benefits that will apply are published by us from time to time. We may change the Package benefits at any time, providing that we will not change an interest rate applying to a loan or deposit product during any period in which it is fixed. We will notify you if we change the package benefits in a way which affects you under the Contract. The notice we give will depend upon the nature of the change, as described in clause 22.

All Home Loan Package, Investment Loan Package and Line of Credit Package benefits are only applicable when you have a current Home Loan Package, Investment Loan Package or Line of Credit Package open. Upon closing your Home Loan Package, Investment Loan Package or Line of Credit Package loan, you will cease to receive the above benefits and will be subject to the current fees and charges as detailed in the Fees & Charges document.

Repaying your loan as set out in the Contract will have no effect on your Package Benefits until the loan is paid out in full. This includes the discount on your interest rate, however, if you hold multiple

package loans and you choose to renegotiate any of your loans into another non-package product (including a fixed rate), you are required to maintain the minimum total loan amount set out in clause 14.1 on the remaining loans within the package to retain the benefits of the package.

15. Early Repayment of Loan, prepayments and variations during Fixed Rate periods

This clause applies to your loan if the Schedule refers to a Break Cost Fee that is payable if a break event occurs.

A break event occurs when:

15.1. You repay your loan in full early (i.e. earlier than it would be repaid if you only made the repayments required by the Contract).

15.2. If we agree at your request to change the annual percentage rate, the annual percentage rate from a fixed rate to a variable rate, the length of any period for which the annual percentage rate is fixed ('a fixed rate period'), the term of your loan, the amount of credit or the loan type.

15.3. The Break Cost Fee is a sum equal to our estimate of any loss we will suffer as a result of the break event. The Break Cost Fee is calculated to compensate us for the estimated economic impact upon us of the break event. A break event may reduce the future interest payments we will receive. We use a formula to work out whether you need to pay us a Break Cost Fee, and, if you do, what it is. The formula is used to estimate our loss as a result of the break event. You will need to pay us a Break Cost Fee if our Wholesale Interest Rate for the remainder of the fixed rate period at the time of the break event is lower than our Wholesale Interest Rate for the fixed rate period that was at the start of the fixed rate period. Our Wholesale Interest Rate is the rate at which we determine we can get fixed rate funds from the money market on the relevant day. The Wholesale Interest Rate does not include any applicable member margin.

15.4. The Break Cost Fee formula takes into account (amongst other things) the following:

15.4.1. the Wholesale Interest Rate that applied on the first day of the fixed rate period (the original Wholesale Interest Rate) being:

15.4.1.1 if you have drawn down your loan with a locked in fixed interest rate, the rate that applied on the day you locked in your rate;

15.6.1.2. for other fixed interest rate loans, the rate that applied on the day you first drew down on your loan;

15.4.2. the Wholesale Interest Rate for the remaining part of the fixed interest rate period, using rates which apply at the time of the break event (the 'Current Wholesale Interest Rate');

15.4.3. the amount of principal that was prepaid since you told us that you wanted a fixed rate and selected your fixed rate period or the amount of principal outstanding at the time you varied;

15.4.4. the amount of any unpaid interest, credit fees and charges and any default interest which was debited;

15.4.5. the timing, dollar amount and frequency of repayments required under the Contract; and

15.4.6. the remaining fixed interest rate period.

15.5. The Break Cost Fee formula compares the values of the foregone payments at the original Wholesale Interest Rate and at the current Wholesale Interest Rate.

15.6. When applying the Break Cost Fee formula, we may assume that the Wholesale Interest Rate which applies on the date of calculation is the current rate on the date of the break event.

15.7. Our Break Cost Fee formula is complex due to the many variables involved in the calculation. We will provide a copy of the formula we use to calculate the Break Cost Fee to you with your Offer and Loan Contract and at your request.

15.8. You may repay any part of a Personal Loan, overdraft, Visa Credit Card or Line of Credit at any time.

15.9. You may not repay in part any other loan without our consent, which will not be unreasonably withheld.

16. Interest

16.1. Subject to clause 16.7, you must pay us interest on all amounts debited to your account.

16.2. Subject to clause 16.7, we will calculate interest daily by multiplying the unpaid daily balance of the account at the end of the day by the daily percentage rate. The daily percentage rate is the Annual Percentage Rate divided by 365.

16.3. If you do not make a payment when due, you must pay us an arrears administration fee as set out in the Schedule as well as the daily interest.

16.4. We may charge you interest on unpaid interest, credit fees and charges.

16.5. We will debit interest on the last day of each month with an effective date of the first day of the following month except in relation to Visa Credit Card Contracts, overdraft Contracts and line of credit Contracts in which case we will debit interest on the last day of each month with an effective date of the last day of the month. This

day will not necessarily be the same day that your repayments are due. We will also debit interest on the day you pay the balance of the loan, or we close your Facility.

16.6. At your request we may debit interest charges before the end of a day to which an interest charge applies, if the credit under the Contract is provided or intended to be provided wholly or predominantly to:

16.6.1. purchase, renovate or improve residential property for investment purposes; or

16.6.2. refinance credit that was provided for such a purpose (but not where at the time the Contract is entered into, the predominant use of the residential property is for personal, domestic or household purposes).

16.7. If the Contract is a Visa Credit Card Contract and the Schedule sets out an interest free period, for any day on which your account is interest free eligible at the end of the day we will not charge interest on that part of the unpaid daily balance of your account that relates to purchases. Whether your account is interest free eligible is determined as follows:

16.7.1. When we first make the Facility available to you your account is interest free eligible.

16.7.2. Your account will cease to be interest free eligible if and when you do not pay the closing balance of a statement of account in full by its Due Date.

16.7.3. If your account ceases to be interest free eligible, it will become interest free eligible again if and when you pay the closing balance of your account as at the last day of the previous calendar month in full (from the end of the day on which the payment is made).

