

Offer and Continuing Credit Contract

Visa Credit Card

We, First Option Bank Ltd ABN 95 087 650 735 Australian Credit Licence 236 509, the credit provider, of Level 6, 437 St Kilda Road, Melbourne, the credit provider, offer you, the Borrower(s) named in the Schedule, a continuing credit facility as detailed in the Schedule on the terms set out in this Offer and Continuing Credit Contract. You will be taken to have accepted this Offer when you use the Visa Card for the first time.

Authorised Officer:		Date:	21 February 2019
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The Schedule

The Borrower:

<i>Name:</i>	
<i>Member number</i>	
<i>Address line 1</i>	
<i>Address line 2</i>	
<i>Address line 3</i>	

Loan Number:		Loan account	
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Under this loan contract, we may vary any of the following without your consent – the annual percentage rate, the default rate of interest, credit fees and charges, the minimum repayment, the time within which you must pay it, how we calculate interest, how often we debit interest. We may impose new credit fees and charges without your consent.

CREDIT LIMIT	
<p>ANNUAL PERCENTAGE RATE</p> <p>The annual percentage rate for 6 months from the date of offer above is 1.99% fixed. Thereafter, the annual percentage rate will be our Standard Variable Credit Card rate.</p> <p>Annual percentage rate for purchases %</p> <p>Annual percentage rate for cash advances %</p> <p>You can find out what the current percentage rates are by ringing us on 1300 855 675 or by reference to our website.</p>	
<p>MINIMUM REPAYMENT</p> <p>\$25 or 3% of the closing balance of the statement of account, rounded up to the next whole dollar, whichever is the greater.</p> <p>You must also add to the minimum repayment any amount by which you have exceeded the credit limit.</p>	
<p>REPAYMENTS</p> <p>You must make repayments by the due date as stated on your monthly account statement.</p>	
INTEREST FREE PERIOD FOR PURCHASES ONLY	Up to 55 days

CREDIT FEES AND CHARGES WE RETAIN:

Account keeping fee \$4.00 per month payable at the end of the each month.

DEFAULT RATE OF INTEREST: 0%PA – Charged on amount in arrears.

FREQUENCY OF STATEMENTS

We will send you statements of account monthly.

The disclosures we are required to make in this Schedule are made as at 21 February 2019.

TERMS OF THE LOAN CONTRACT

The relevant provisions of the Customer Owned Banking Code of Practice apply to this loan contract

1 Definitions and Interpretation

In this loan contract:

- (a) a reference to 'we', 'us' or 'our' means the Credit Union;
- (b) a reference to 'you' means each Borrower;
- (c) "Cash Advance" means any transaction treated by us as a Cash Advance, including transactions where you:
 - draw cash from the account using an automatic teller machine or at a financial institution
 - receive from a Merchant a cash substitute (including, but not limited to, using the account to purchase gambling chips or tokens, traveller's cheques or money orders, or to load value to a stored value card or facility)
 - use the account to pay bills through a third party where the Merchant does not accept Credit Card payments
 - use the account to pay bills over the counter at a financial institution
 - transfer, or arrange for the transfer of, funds from the account to another account.

We, as the issuer of your Card, are only able to determine whether to treat a transaction you make with a Merchant on your account as a purchase or a Cash Advance, based on information (including the type of business conducted by the Merchant) provided by that financial institution in the course of processing the transaction.

Accordingly, Credit Card transactions made with certain Merchants may be treated as Cash Advances, even though such transactions do not fall within any of the above transaction categories.

The most common types of Merchant outlet where this may occur are newsagencies and Merchants that sell lottery tickets or other gambling/gaming products.

- (d) words and phrases have the same meaning as in the Schedule;

- (e) words and phrases have the same meaning as in the National Credit Code;
- (f) headings are for convenience only and do not affect the interpretation of this agreement;
- (g) words importing the singular include the plural and vice versa;
- (h) words importing a gender include any gender;
- (i) other parts of speech and grammatical forms of a word or phrase defined in this loan contract have a corresponding meaning;
- (j) a reference to a Clause or Schedule is a reference to a clause or schedule of this loan contract;
- (k) a reference to this loan contract includes any Schedule; and
- (l) a reference to a party to this contract includes that party's successors and permitted assigns.

