

TERMS AND CONDITIONS OF PERSONAL LOAN AGREEMENT BETWEEN KINA AND THE BORROWER

Definitions:

- a. **Agreement** - means the agreement resulting from Kina's acceptance of the Offer and includes the terms and conditions contained herein.
- b. **Annual Interest Rate** - means the rate of interest as determined by Kina and notified to the Borrower upon request.
- c. **Borrower** - means the applicant for the Loan who executes the EsiLoan Application Form and who is approved by Kina as the borrower of the Loan.
- d. **Daily Default Rate** - means the Default Rate divided by 365.
- e. **Daily Interest Rate** - means the Annual Interest Rate divided by 365.
- f. **Default Rate** - means the Annual Interest Rate + 4%.
- g. **Employer** - means the Organisation by which the Borrower (as defined) is employed at the time of the completion and execution of the EsiLoan Application Form.
- h. **EsiLoan Application Form** - means the application form to which these terms and conditions are attached.
- i. **Fortnightly Repayment Amount** - means the amount payable by the Borrower to Kina every fortnight in reduction as per the Repayment Schedule.
- j. **Kina** - means Kina Bank Limited (KBL).
- k. **Loan** - means the amount of credit specified in the Schedule and arrangements pertaining thereto.
- l. **Repayment Period** - means the term of the Loan.
- m. **Repayment Schedule** - means the Repayments Schedule as determined by Kina.
- n. **Related Party** - has the same meaning as in Section 2(3) of the Companies Act 1997.
- o. **Salary Deduction Form** - means an Irrevocable written direction from the Borrower to the Borrower's employer pursuant to which the Borrower's employer will deduct from the Borrower's salary all amounts owing to Kina under this Agreement.
- p. **Schedule** - means the schedule to the EsiLoan Application Form.
- q. **Unpaid Daily Balance** - means the total Loan Balance outstanding on any given day.

The Borrower hereby accepts the Loan upon the Terms and Conditions set out below.

1. The Borrowers Obligation to Repay the Loan and to Pay Interest

- 1.1. The Borrower must repay the Loan and pay interest on the Loan and on all other amounts debited to its account as set out in this Agreement.
- 1.2. Interest is calculated on the amount borrowed and total interest charged in advance. Interest will be debited to the Borrower's account on the last day of each calendar month during the Repayment Period. If this Agreement terminates before the end of the Repayment Period, interest will also be debited on the day this Agreement terminates. The Daily Percentage Rate equals the Annual Percentage Rate divided by 365.
- 1.3. Unless Kina otherwise agrees in writing the Borrower must make the repayments in the amounts and at the times set out in the Repayment Schedule. The parties agree that the repayments are calculated on the assumption that the Loan is fully disbursed, all repayments are made on time over the whole Repayment Period and no other amounts are debited to the Borrower's account during the Repayment Period. If any of these assumptions are incorrect, the repayments detailed in the Repayment Schedule may be insufficient to pay out the Borrower's liability under this Agreement and the Borrower must then pay Kina the shortfall on demand or as otherwise required by this Agreement.
- 1.4. Kina will provide you with a payout figure if you want to repay the Loan at any time. This figure will include all rebates and other concessions (if any) to which you are entitled. This figure is the amount which you must pay to Kina if you want to discharge all your obligations in respect of the Loan. The amount of the rebate (if any) will be reduced by the amount of interest that would have been payable during the period of 3 months immediately following repayment of the Loan had the Loan continued until the end of the Repayment Period previously approved by Kina provided that if immediately prior to repayment of the Loan the Repayment Period has less than 3 months to run the rebate will be reduced by the interest that would have been payable during the remainder of the Repayment Period previously approved by Kina.

2. Indemnity For Enforcement and Other Expenses

- 2.1. The Borrower agrees to indemnify Kina against:
 - (a) all enforcement expenses (including lawyers costs on a lawyer/own client basis) that Kina reasonably incurs when exercising its rights against the Borrower or any third party following default under this Agreement; and
 - (b) all expenses, costs and damages (other than expenses referred to in clause 2.1(a) above) incurred by Kina, directly or indirectly, as a result of the Borrower breaching any of its obligations under this Agreement or as a result of any untrue or misleading representation, warranty or statement made by the Borrower in connection with this Agreement.
- 2.2. Kina may debit the amount of any expenses, costs or damages referred to in clause 2.1 to the Borrower's account any time after the Borrower becomes liable to pay that amount. The Borrower must pay that amount to Kina on demand. This indemnity continues after this Agreement terminates.

3. Default Interest

The Borrower must pay Kina on demand, interest at the Daily Default Rate on any amount which is overdue under this Agreement or which become the subject of a judgment against the Borrower, calculated on a daily basis for each day it remains unpaid.

4. Address For, And Application Of, Payments and Acceptable Payment Methods

- 4.1. Unless otherwise agreed by Kina the Borrower must make all payments to Kina by way of automatic deduction from the Borrower's salary. The Borrower must sign the Salary Deduction Form before Kina provides the Loan to the Borrower. The Salary Deduction Form will contain a statement of the total amount to be repaid inclusive of interest and charges and the number of fortnightly instalments.
- 4.2. Kina may apply any payment in the manner it chooses. If the Borrower has more than one loan with Kina and the Borrower makes a payment without informing Kina how to apply the payment as between the Borrower's loans, Kina may apply the payment between the Borrower's loans in any manner Kina chooses.
- 4.3. Cheques or bank orders received by Kina for money payable under this Agreement will not constitute a valid payment until those funds represented by those cheques or orders have cleared. Kina's rights are unaffected by receipt of any uncleared funds. The Borrower must ensure there are sufficient cleared funds in the Borrower's account to allow any cheques, bank order or other payment facility to be honoured immediately upon presentation of the relevant cheque, order or note.