For the purpose of clause 16.7, 'purchase' does not include cash advances or withdrawals, transfers from your account using internet or phone banking, automated transfers using your account number and BSB, corporate cheque withdrawals or interest or fees debited to your account.

Note: For Interest Free Eligibility purposes Visa Credit Card payments must be received by us by 5.00pm South Australian time on the relevant day otherwise they may be treated as being received on the following day.

17. Interest Only Loans

17.1. The maximum interest only period for a loan is 10 years.

17.2. You can request a review to be completed after 5 years to determine whether a further interest only period up to 5 years will be offered or whether the loan will revert to Principal and Interest.

17.3. During the Interest Only period the amount of each repayment will be the amount of interest calculated for the previous month and debited to the loan on the 1st day of the current month, plus the appropriate portion of any ongoing fee charged to the loan account.

17.4. At the end of the Interest Only period the loan will be converted to the appropriate loan product as per the initial Contract. On the day of conversion a payment is required to finalise the interest which has accrued on the loan for the month to date.

18. Fixed Interest

If you have a fixed interest rate, at the end of the period of the fixed interest rate the interest rate changes to a variable rate unless we agree with you to set another interest rate for a further period. At that time we will quote you options for the interest rate which you may accept or reject. The variable rate will be the rate set out in the Schedule.

Depending on the option you agree to, there may be a fee payable to us as set out in our Fees & Charges document.

19. Rate Lock

19.1. New applications:

19.1.1. Fixed interest rates may vary between application and loan drawdown. The Rate Lock Option lets you lock in your interest rate at the time of application **('Rate Lock Option')**. By signing the Rate Lock Declaration and paying the fee, as set out in our Fees & Charges document ('**Rate Lock Option Fee'**), you will have agreed to the Rate Lock Option and this clause 19 will apply.

19.1.2. The fixed interest rate will be held for the Approved Period or until settlement, whichever comes first. The 'Approved Period' is 90 days for home loans from the date we receive your signed Rate Lock Declaration and you paying the Rate Lock Option Fee.

19.1.3. If the amount you are approved to borrow increases or decreases between locking in the rate and settlement, your Rate Lock Option Fee will be recalculated using the fee as set out in the Fees & Charges document on the new loan amount.

19.1.4. Should the loan be cancelled or declined, the Rate Lock Option Fee is no longer payable.

19.1.5. The Rate Lock Option will expire at the end of the Approved Period. Where settlement has not occurred within the Approved Period, a new rate (current at that time) can be selected. A new Rate Lock Declaration must be completed, which will supersede any other Rate Lock Declaration given under this clause. A second Rate Lock Option Fee will not be payable in this situation, however the first Rate Lock Option Fee will be payable at the time of settlement.

19.1.6. Signing the Rate Lock Declaration does not guarantee loan approval.

19.1.7. The Rate Lock Option is not available on fixed interest rate personal loans. The rate applicable for fixed interest rate personal loans will be the relevant fixed interest rate on the date of settlement.

19.2. Refixing a fixed rate home loan:

19.2.1. Fixed interest rates may vary between providing instructions for another fixed rate period at the end of a fixed rate term and the end of the fixed rate term. The Rate Lock Option lets you lock in your interest rate at the time the instructions are provided for the next fixed term. By accepting the Rate Lock Declaration conditions and paying the fee, as set out in our Fees & Charges document ('Rate Lock Option Fee'), you will have agreed to the Rate Lock Option and this clause 19 will apply.

19.2.2. The fixed interest rate will be held for a period of up to 30 days prior to the expiry of the existing fixed rate term.

19.2.3. The Rate Lock Option will expire at the end of the existing fixed rate term.

19.2.4. The fee payable as set out in our Fees & Charges document will be calculated using the principal balance of the loan at the end of the fixed rate term.

19.3. On accepting the Rate Lock Option, the Rate Lock Option Fee is payable even if:

19.3.1. the Approved Period for new applications expires;

19.3.2. there is no change in the fixed interest rate;

19.3.3. the fixed interest rate decreases, and the lower rate is applied to your loan;

19.3.4. you borrow less than the approved amount (for new applications); or

19.3.5. you decide not to use the rate or term that was locked in.

19.4. It is not mandatory for you to lock in the interest rate on your fixed loan.

20. Switching of Line of Credit Loans

20.1. If you have an investment Line of Credit, you may request to convert your loan to a principal and interest investment loan.

20.2. If you have a home Line of Credit, you may request to convert your loan to a principal and interest home loan.

20.3. We may approve or decline your request at our reasonable discretion.

20.4. We may, acting reasonably, at any time upon 30 days prior written notice to you, switch your Line of Credit to a principal and interest loan for a term that we specify at our standard variable interest rate for home loans.

21. Personal Property Security Interest

Security Interest

21.1. This clause 21 applies if any personal property is included in the Mortgaged Property and, if so, applies to the extent that the Mortgaged Property includes personal property.

21.2. In consideration of us agreeing to provide the Facility to you, you grant us a security interest in the Mortgaged Property as security for repayment of the Amount of Credit and performance of your obligations under the Contract.

21.3. If we already hold a security interest in any of the Mortgaged Property, you agree and acknowledge that the existing security interest will extend to also secure repayment of the Amount of Credit and performance of your obligations under the Contract, in addition to any other amounts and obligations it already secures.

21.4. We may also ask you to extend the security interest you have granted to us under this clause to cover any new loan facilities between us and you in the future. If we do, we will give you: a copy of the new loan contract or proposed new loan contract; and

21.4.1. a form of written acceptance to extend the security interest you have granted to us under the Contract to cover the new loan contract, unless the new loan contract includes such an acceptance.

