



## PAYMENT WAIVER AGREEMENT

Loan reference:

This payment waiver is an optional service that is offered in connection with a consumer credit contract (loan) that you are entering with New Zealand Finance Limited (trading as Grabaloan). It is only available where the borrower or one of the borrowers is in full-time employment.

You do not need to take up payment waiver protection. You should only choose to purchase this protection if it will help ensure that you can meet your loan obligations. There are stand-down provisions and some exclusions that apply to the payment waiver which you should consider when deciding whether a payment waiver product is right for you. We can talk to you about these if you need more information or do not understand how they apply or you can seek independent advice about the payment waiver. It is important to do this before you sign this agreement.

By signing this payment waiver agreement (“waiver agreement”) you acknowledge that you understand that the payment waiver is optional and that you understand how it works and what it covers.

## IMPORTANT INFORMATION

A payment waiver means that when any of certain events covered by the waiver agreement occur (we call this a Waiver Event), your obligation to make your regular minimum repayment is waived.

If we waive a payment, your debt with us will reduce just as if your regular payment was made when it was due and your unpaid balance reduces accordingly.

## TERMS OF THE WAIVER AGREEMENT

### Parties

New Zealand Finance Limited trading as Grabaloan (“the lender”, “us” or we”) and

\_\_\_\_\_, including their executors and/or administrators as appropriate (“the borrower” or “you”)

### Background

- A. The borrower is entering or has entered into a loan with the lender, the reference number of which is set out at the top of this document. In addition to that loan, the borrower has decided to enter into this waiver agreement.
- B. The waiver agreement operates to protect the borrower from unforeseen events called Waiver Events that may make it difficult for the borrower to meet their repayment obligations.
- C. The lender agrees that where the borrower has paid the payment waiver fee it will waive any regular payment amounts that the borrower must pay where any of those events that are covered by this waiver agreement happen. The terms that apply are set out in this agreement, including the events that are covered, any exclusions and the period of any cover.

### The parties agree:

#### General

1. The Background forms part of the waiver agreement.
2. In consideration of the borrower paying the waiver payment fee, New Zealand Finance Limited will, subject to the terms set out below, waive the payments that are covered by the waiver agreement if the borrower suffers any Waiver Event. This means that where the borrower suffers a Waiver Event as set out in the Schedule, then you do not need to pay your regular payment amounts for the time that event continues (up to the maximum entitlement), provided you comply with the terms of the waiver agreement.
3. In this agreement the term borrower refers to both the named borrower and any named co-borrower, so applies whenever a Waiver Event occurs to either the borrower or any named co-borrower. Both the borrower and the co-borrower may make a claim and enforce the waiver agreement individually where a Waiver Event has occurred. The party making the claim must provide any information or evidence necessary in support of the claim.

4. The waiver payment fee is set by New Zealand Finance Limited as set out in the Schedule. This fee may be changed from time to time in our sole discretion. We shall give you notice of any change in the fee and if you do not agree with it you will have the option to cancel the waiver agreement.
5. New Zealand Finance Limited may also change the terms of this waiver. Again we will provide you with notice of any changes and you will have the opportunity to cancel the waiver agreement if you do not agree.

### **Borrower to take precautions**

6. The borrower must take all reasonable precautions to prevent any event which might give rise to a claim.

### **Notice of Claim**

7. You must give us notice of your claim as soon as reasonably possible after you become aware of the Waiver Event, but in any case, within 28 days of the Waiver Event occurring. If you give us notice after that time, we do not have to honour the claim. In the event we become aware that you are having difficulty meeting your payment obligations under your loan, we will discuss with you whether a claim is available.
8. You must make your claim to us in writing and where we make one available do so using our claim form, unless there is a reasonable explanation why you cannot do that, in which case we may agree to accept a claim in another form. This includes providing us with reasonable evidence to support the claim as explained in the next section.