5. Default and Its Consequences

- 5.1. The Borrower Defaults under this Agreement if:
 - a. The Borrower fails to pay on time any money payable by the Borrower to Kina on any account; or

- b. The Borrower fails to comply with any of its obligations under this Agreement, or any other agreement or security that the Borrower has entered into with or granted to Kina on any account; or
 - c. any other person takes any step to exercise a power of, or obtain an order over any of the Borrower's property; or
 - d. the Borrower is adjudged or becomes insolvent, or a trustee is appointed to administer the Borrower's property; or
 - e. Kina discovers that the Borrower gave it misleading or untrue information in applying for the Loan or otherwise under or in relation to this Agreement.
- 5.2. If the Borrower Defaults:
 - a. the Borrower must pay Kina on demand the outstanding balance of the Loan and all other amounts owing or which may become owing under this Agreement; and
 - b. Kina may exercise its lawful rights.

6. Rights not Waived

Kina may exercise any of its rights even if it has received money from the Borrower after a default has occurred, or if Kina has negotiated with the Borrower after it defaults but has not agreed to postpone the exercise of its rights, or if Kina delays in exercising its rights.

7. Evidence

A statement issued by any manager or accountant employed by Kina containing statements as to an amount owing by the Borrower, the occurrence of any default, or the existence of any fact, will be sufficient evidence of the same unless the Borrower prove them to be false.

8. Consent

The Borrower agrees that Kina and its related companies (the Parties) may exchange with each other any information about the Borrower including:

- a. any information provided by me in this Agreement;
- b. any other personal information provided by the Borrower to any of them or which they otherwise obtained about the Borrower lawfully;
- c. transaction details or transaction history arising out of the Borrower's arrangements with Kina.

If the Parties engage any service providers including any credit reporting agency to do something on their behalf then the Borrower agrees the Parties and the service providers may exchange with each other any information referred to above.

Kina may provide any information referred to above to entities other than the Parties and service providers where this is required or allowed by law or where the Borrower has otherwise consented to this.

To enable Kina to assess the Borrower's application the Borrower authorises Kina to obtain from any credit reporting agency, a credit report containing personal and commercial information about the Borrower in relation to personal or commercial credit provided to the Borrower.

The Borrower understands that if the Borrower fails to provide any information requested in this form or does not agree to any of the possible exchanges or uses detailed above, the Borrower's application may not be accepted by Kina.

9. Employment

If the Borrower leaves, retires or is dismissed or discharged from its current employment, all money owing by the Borrower under this Agreement will immediately become due and payable to Kina and the Borrower hereby irrevocably authorises Kina to collect the same from any money owing to the Borrower by the Borrower's Employer in respect of outstanding wages, holiday pay, long service leave and other entitlements. The production of a copy of this Agreement signed by the Borrower will be sufficient discharge for the Borrower's employer in relation to any payment made or to be made by the employer to Kina. Kina is also authorised to deduct any shortfall owing by the Borrower to Kina from moneys to be paid to the Borrower from the Borrower's superannuation or retirement benefits as detailed in the Salary Deduction Form.

10. Disbursement of Loan

- 10.1. Kina is hereby authorised to pay the Loan into the bank account or esiloan cash card nominated in the Schedule.
- 10.2. Kina is also authorised by the Borrower to deduct from the Loan any amounts outstanding from previous loans provided by Kina and which are unpaid as well as any fees or charges under this Agreement.
- 10.3. Kina is not responsible for any loss that may be suffered by the Borrower arising out of any failure by Kina to make the required deposit on a particular date.

11. Processing of Application

- 11.1. The Borrower acknowledges and agrees that Kina may pay a commission or fee to a third party in connection with the Loan.
- 11.2. The Borrower will reimburse Kina for any fee for processing or handling this application which the Borrower's Employer may charge Kina.

12. Irrevocable Authority

The Borrower agrees to complete, sign and return to Kina the Salary Deduction Form before the Loan is drawn down.

13. Miscellaneous

- 13.1. The Borrower certifies that he or she has read and understood the terms of this Agreement.
- 13.2. The Borrower authorises Kina to insert the date that the Borrower signs this Agreement and to complete any blanks in this Agreement in order to give effect to its terms.
- 13.3. If Kina requires, the Borrower must complete any additional documentation required in order to grant a Bill of Sale in favour of Kina over the goods described in the Schedule.
- 13.4. Kina agrees to provide the Borrower with one statement during the term of the Loan. Any additional statements requested by the Borrower will incur a processing fee as set by Kina.
- 13.5. The Borrower agrees that he or she is responsible for ensuring that the Fortnightly Repayment Amount is made to Kina's nominated account each fortnight.
- 13.6. No amendment to this Agreement will be valid or effective unless in writing and signed by or on behalf of Kina.
- 13.7. This Agreement is governed by the laws of the Independent State of Papua New Guinea;
- 13.8. The Borrower agrees that any dispute in respect of this Agreement may be settled by the Courts of the Independent State of Papua New Guinea.