21.5. The security interest you have granted to us under this clause will not extend to cover the new loan contract unless you sign and give us written acceptance of the extension. If you do:

21.5.1. the new loan contract is a Future Loan Contract for the purposes of the Contract;

21.5.2. a default under the terms of the Future Loan Contract will also be a default under the Contract; and

21.5.3. any amount payable by you as a Borrower under the Future Loan Contract is secured by the security interest granted to us under this clause.

21.6. You do not have to accept our request to extend the security interest you have granted to us under this clause to a Future Loan Contract.

Insurance

21.7. You must maintain any compulsory insurance in connection with the Mortgaged Property.

21.8. You must also maintain insurance in connection with the Mortgaged Property against loss, theft, damage, accident, fire, storm, tempest and any other risk that a prudent owner would insure against.

You must insure the Mortgaged Property for any value that we may reasonably require.

You must insure our interest as well as your interest in the Mortgaged Property and you must note our interest on any insurance policy.

21.9. Upon request, you must show us evidence that satisfies us of any insurance and its currency in connection with the Mortgaged Property.

21.10. You must pay to us any money you receive under any insurance policy in connection with the Mortgaged Property.

21.11. We will apply any insurance moneys we receive to the account towards repayment of the balance of the Facility.

Undertakings regarding the Mortgaged Property

21.12. You must keep the Mortgaged Property in good condition and repair.

21.13. You must keep the Mortgaged Property in your possession and custody.

21.14. You must not sell, transfer, assign, lease, grant a security interest over or otherwise dispose of the Mortgaged Property without our written consent. We will not unreasonably withhold our consent. However, we may give our consent subject to any condition and you must comply with any such condition.

21.15. You must:

21.15.1. comply with any applicable law in connection with the Mortgaged Property;

21.15.2. maintain any registration or licence required by law in connection with the Mortgaged Property; and

21.15.3. Upon request, you must show us evidence that satisfies us that you are maintaining any registration or licence required by law in connection with the Mortgaged Property.

21.16. If we give you reasonable notice, you must:

21.16.1. give us access to the Mortgaged Property to inspect or test the Mortgaged Property or exercise any rights we have in relation to the Mortgaged Property; and

21.16.2. permit us to enter any premises where the Mortgaged Property is located for this purpose.

Release and discharge of Security Interest

21.17. The security interest granted to us in the Contract remains in full force and effect until:

21.17.1. all amounts secured by the security interest are repaid to us and all obligations owed to us which are secured by the security interest are fully performed; and

21.17.2. we give you a final release and discharge of the security interest in writing.

PPSA Notifications

21.18. To the extent the law permits, you waive your right to receive any notice that we would otherwise be required to give you pursuant to any provision of the *Personal Property Securities Act 2009* (Cth) (including a notice of a verification statement). However, nothing in this clause restricts us from giving any such notice to you.

22. Variations to your Contract

22.1. There may be times when we need to make changes to your Contract. When we make changes, we will always act fairly and honestly towards you.

22.2. If we are required to give you notice of a change, it will be provided in writing. You will receive notice personally, or by advertisement in the national or local media where the change relates to a change in the Annual Percentage Rate.

The period of notice we will provide is set out in the Notification of Change Table below.

22.3. Where permitted by law, we may give you a notice period that is shorter than set out in the Notification of Change Table below, or no notice, of an unfavourable change if we reasonably consider urgent action is necessary to avoid or reduce a material increase in our credit, security, regulatory or reputational risk or an immediate or material financial risk.

22.4. You may choose to terminate this Contract early due to a change made by us under this clause. If you do so, then you must give us reasonable notice and repay the balance of the Facility. We will not charge you any fees to discharge, except where a fixed interest rate applies to your Facility, in which case we may still charge you a Break Cost Fee in accordance with this Contract.

22.5. Subject to clause 22.6 below, the changes we may make, and how we will notify you of these changes, is set out in the Notification of Change Table below:

Notification of Change Table

Type of change		Notice of change
Interest rates	Increasing the Annual Percentage Rate	We will give you notice no later than the day the change takes effect by publishing a notice in a newspaper (and, after the change takes effect, providing particulars of the change before or when the next statement of account is provided to you) or giving you written notice.
	Changing the method of calculating interest or frequency of crediting or debiting interest	45 days
	When the Annual Percentage Rate is expressed as a reference rate plus or minus the margin – changing the margin	45 days, or where we reasonably consider that the change is not adverse to you, we will notify you in writing before, or with, your next statement.
	Changing the existing, or introducing a new, default rate of interest	45 days, or where we reasonably consider that the change is not adverse to you, we will notify you in writing before, or with, your next statement.
Repayments	Changing the amount of a repayment	30 days, or where we reasonably consider that the change is not adverse to you, we will notify you in writing before, or with, your next statement
	Changing the method of calculating repayments, or the number or frequency of repayments, or the time for making repayments	45 days, or where we reasonably consider that the change is not adverse to you, we will notify you in writing before, or with, your next statement
Repayments	Changing the method of calculating the minimum repayment amount	45 days, or where we reasonably consider that the change is not adverse to you, we will notify you in writing before, or with, your next statement
Credit fees and charges	Changing the amount of any credit fee or charge	45 days, or where we reasonably consider that the change is not adverse to you, we will notify you in writing before, or with, your next statement
	Adding a new credit fee or charge	45 days
	Changing the method of calculating, or the time or frequency of payment, of any credit fee or charge	45 days, or where we reasonably consider that the change is not adverse to you, we will notify you in writing before, or with, your next statement
Government fees and charges	Adding a new fee or charge set by the government changing an existing fee or charge set by the government	No later than the day on which the change takes effect, unless: • we reasonably consider that the change is not adverse to you, in which case we will notify you no later than in or with your next statement; or • it is publicised by the government, in which case we do not need to notify you.
Other changes	In addition to our ability to make the changes outlined above, we can change any term of your Contract: • if we reasonably consider that the change is not adverse to you • to comply with any law, standard, regulator guidance, decision of a court or ombudsman • if we consider it reasonably necessary to manage our regulatory, credit, security, reputational or financial risk • if we consider it reasonably necessary to reflect current industry or market products or conditions • if the change is administrative or minor, or to correct a mistake, inconsistency, ambiguity or omission • if the change reflects changes to our business or technological systems • to introduce a new service or feature, or to modify or remove a service or feature	45 days, or where we reasonably consider that the change is not adverse to you, we will notify you in writing before, or with, your next statement