### **Proof of Claim and Requirements**

9. You must provide us with evidence to reasonably support your right to waiver including written medical evidence if we request it. You must provide the evidence at your own expense.
10. In respect of death, we require a copy of the death certificate.
11. In respect of an illness or accident waiver event, you must as soon as possible obtain and follow the advice of a registered Medical Practitioner (and obtain a medical certificate). We can also ask that the affected borrower see a Medical Practitioner of our choosing in addition to their own Medical Practitioner. Where we request this, we will pay for the consultation.
12. We may, at our sole discretion, decline any liability under this waiver agreement if the affected borrower fails or refuses to attend the required medical examination(s) or supplies incorrect or misleading information to the Medical Practitioner or fails to follow or continue to follow medical advice received.
13. In the case of a claim for waiver due to redundancy, the borrower must provide:
  - a. reasonable written evidence of the redundancy (usually from the employer) and the date on which the employment ended; and
  - b. upon reasonable request, evidence to reasonably establish that he/she remains unemployed and
  - c. such other relevant information as we reasonably request from time to time, and including any requests in any repayment waiver claim form we provide.

### **Settlement of Claims**

14. Provided you have suffered the Waiver Event and have complied with the terms of this waiver agreement, we have received what we need for your claim and you are not otherwise in breach of this waiver agreement, you do not need to make payments that fall due during the waiver period. We will process your claim within ten business days and confirm with you whether or not it has been accepted.

### **Exclusions**

***It is important you understand what is excluded i.e. not covered under this waiver agreement.***

15. There are certain situations or circumstances in which we will not provide a waiver. These are called exclusions. We set out the general exclusions that apply here. In addition to these general exclusions, we set out specific exclusions as they relate to a particular Waiver Event in the Schedule.
16. We do not have to waive any payments at all where the event is caused wholly or in part by any illness, injury, disability or physical, psychiatric or psychological condition which existed at the time this waiver agreement was made, unless it was disclosed to us, and agreed to by us, in writing.



17. We are not bound to waive any payment that is due if, at the time of the Waiver Event in respect of which you claim waiver, you have defaulted in your payments and we have cancelled the waiver agreement as a result (see the next section about how this waiver ends). This does not apply if a payment arrangement is already in place at the time of the event, and you are meeting your payments under that arrangement.
18. We are not bound to waive any payment or unpaid amount if you have not told the truth or if you have misled us in any respect when applying for the loan or before signing this waiver agreement.

### How this waiver ends

19. The right to waiver shall automatically end on the earlier of
  - a. The repayment of the unpaid balance under the loan and closure of the account (including payment made as a result of a claim under this waiver agreement).
  - b. You cancelling the waiver and ceasing to pay the monthly fee.
  - c. You defaulting on more than 4 weekly or 2 fortnightly payments or you defaulting on 2 monthly payments (in which case we shall cancel the waiver agreement and stop charging the fee).
  - d. Us cancelling the waiver to you on notice.
  - e. The closure of the account (by either party).
20. We will stop debiting your account as soon as you advise us you are cancelling the waiver, provided that time is 3 business days before the next waiver fee is due to be charged.
21. Where you have defaulted and stopped making payments, we will continue to charge you until the time we cancel the cover as set out at paragraph 19 above. We will continue to honour the waiver if you tell us that you have suffered a Waiver Event during this time. We will honour the waiver for any Waiver Event that occurs up to two weeks after the due date of the second regular payment amount.
22. We may elect, in our sole discretion, to cancel the waiver agreement and such cancellation will take effect on the date in the notice which shall be no less than 28 days from the date of the notice being sent or provided to you. You shall be entitled to claim for any Waiver Event that occurs at any time up to the cancellation date in the notice.

### General

23. Only New Zealand law applies and only New Zealand courts, tribunals and dispute resolution providers may deal with any dispute between you and us.
24. Our privacy policy applies to this waiver agreement and any personal information we collect when providing you with information about the waiver and determining whether it is suitable and affordable for you.

### Definitions

25. Where used in this waiver agreement the following words and expressions shall, unless the context otherwise requires have the meanings respectively shown.

**Account** means the loan account that we maintain in your name in connection with the loan agreement referenced at the top of this waiver agreement.

**Borrower or you** means the persons named as borrower and co-borrower (where applicable) in the loan and may refer to these persons jointly or individually as the context requires.

**Business day** means a day (other than a Saturday or a Sunday or a public holiday) on which banks are open for general business.