2 Funding Pre-conditions

We will not give you access to the Credit Limit until, where specified in the Schedule:

- (a) you give us a mortgage over the Mortgaged Property;
- (b) the Guarantor gives us a guarantee that satisfies us;
- (c) the Guarantor gives us a mortgage over the Mortgaged Property that satisfies us;
- (d) you and the Guarantor take out any compulsory insurance or mortgaged property insurance that we may reasonably require;
- (e) your mortgage and the Guarantor's mortgage is stamped and, if appropriate, registered; and
- (f) you and the Guarantor prove to us that you have taken out the insurance referred to in Clause 2(d).

3 Credit Limit

- 3.1 Subject to Clause 2 and this loan contract, we agree to make available to you credit up to the Credit Limit.
- 3.2 You agree not to exceed the Credit Limit.
- 3.3 We may reduce the Credit Limit to the balance of your account at any time. We do not have to notify you beforehand but

we must notify you as soon as practicable afterwards.

3.4 This loan contract has a minimum Credit Limit of \$500.

3.5 Subject to clause 3.4, you may reduce the Credit Limit at any time. However, if you reduce the Credit Limit below the current outstanding balance of the account, you will not have any available credit until you pay down the outstanding balance to less than the new Credit Limit.

4 Repayments & Termination of Loan Contract

4.1 You must make repayments as and when specified in the Schedule. However, this is subject to other terms of this loan contract, for example, if we increase the minimum repayment or if you are in default.

4.2 You must also pay us immediately the amount required to reduce the balance of the account to the Credit Limit. This occurs if your transactions, interest charges, credit fees and charges or enforcement expenses exceed the Credit Limit but not when you reduce the Credit Limit under clause 3.5.

4.3 If we do not receive value for a cheque or direct credit, we may:

- (a) reverse the credit; and
- (b) charge you interest or default interest; and
- (c) exercise any right or remedy under this contract;

as if the repayment had never been made.

4.4 If you are liable to us under 2 or more loan contracts and do not tell us to which account we are to credit any repayment, we may credit the repayment to this loan contract or any of the other loan contracts as we choose.

4.5 We will apply your payments to the closing balance in the latest statement and to amounts included in that balance that attract a higher annual percentage rate first.

4.6 If your payment exceeds the closing balance of the account, we will apply the payment in excess of the closing balance to amounts that attract a higher interest rate first.

4.7 You must make all payments due under this loan contract and any mortgage, without any deduction, set-off, counterclaim or condition.

4.8 You have the right under the National Credit Code to pay the outstanding balance of the loan contract at any time, which only restores the available credit up to your Credit Limit. If you want to terminate the loan contract, and any credit card used in connection with the loan

contract, you may do so by telling us when paying the outstanding balance of the loan account. You will also need to return the credit card to us or destroy it at our direction.

5 Calculating Interest Charges

5.1 We will calculate interest daily by:

- (a) first subtracting any interest free purchases from the unpaid daily balance of the account at the end of the day
- (b) then multiplying that amount by the daily percentage rate.

Interest Free Period for Purchases

5.2 We will not charge you interest on new purchases you make in these circumstances:

- (a) from the start of your continuing credit contract until the due date for the first statement cycle;
- (b) from the date of the purchase to the due date of the statement cycle recording that purchase.

However, we will charge you interest on unpaid purchases from the day after a due date where you have not paid the closing balance on that due date in full.

Debiting Interest

5.3 We will debit interest on the closing balance of each statement period. We will also debit interest on the day we close your credit account.

No Interest Free Period for Cash Advances

5.4 There is no interest free period for cash advances. Cash advances incur interest in accordance with clause 5.1 from the date the transaction is posted to your account until the date the transaction is paid in full.

6 Calculating Default Interest Charges

6.1 This Clause 6 only applies if a Default Rate of Interest is specified in the Schedule.

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

6.3 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.

6.4 We will debit default interest on the last day of each statement period and we may debit default interest on the day you pay the balance of the loan.

7 Credit Fees and Charges

We may debit the Credit Fees and Charges, or Lenders Mortgage Insurance, specified in the Schedule to your account.

8 Variation of Annual Percentage Rate

- 8.1 We may vary the Annual Percentage Rate at any time.
- 8.2 If the variation increases your obligations, we must notify you on or before the day the increase takes effect by:
- (a) publishing a notice in a newspaper and sending you notification in your next statement of account; or
 - (b) giving you written notice.