If a fixed interest rate applies to your Facility, we will not:

22.5.1. change the Annual Percentage Rate; or

22.5.2. increase the amount of a credit fee or charge, or vary the method of calculating any credit fee or charge so as to increase the amount of the credit fee or charge payable on:

(i) early termination of the Contract; or

(ii) prepayment of an amount under the Contract.

23. Notices and Communications

23.1. We may give you notices and other communications and documents in any way allowed by law and the Customer Owned Banking Code of Practice.

23.2. Subject to any applicable legal requirements and any applicable provisions of the Customer Owned Banking Code of Practice, you agree we may give you written notices and other communications and documents by:

23.2.1. post, to your address recorded in our membership records or to a mailing address you have given us;

23.2.2. if you are a registered Internet Banking user, notification or message sent to you within Internet Banking;

23.2.3. if you have downloaded one of our Mobile Banking apps, notification or message sent to you in the app;

23.2.4. email, to your email address recorded in our membership records or to an email address you have given us;

23.2.5. SMS, to you mobile number recorded in our membership records; or

23.2.6. including them in or giving them with a statement of account.

24. Default

24.1. You are in default under the Contract if:

24.1.1. you exceed the Amount of Credit;

24.1.2. you do not make a payment in full by the date it is due;

24.1.3. you or the Guarantor breach any term of the Contract, the guarantee, any mortgage or any insurance policy that we require;

24.1.4. the Contract, any security interest granted pursuant to the Contract or a guarantee or any mortgage that we require in relation to the Contract is unenforceable according to its terms;

24.1.5. the insurer terminates any insurance policy we require;

24.1.6. you or the Guarantor fail to renew on terms that satisfy us any Mortgaged Property insurance that we require;

24.1.7. you or a Guarantor become bankrupt;

24.1.8. you seek to make an arrangement or composition with your creditors under a law dealing with bankruptcy;

24.1.9. an event specified as an "Additional Event of Default" under clause 13.5 occurs; or

24.1.10. if you are a member of us, you cease to be a member.

24.2. If you are in default, we may send you notifications by mobile phone text message. You may advise us that you wish to opt out of such notifications.

24.3. If you are in default, we may send you a default notice. The notice will tell you:

24.3.1. what the default is;

24.3.2. what you have to do to remedy the default;

24.3.3. that you have to remedy the default within the specified period (at least 30 days from the date of the notice); and

24.3.4. about your options and what can happen if the default is not remedied, although if we believe, on reasonable grounds, that we were induced by fraud on your part to enter into this Contract, or we have made reasonable attempts to locate you but without success, we need not give you a default notice before exercising our rights on default.

24.4. Subject to Clause 24.5 if you do not comply with the default notice:

24.4.1. you become liable to pay us the balance of the Facility to which the Contract relates immediately; and

24.4.2. we may repossess and sell any Mortgaged Property to which the security interest granted under clause 21 applies and apply the proceeds of sale towards repayment of the balance of the Facility.

24.5. We may only act on a default under paragraphs 24.1.3 to 24.1.10 if we reasonably consider the event has had, or is likely to have, a material adverse impact on:

24.5.1. your or a Guarantor's ability to meet their financial obligations to us;

24.5.2. our credit or security risk or our ability to assess either of these risks (including, without limitation, a material impact on the effectiveness, value, priority or enforceability of any security interest granted pursuant to the Contract or a guarantee or any mortgage that we require in relation to the Contract),

and, if we are required to give you a notice under clause 24.3 and the event is capable of remedy, you have not remedied that default within the relevant 30 days.

24.6. If you or the Guarantor fail to do anything that the Contract, the guarantee, any mortgage or any insurance policy requires you or the Guarantor to do, we may:

24.6.1. do the thing as required;

24.6.2. do it in your name as attorney for you; and

24.6.3. do it at your expense and debit your account for the expense.

25. Calculating Default Interest Charges

25.1. This clause 25 only applies if a Default Rate of Interest is specified in the Schedule.

25.2. If you do not make a repayment when due, you must pay us default interest as well as interest.

25.3. We will calculate default interest daily by multiplying the overdue amount by the daily default percentage rate. The daily default percentage rate is the Default Rate of Interest divided by 365.

25.4. We will debit default interest on the same day as we debit interest under clause 16.5.

26. Enforcement Expenses

26.1. If you are in default under the Contract, we may charge you reasonable enforcement expenses. We may debit these to your account.

26.2. An enforcement expense includes an expense for doing any of the following under the Contract, any guarantee or any mortgage:

26.2.1. enforcing any right we have;

26.2.2. attempting to enforce any right;

26.2.3. performing any of your obligations or those of any Guarantor in accordance with clause 24.6;

26.2.4. protecting any right;

26.2.5. waiving any right;

26.2.6. contemplating the enforcement of any right;

26.2.7. sending an arrears letter or default notice.

26.3. An enforcement expense also includes any expense we have to pay on the dishonour of a cheque, or any other payment instrument given to us for a payment in relation to the Contract.

27. Visa Card Conditions of Use

We have separate conditions of use that apply if you use a Visa Card. Those separate conditions supplement these Terms. To the extent of any inconsistency between these Terms and the separate conditions for Visa Card, the separate conditions prevail to the extent of that inconsistency. This information can be found in the Accounts & Access Facilities Terms & Conditions document available from our branches, our Website or by calling us on 13 11 82.