**Claim** means a claim for payment waiver.

**Employment** means working for salary, wages, commission, compensation or other employment income. Unless this agreement says so, the expression shall not apply to (a) self-employed persons or (b) a working director of a private company with respect to employment with such company or (c) to part-time work or casual employment or (d) beneficiaries or (e) Accident Compensation beneficiaries

**Event** means death, disability (illness or accident) or redundancy of the borrower.

**Loan** means the loan agreement with New Zealand Finance Limited identified by the reference number at the top of this waiver agreement.



**Month** means a calendar month and is applied on the anniversary date of the loan.

**Redundant or Redundancy** means the borrower's employer has decided that their position is no longer needed or useful (e.g. because of reorganization or down-sizing). It does not include any circumstance where the borrower leaves voluntarily (including volunteering for redundancy) or as a result of a personal grievance or because they are dismissed for misconduct.

**Regular payment amount** means the regular payment amount stated in the payments section of the Initial Disclosure Statement of the loan.

**Waive** means that we do not require you to make a payment as it is covered by this waiver agreement. If the payment is a regular payment amount, you do not have to pay that amount and may not have to pay other regular payment amounts if the Waiver Event continues and the maximum waiver has not been reached. If we waive payment of the unpaid balance, it means you no longer have to pay the remaining balance of your loan.

**Waiver Event** means the event described in the schedule as the event upon which you become entitled to the waiver.

**Working day** means a usual working day of the borrower in full-time employment.

## BORROWER DECLARATION AND ACCEPTANCE

I declare that at the date of this waiver agreement I am not suffering from, or do not believe that I am not suffering from, any illness or injury that could lead to my death or incapacity.

I also declare that I do not know of any pending or threatened redundancy action in respect of my work.

I accept and will comply with all the terms of this waiver agreement.

I authorise any registered medical practitioner, health professional and my employer to divulge any information about me as may be reasonably required by New Zealand Finance Limited or its agent in the event of a waiver claim.

I agree to New Zealand Finance Ltd or its agent disclosing my personal information including this agreement to other parties where that is reasonably necessary for them to offer and manage this waiver.

Signed by all borrowers:

Signature of Borrower:

\_\_\_\_\_ *Borrowers name*

Date:

Signature of Borrower

\_\_\_\_\_ *Borrowers name*

Date:



## **SCHEDULE: DETAILS OF WAIVER**

### **Protected Borrower:**

**Fee:** \$9.90 a month

*(This amount will be charged monthly in arrears (or on the nearest business day) until it is cancelled or the balance of your account is nil. Interest will apply and it will be repaid as part of your regular loan repayments).*

### **Details of Cover:**

#### **A. Waiver Event: Death**

On the death of the borrower or one of the borrowers New Zealand Finance Limited will waive the balance of the loan owing under the loan to which this waiver agreement applies. The balance of the loan will be the balance as at the date of death with accrued interest.

A claim must be made in writing to us and in accordance with the Terms.

#### **Exclusions:**

1. The amount waived will not include any arrears or money due as a result of your default unless the default has occurred after the death of the borrower and we are not liable to waive any payment at all if the waiver agreement has been cancelled due to your default (refer to Terms clauses 18-20). If you have missed making any payment which you should have made before you died or there is other money owed to us from your default, then those amounts must still be paid to us.
2. New Zealand Finance Limited is not required to waive any payments where the death is the result of suicide, self-administered drug overdose or driving a motor vehicle illegally.
3. The amount waived will not include any principal amounts drawn down after the date of death.
4. As set out in the Terms.

#### **B. Waiver Event: Disability (Illness and/or Accidental Injury)**

##### **Illness**

If the borrower suffers an illness which prevents him/her from attending to or engaging in his/her usual work or business or occupation then subject to the exclusions below and in the Terms, New Zealand Finance Limited will waive regular payments amounts that fall due during the waiver period (explained below) up to a maximum of 40 working days (This means that if you fall sick more than once you can claim for up to 40 working days in respect of each separate illness).