9 Variation of Interest Calculations

- 9.1 We may vary how we calculate interest or how often we debit interest.
- 9.2 If the variation increases your obligations, we must give you written notice at least 20 days before the increase takes effect

10 Variation of Credit Fees & Charges

- 10.1 We may:
- (a) vary the amount of any Credit Fee or Charge;
 - (b) add a new credit fee or charge (which is a Credit Fee or Charge);
 - (c) vary the method of calculating any Credit Fee or Charge; or
 - (d) vary the time or frequency of payment for any Credit Fee or Charge.
- 10.2 If the variation increases your obligations, we must notify you 20 days before the change takes effect by:
- (a) publishing a notice in a newspaper and sending you notification in your next statement of account; or
 - (b) giving you written notice.
- 10.3 If the variation does not increase your obligations, we will send you notification in your next statement of account.

11 Variation of Repayments

- 11.1 We may vary:
- (a) the amount, frequency or time of repayments; or
 - (b) the method of calculating repayments; or
 - (c) the method of calculating the minimum repayment.
- 11.2 If any of these variations increases your obligations, we must give you written notice at least 20 days before the increase takes effect.
- 11.3 If a variation does not increase your obligations, we will notify you in your next statement of account.

12 Other Variations

- 12.1 We may vary this loan contract:
- (a) when the Schedule does not state a Default Rate of Interest - to add a Default Rate of Interest to calculate Default Interest Charges under clause 6; or

- (b) to increase or decrease the Default Rate of Interest specified in the Schedule.

- 12.2 If any of these variations increases your obligations, we must give you written notice at least 20 days before the increase takes effect.

- 12.3 If the variation does not increase your obligations, we will send you notification in your next statement of account.

13 Default

- 13.1 You are in default under this loan contract if:
- (a) you exceed the Credit Limit;
 - (b) you do not make a repayment in full by the date it is due;
 - (c) you or the Guarantor breach any term of this loan contract, the guarantee, any mortgage or any insurance policy that we require;
 - (d) the guarantee or any mortgage that we require is unenforceable according to its terms;
 - (e) the insurer terminates any insurance policy we require;
 - (f) you or the Guarantor fail to renew on terms that satisfy us any mortgaged property insurance that we require;
 - (g) you become a bankrupt;
 - (h) you seek to make an arrangement or composition with your creditors under a law dealing with bankruptcy; or
 - (i) you are required to be a member and you cease to be a member.
- 13.2 If you are in default, we may send you a default notice. The notice will tell you:
- (a) what the default is;
 - (b) what you have to do to remedy the default;
 - (c) that you will have at least 30 days from the date of the notice to remedy the default; and
 - (d) about your options and what can happen if the default is not remedied.
- 13.3 If you do not comply with the default notice, you become liable to pay us the balance of the loan immediately and we may repossess and sell any Mortgaged Property.
- 13.4 If you or the Guarantor fails to do anything that this loan contract, the guarantee, any mortgage or any insurance policy requires you or the Guarantor to do, we may:
- (a) do the thing as required;
 - (b) do it in your name; and
 - (c) do it at your expense and debit your account for the expense.

14 Enforcement Expenses

- 14.1 If you are in default under this loan contract, we may charge you enforcement expenses we reasonably incur. We may debit these to your loan account.
- 14.2 An enforcement expense includes an expense for doing any of the following under this loan contract, any guarantee or any mortgage:
- (a) enforcing any right we have;
 - (b) attempting to enforce any right;
 - (c) performing any of your obligations or those of any Guarantor in accordance with clause 13.4;
 - (d) protecting any right;
 - (e) waiving any right;
 - (f) contemplating the enforcement of any right;
 - (g) sending an arrears letter or default notice before commencing enforcement proceedings.
- 14.3 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 this loan contract.

15 Miscellaneous Matters

15.1 Taxes and expenses

- (a) We may debit your account for any government tax or stamp duty payable in connection with this credit contract or any guarantee or mortgage specified in the Schedule or any insurance policy that we require.
- (b) You agree to pay our legal costs and expenses of any guarantee or mortgage specified in the Schedule.

15.2 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 by the next business day.

15.3 Joint Borrowers - Obligations are Separate & Together

If there is more than one Borrower, each of you is liable to us separately for the balance of the loan as well as together.

15.4 Assignment

You agree that we may assign our rights under this loan contract, any mortgage or any guarantee without further consent from you, if we choose to do so. If our rights under this loan 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 loan contract against the assignee as you have against us.

15.5 Information is correct

You represent and warrant that all information, representations and documents that you, or any person acting on your behalf, gave us about your loan application or about the Mortgaged Property are true and correct.

15.6 Waiver

A waiver of any of our rights under this loan contract does not occur unless we give it to you in writing.

15.7 Severability

If any part of this loan contract is invalid, unenforceable or in breach of the National Credit Code, it is not included in this loan contract. The remainder of this loan contract continues in full force and effect.