28. Offset Account

28.1. Offset Accounts can only be linked to certain People First Bank home loans. You can find out which home loans are eligible for an offset facility ("Eligible Loans") by contacting us. Offset Accounts cannot be linked to loans used for commercial purposes.

28.2. If you have an Eligible Loan, you can request an Offset Account. We are under no obligation to approve your request and may accept or reject your application at our reasonable discretion.

28.3. If we allow you to have an Offset Account linked to your Facility, the unpaid daily balance of the account, on which interest is charged in relation to your Facility, will be treated for the purposes of interest calculations as though it is reduced by an amount equal to the credit balance of the Offset Account at the time of calculating interest. If the credit balance of the Offset Account exceeds the unpaid daily balance of the account, the unpaid daily balance of the account, on which interest is charged in relation to your Facility, will be treated as nil.

28.4. If clause 28.3 applies, your repayments will remain the same. The balance of the loan will reduce, and the loan term may decrease.

28.5. While you have an Offset Account in place, you will not earn any credit interest on the balance held in your Offset Account. This applies even if the balance in your Offset Account exceeds the unpaid balance of your Eligible Loan. If you do not have an Eligible Loan linked to your Offset Account then you do not earn interest on your Offset Account.

28.6. We may at any time switch your Offset Account to an Everyday Account if the Eligible Loan linked to your Offset Account is repaid in full or if you switch your home loan to a non-Eligible Loan.

28.7. We will only recalculate the interest on your Eligible Loan each day you have in your Offset Account the minimum balance we set from time to time.

28.8. Acting reasonably and in accordance with our legitimate business interests, if we approve your request for an Offset Account, we may at any time, on reasonable notice to you, remove the link between your Offset Account and your Eligible Loan or impose a limit on the maximum credit balance on which interest may be calculated. We may not be able to give you advance notice where we need to manage an immediate or material risk.

28.9. If we remove the link between your Offset Account and your Eligible Loan we will then not calculate interest on your Eligible Loan by taking into account interest calculated on your Offset Account. If we impose a limit, we will only deduct from the interest calculated on your Eligible Loan the interest calculated on the limit we impose. We may by further notice to you reinstate the link or remove the limit. From the time we remove the link until the time we reinstate it or from the time we impose a limit until the time we remove it the account will receive nil interest.

28.10. All account holders on the Offset Account must be borrowers in respect of the Eligible Loan. An Offset Account cannot be linked to an Eligible Loan if there is an accountholder that is not a borrower.

29. Representations and Warranties

29.1. You represent and warrant to us that:

29.1.1. all information that you, or any person acting on your behalf, has given us in connection with your application for the Facility is true and correct;

29.1.2. you have not failed to disclose to us anything relevant to our decision to offer the Facility to you or to enter into the Contract with you; and

29.1.3. no litigation, arbitration or dispute is proceeding against you or is threatened against you that may have a material adverse effect on your ability to make the payments required by or comply with your obligations under the Contract.

29.2. You acknowledge that:

29.2.1. we offer the Facility to you in reliance on your representations and warranties in this clause 29; and

29.2.2. you have not entered into the Contract in reliance on any representation or warranty from us.

30. Further Assurances

30.1. You must sign any document or do any other thing that we may reasonably require to:

30.1.1. perfect any security interest or mortgage granted to us under or in relation to the Contract; or

30.1.2. to comply with any obligation under the Contract.

30.2. You appoint us as your attorney to sign any document or do any other thing that we may reasonably require to comply with any obligation under the Contract. The attorneys may exercise the power for the benefit of us even if it is not for your benefit.

31. General Matters

31.1. Assignment

We may assign any of our rights under the Contract, any Future Loan Contract, any mortgage, any security interest or any guarantee without further consent from you, if we choose to do so. We will notify you in writing as soon as reasonably practicable if it is reasonable to do so. Any such assignment may result in your personal information being transferred to a third party. Your entering into the Contract operates as a consent for us to give such information to any such third parties. If our rights under the Contract are assigned to another person, or pass by law to another person, you will have (and may exercise) the same rights in respect of the Contract against the assignee as you have against us.

31.2. Waiver

A waiver of any of our rights under the Contract does not occur unless we give it to you in writing.

31.3. Severability

If any part of the Contract is invalid, unenforceable or in breach of any law, it is not included in the Contract. The remainder of the Contract continues in full force and effect.

31.4. Correct Address

You agree that you will promptly notify us of any change of address for the mailing of any notifications which we are required to send you.

31.5. Account

We will establish an account in your name for the purposes of the Contract.

31.6. Financial Position

You must fully tell us about your financial position, whenever we ask you and give us the information about your financial position that we reasonably request.

31.7. Valuation

We may inspect and have someone we engage value any Mortgaged Property at any time. We may debit the account for the cost of any valuation.

31.8. Combination of Accounts

Despite any other agreement between us and you we may, in order for us to protect our legitimate business interests and acting reasonably, without prior notice to you:

31.8.1. combine the balances of any of your accounts; or

31.8.2. apply any credit balance or available funds in any of your accounts, or any amount we otherwise may owe you, towards satisfying any amount that you owe us, in any order we choose. We will notify you in writing if we do this. You authorise us to do anything which is necessary for us to exercise our right under this clause.

In this clause, "account" is not limited to the account we establish in your name for the purposes of the Contract and includes all accounts you have with us.

This clause applies to all amounts, whether due or not or due contingently. This clause does not apply to trust accounts.

31.9. Payment on a business day

If you must make a payment or do any other thing on or by a day that is not a business day, you must make the payment or do the other thing on or by the next business day.