##### **Accident**

If the borrower suffers a physical disablement or injury as the result of an accident occurring after the date of this waiver agreement which prevents the borrower from engaging in or attending to his/her usual work or business or occupation, then subject to the exclusions below and in the Terms, New Zealand Finance Limited will waive regular payment amounts that fall due during the waiver period (explained below) up to a maximum of 40 working days. (This means that if you are injured more than once you can claim for up to 40 working days in respect of each separate injury.)

If the injury you suffer is a permanent disablement meaning you are not expected to be able to work in your current job again, or one similar to it, then we will waive the unpaid balance of the loan as at the date it became apparent the disablement was permanent.

#### **Exclusions:**

1. The amount waived will not include any arrears or money due as a result of your default unless the default has occurred after the illness or disablement of the borrower and we are not liable to waive any payment at all if the waiver agreement has ended (been cancelled by us) due to your default (refer to Terms clauses 18-20).
2. No waiver shall be made in respect of the illness or disablement of any person other than the borrower.



3. New Zealand Finance Limited is not required to waive any payments where the injury or illness was caused wholly or in part through the consumption of alcohol or drugs (other than drug taken in accordance with a prescription from a doctor) or as a result of pregnancy, alcoholism or mental illness.
4. The amount waived will not include any principal amounts drawn down after the date of the illness or injury giving rise to the waiver claim.
5. As set out in the Terms.

### Waiver Period

Waiver period is the time for which payments will be waived in respect of each Waiver Event. It may not be the whole time that you could be sick or injured so it is important you understand the extent of the protection that this waiver agreement provides to you.

The waiver period begins when all of the following apply (unless we agree otherwise):

- i The borrower has been unable to engage in or attend to his/her usual work or business or occupation as a result of the relevant illness or accident for 5 consecutive working days counted from the first working day the borrower is absent from work; and
- ii A medical certificate from a registered doctor is provided that confirms and describes the illness or injury and the date on which the illness or injury first prevented the borrower from engaging in or attending to his/her usual work or business or occupation and the period of absence; and
- iii A letter or email from the borrower's employer is provided confirming the borrower has not been at work and the date on which the borrower was first absent and the period of the absence; and
- iv You have made a claim to us in writing (using our claim form if we provide one unless otherwise agreed with us).

The waiver period ends when:

- i the borrower is able to resume his/her usual work business; **or**
- ii the final payment due under the loan agreement has been waived based on the account balance at the date of the injury or illness; **or**
- iii a period of 40 working days has passed since the first payment was waived.

### C. Waiver Event: Redundancy

If the borrower loses their job (employment) they had at the date he/she entered this waiver agreement and the loss was as a result of redundancy then New Zealand Finance Limited will waive regular payment amounts as they fall due for the waiver period (explained below) up to a maximum of 40 working days in total. (This means that if you lose your job more than once you can claim for 40 working days for each redundancy).

### Exclusions:

1. The amount waived will not include any arrears or money due as a result of your default unless the default has occurred after the redundancy of the borrower and we are not liable to waive any payment at all if the waiver agreement has ended (been cancelled by us) due to your default (refer to Terms clauses 18-20).
2. No waiver shall be made in respect of the redundancy of any person other than the borrower.
3. New Zealand Finance Limited is not required to waive any payments where the redundancy was known or should reasonably have been known at the date of this waiver agreement.
4. The amount waived will not include any principal amounts drawn down after the date of the redundancy giving rise to the waiver claim.
5. As set out in the Terms.

### Waiver Period

Waiver period is the time for which payments will be waived. It may not be the whole time that you could be without a job so it is important you understand the extent of the protection that this waiver agreement provides to you.



The waiver period begins when all the following apply:

- i. 5 consecutive working days have passed since salary or wages (remuneration) was paid to the borrower (including any statutory holidays due) following the redundancy; and
- ii. You have made a claim to us in writing (using our claim form if we provide one unless otherwise agreed with us).

The waiver period ends when:

- i. the borrower is employed or is offered employment in a similar occupation or an occupation to which he/she is reasonably suited; **or**
- ii. the final payment due under the loan agreement has been waived based on the account balance at the date of the redundancy giving rise to the waiver claim; **or**
- iii. a period of 40 working days has passed since the first payment was waived.