31.10. No merger

Nothing in the Contract merges, extinguishes, postpones, lessens or otherwise prejudicially affects any of our rights, powers, authorities, remedies or discretions under any Future Loan Contract, mortgage, guarantee or in relation to any security interest.

31.11. Cumulative rights

The rights, powers, authorities, remedies and discretions in the Contract are cumulative and do not exclude any rights, powers, authorities, remedies and discretions at common law or in equity or under statute.

32. Joint Borrowers – Obligations are Separate & Together

32.1. Subject to clause 32.3 and clause 32.4, if there is more than one of you, each of you is liable to us separately for the balance of the Facility as well as together.

32.2. The Contract binds each you who accepts the Contract even if one or more of you does not sign or otherwise accept it.

32.3. If no credit has been provided or relied upon by any Joint Borrower, one of you may (with or without another Joint Borrower's consent) give us a written notice to terminate your liability for future financial accommodation.

32.3.1. If credit has been provided, you may (with or without the consent of any Joint Borrower) give us a written notice to terminate your liability for future financial accommodation. However, this right only applies where:

32.3.2. we have the right in these circumstances to terminate any obligation to provide further credit to another borrower under the same credit Facility, and

32.3.3. in the case of a Construction Loan, the project is complete.

33. Giving any Guarantor Information

Your entering into the Contract also operates as a consent for us to give information about the Contract to any Guarantor. We will advise any Guarantor if any existing facility given to you will be cancelled, or if the facility will not be provided if the guarantee is not provided.

34. Statements of Account

We will provide you with a statement of account with the frequency set out in the Schedule.

35. Third Party Operators

You can authorise us at any time to allow another person to operate on your accounts (Third Party Operator). However, we will need to verify this person's identity before they can access your account.

A Third Party Operator operates on all the accounts you have nominated them to have access to. The Third Party Operator may use any available access Facility, even where you do not use this Facility. You are responsible for all transactions your Third Party Operator carries out on your account. You should ensure that the person you authorise to operate on your account is a person you trust fully.

You may revoke the Third Party Operator's authority at any time by giving us written notice.

Even if you cancel access to your accounts by one of the methods we offer, your Third Party Operator will continue to have access to your accounts by this method if your Third Party Operator still accesses his or her own accounts in this way.

36. Visa Credit Card Accounts

36.1. You must be 18 years old or over to qualify for a Visa Credit Card.

Setting up Monthly Automatic Payments

36.2. You can set up a regular monthly payment to your Visa Credit Card Account from your nominated People First Bank account which allows BPAY® and Pay Anyone Payments.

36.3. The regular payment can be for:

36.3.1. the full end of month balance for the previous month. Paying your full end of month balance before the due date ensures that you retain your eligibility for the interest-free period on purchases; or

36.3.2. the minimum monthly repayment.

36.4. If an automatic payment is unsuccessful, we will tell you.

36.5. To stop a Visa Credit Card monthly automatic payment, you must tell us at least one Business Day before the end of the month. We may require you to tell us in writing.

37. Confirmation of Payee Service

37.1. We will use reasonable endeavours to ensure your account details are accurately recorded by us for use of the Confirmation of Payee service.

37.2. You authorise and consent to:

• us using and disclosing your account details through the Confirmation of Payee service;

• payers' financial institutions using and disclosing your account details for the purposes of the Confirmation of Payee service and prior to making payments to you; and

• your account details being disclosed, stored and used in connection with the Confirmation of Payee service.

37.3. We will act consistently with our obligations under any laws, industry rules, regulations and procedures that apply to the Confirmation of Payee service.

Opt-out requests

37.4. You may request that we withhold from sharing your account details through the Confirmation of Payee service for an account (opt-out request) by contacting us.

37.5. Even if we accept your request to opt-out of the Confirmation of Payee service, you acknowledge and authorise us to confirm, disclose, store and use your account details through the Confirmation of Payee service to government agencies for the purposes of government agencies making payments to you.

38. Accounts in Dispute

Our accounts in dispute process can be activated where we are notified that there is a dispute in relation to any joint account or an account held in the name of a company or other organisation.

38.1. When we may activate the process

We may activate our accounts in dispute process if:

- you hold a joint account and one of you tell us that there is a dispute between two or more of you; or

- your Account is held in the name of a company or other organisation and an officeholder of the organisation or a Third Party Operator tells us that there is a dispute; or
- we decide, acting reasonably, for other reasons that the accounts in dispute process should be activated (that may include for example, if we are notified of a dispute through another mechanism).

38.2. What happens once the process is activated

If we activate our accounts in dispute process, then for all accounts you hold relating to the dispute:

- we may require written authorisation from all parties to the dispute or a court order before agreeing to any change to the method of operation; and
- debit transactions on your Account (both in relation to funds presently in your Account and also in relation to funds subsequently deposited) will require written authorisation from all parties to the dispute; and
- we may give written notification to the accountholders and any signatories that your Account has been frozen and how this affects the operation of the account; and
- we may cancel all cards attached to your Account (but manual card transactions can still be debited to your Account); and
- we may cancel the ability for you or a Third Party Operator to transfer funds or make BPAY payments through Online Banking, the People First bank App or by phone; and
- we may dishonour any cheques drawn on your Account and presented with only one signature (and we may charge dishonour fees); and
- we may dishonour any direct debit transactions on your Account (and we may charge dishonour fees); and
- we may dishonour any scheduled payment on your account, including those for internal loan repayments, (and we may charge dishonour fee); and
- we will cancel any current instructions authorising a Third Party Operator; and
- we can modify the operation of your Account in other ways; and
- you will still be liable for transactions on your Account; and
- we can cancel the application of the accounts in dispute process to your Account at any time afterwards.

Nothing in this clause 38.2 affects your right under clause 8.6 to terminate a Visa Credit Card Contract.

38.3. No claim against us

You cannot make a claim against us, and you must satisfy any claim made against us, arising from the activation, operation or cancellation of the accounts in dispute process or from our allowing or honoring a debit transaction after the process is activated, except to the extent that the claim relates to our fraud, negligence or wilful misconduct (including that of our officers, employees, contractors or agents).

Your complaint matters

If you are unhappy with your People First Bank experience and would like to make a complaint, there are a number of ways to let us know:

- Visit your nearest branch and talk to our staff
- Phone us on 1800 961 687 (free call)
- Email us at complaints@peopleschoice.com.au
- Write to us at GPO Box 1942, Adelaide SA 5001
- Go to peoplefirstbank.com.au/help-and-support/feedback-and-complaints to submit online
- Go to our Facebook, Instagram, LinkedIn or any other social media channels on which People First Bank is active, to submit via direct message

What happens when you make a complaint?

We will acknowledge your complaint promptly, either verbally or in writing, and do our best to resolve it straight away.

We aim to resolve all complaints within 21 days, especially if it involves financial hardship, a default notice or notice to postpone enforcement proceedings. However, in some cases it may take up to 30 days.

Your complaint may take a little longer to assess if we need more information or if your complaint is complex. In all cases we'll keep you updated on the progress.

If we can't resolve your complaint within 5 business days our final response will be provided in writing.

We may refer your complaint to our Complaints Resolution Team who will work with you to provide an outcome. If this happens, we'll let you know and give you the direct contact details for the staff member who will be managing your complaint.

Accessibility

We can provide you with information about how we manage complaints in alternative formats and languages upon request.

If you have a hearing or speech impairment, you can access additional support through the National Relay Service on 1300 555 727.

The Australian Financial Complaints Authority (AFCA)

If you are not satisfied with our response, you may lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides free and independent financial services complaint resolution and can be contacted on:

- Website: www.afca.org.au
- Email: info@afca.org.au
- Phone: 1800 931 678 (free call)
- Mail: GPO Box 3, Melbourne VIC 3001

Time limits may apply to complaints to AFCA and so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.

PART 2

The Information Statement set out below is not part of your Contract with us. It only applies if:

- you are an individual or a strata corporation; and
- we give you credit; and
- you use or intend to use the credit wholly or predominantly for personal, domestic or household purposes; or
- you use or intend to use the credit wholly or predominantly to purchase, renovate or improve the value of a residential investment property.

FORM 5 - Information Statement
paragraph 16(1)(b) of the Code
regulation 70 of the Regulations

Things you should know about your proposed Credit Contract

This statement tells you about some of the rights and obligations of yourself and your credit provider. It does not state the terms and conditions of your contract.

If you have any concerns about your contract, contact the credit provider and, if you still have concerns, the Australian Financial Complaints Authority (AFCA) scheme, or get legal advice.

The Contract

1. How can I get details of my proposed credit contract?

Your credit provider must give you a precontractual statement containing certain information about your Contract.

The precontractual statement, and this document, must be given to you before -

- your Contract is entered into; or
- you make an offer to enter into the Contract;

whichever happens first.

2. How can I get a copy of the final Contract?

If the Contract document is to be signed by you and returned to your credit provider, you must be given a copy to keep.

Also, the credit provider must give you a copy of the final Contract within 14 days after it is made. This rule does not, however, apply if the credit provider has previously given you a copy of the Contract document to keep.

If you want another copy of your Contract, write to your credit provider and ask for one. Your credit provider may charge you a fee. Your credit provider has to give you a copy -

- within 14 days of your written request if the original contract came into existence 1 year or less before your request; or
- otherwise within 30 days of your written request.

3. Can I terminate the Contract?

Yes. You can terminate the Contract by writing to the credit provider so long as -

- you have not obtained any credit under the Contract; or
- a card or other means of obtaining credit given to you by your credit provider has not been used to acquire goods or services for which credit is to be provided under the contract.

However, you will still have to pay any fees or charges incurred before you terminated the contract.

4. Can I pay my credit Contract out early?

Yes. Pay your credit provider the amount required to pay out your credit contract on the day you wish to end your Contract.

5. How can I find out the pay out figure?

You can write to your credit provider at any time and ask for a statement of the pay out figure as at any date you specify.

You can also ask for details of how the amount is made up.

Your credit provider must give you the statement within 7 days after you give your request to the credit provider. You may be charged a fee for the statement.

6. Will I pay less interest if I pay out my contract early?

Yes. The interest you can be charged depends on the actual time money is owing. However, you may have to pay an early termination charge (if your contract permits your credit provider to charge one) and other fees.

7. Can my Contract be changed by my credit provider?

Yes, but only if your Contract says so.

8. Will I be told in advance if my credit provider is going to make a change in the Contract?

That depends on the type of change. For example -

- you get at least same day notice for a change to an Annual Percentage Rate. That notice may be a written notice to you or a notice published by your credit provider.
- you get 20 days advance written notice for -
  - a change in the way in which interest is calculated; or
  - a change in credit fees and charges; or
  - any other changes by your credit provider;

except where the change reduces what you have to pay or the change happens automatically under the Contract.

9. Is there anything I can do if I think that my Contract is unjust?

Yes. You should first talk to your credit provider. Discuss the matter and see if you can come to some arrangement. If that is not successful, you may contact the AFCA scheme. The AFCA scheme is a free service established to provide you with an independent mechanism to resolve specific complaints. The AFCA scheme can be contacted by:

Email: info@afca.org.au

Mail: Australian Financial Complaints Authority GPO Box 3, Melbourne VIC 3001

Telephone: 1800 931 678

Online: www.afca.org.au

Alternatively, you can go to court. You may wish to get legal advice, for example from your community legal centre or Legal Aid.

You can also contact ASIC, the regulator, for information on 1300 300 630 or through ASIC's website at www.asic.gov.au.

Insurance

10. Do I have to take out insurance?

Your credit provider can insist you take out or pay the cost of types of insurance specifically allowed by law. These are compulsory third party personal injury insurance, mortgage indemnity insurance or insurance over property covered by any mortgage. Otherwise, you can decide if you want to take out insurance or not. If you take out insurance, the credit provider cannot insist that you use any particular insurance company.

11. Will I get details of my insurance cover?

Yes, if you have taken out insurance over mortgaged property or consumer credit insurance and the premium is financed by your credit provider. In that case the insurer must give you a copy of the policy within 14 days after the insurer has accepted the insurance proposal.

Also, if you acquire an interest in any such insurance policy which is taken out by your credit provider then, within 14 days of that happening, your credit provider must ensure you have a written notice of the particulars of that insurance.

You can always ask the insurer for details of your insurance contract. If you ask in writing your insurer must give you a statement containing all the provisions of the contract.

12. If the insurer does not accept my proposal, will I be told?

Yes, if the insurance was to be financed by the credit contract. The insurer will inform you if the proposal is rejected.

13. In that case, what happens to the premiums?

Your credit provider must give you a refund or credit unless the insurance is to be arranged with another insurer.

14. What happens if my credit contract ends before any insurance contract over mortgaged property?

You can end the insurance contract and get a proportionate rebate of any premium from the insurer.

Mortgages

15. If my contract says I have to give a mortgage, what does this mean?

A mortgage means that you give your credit provider certain rights over any property you mortgage. If you default under your contract, you can lose that property, and you might still owe money to the credit provider.

16. Should I get a copy of my mortgage?

Yes. It can be part of your credit contract or, if it is a separate document, you will be given a copy of the mortgage within 14 days after your mortgage is entered into.

However, you need not be given a copy if the credit provider has previously given you a copy of the mortgage document to keep.

17. Is there anything that I am not allowed to do with the property I have mortgaged?

The law says you cannot assign or dispose of the property unless you have your credit provider's, or the court's, permission. You must also look after the property. Read the mortgage document as well. It will usually have other terms and conditions about what you can or cannot do with the property.

18. What can I do if I find that I cannot afford my repayments and there is a mortgage over property?

See the answers to questions 22 and 23. Otherwise you may –

- if the mortgaged property is goods - give the property back to your credit provider, together with a letter saying you want the credit provider to sell the property for you;
- sell the property, but only if your credit provider gives permission first; OR

- give the property to someone who may then take over the repayments, but only if your credit provider gives permission first.

If your credit provider won't give permission, you can contact the AFCA scheme for help.

If you have a guarantor, talk to the guarantor who may be able to help you.

You should understand that you may owe money to your credit provider even after the mortgaged property is sold.

19. Can my credit provider take or sell the mortgaged property?

Yes, if you have not carried out all of your obligations under your contract.

20. If my credit provider writes asking me where the mortgaged goods are, do I have to say where they are?

Yes. You have 7 days after receiving your credit provider's request to tell your credit provider. If you do not have the goods, you must give your credit provider all the information you have so they can be traced.

21. When can my credit provider or its agent come into a residence to take possession of mortgaged goods?

Your credit provider can only do so if it has the court's approval or the written consent of the occupier which is given after the occupier is informed in writing of the relevant section in the National Credit Code.

General

22. What do I do if I cannot make a repayment?

Get in touch with your credit provider immediately. Discuss the matter and see if you can come to some arrangement. You can ask your credit provider to change your contract in a number of ways -

- to extend the term of your contract and reduce payments; or
- to extend the term of your contract and delay payments for a set time; or
- to delay payments for a set time.

23. What if my credit provider and I cannot agree on a suitable arrangement?

If the credit provider refuses your request to change the repayments, you can ask the credit provider to review this decision if you think it is wrong.

If the credit provider still refuses your request, you can complain to the AFCA scheme. Further details about this scheme are set out below in question 25.

24. Can my credit provider take action against me?

Yes, if you are in default under your contract. But the law says that you cannot be unduly harassed or threatened for repayments. If you think you are being unduly harassed or threatened, contact the credit provider's external dispute resolution scheme or ASIC, or get legal advice.

25. Do I have any other rights and obligations?

Yes. The law will give you other rights and obligations. You should also **READ YOUR CONTRACT** carefully.

IF YOU HAVE ANY COMPLAINTS ABOUT YOUR CREDIT CONTRACT, OR WANT MORE INFORMATION, CONTACT YOUR CREDIT PROVIDER. YOU MUST ATTEMPT TO RESOLVE YOUR COMPLAINT WITH YOUR CREDIT PROVIDER BEFORE CONTACTING THE AFCA SCHEME. IF YOU HAVE A COMPLAINT WHICH REMAINS UNRESOLVED AFTER SPEAKING TO YOUR CREDIT PROVIDER YOU CAN CONTACT THE AFCA SCHEME OR GET LEGAL ADVICE.

THE AFCA SCHEME IS A FREE SERVICE ESTABLISHED TO PROVIDE YOU WITH AN INDEPENDENT MECHANISM TO RESOLVE SPECIFIC COMPLAINTS. THE AFCA SCHEME CAN BE CONTACTED by telephone: 1800 931 678, email: info@afca.org.au or by post: GPO Box 3 Melbourne VIC 3001.

PLEASE KEEP THIS INFORMATION STATEMENT. YOU MAY WANT SOME INFORMATION FROM IT AT A LATER DATE.

People First Bank

You can contact us in any of the following ways:

- T: 13 11 82
- F: 1300 365 775
- peoplefirstbank.com.au
- Post: People First Bank, GPO Box 1942 Adelaide SA 5001
- In person: At any of our branches

People First Bank, a trading name of Heritage and People's Choice Ltd ABN11 087 651 125, Australian Financial Services Licence 244310 and Australian Credit Licence 244310.