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Things You Need to Know — Effective December 2018

Things you need to know about your Loan Contract and Customer Service Terms

Effective from December 2018 (v2.9)

Part A of this document (Things you need to know about your Loan Contract) explains the key features and risks of a Harmony loan. Your loan may be funded through one of two options – either the Wholesale Funding Model or the P2P Model. These are discussed further below in Part A.

Part A of this document is merely a guide. It applies to loans made available through both the Wholesale Funding Model and the P2P Model. This information does not override the Loan Contract or the Payment Protect Terms. It is not a substitute for reading the Loan Contract or any other contract terms. If you have any questions, please contact Harmony (at 0800 427 666 or customerservice@harmony.co.nz) or seek professional advice.

Part B of this document (Customer Service Terms – Wholesale Funding Model) applies if your loan is funded through the Wholesale Funding Model, and sets out the terms on which you agree to use the service provided by Harmony to borrow money. If your loan is funded through the P2P Model, Part B of this document does not apply to you.

Part C of this document (Customer Service Terms – P2P Model) applies if your loan is funded through the P2P Model, and sets out the terms on which you agree to use the service provided by Harmoney to borrow money. If your loan is funded through the Wholesale Funding Model, Part C of this document does not apply to you.

By accepting the terms set out in either Part B or Part C of this agreement (as applicable), an agreement is formed between you and Harmoney.

As a borrower, your customer experience will be the same, regardless of whether you are funded through either the Wholesale Funding Model or the P2P Model.

PART A: THINGS YOU NEED TO KNOW ABOUT YOUR LOAN CONTRACT

Type of loan

The loan is an unsecured fixed-rate term loan.

You borrow a fixed sum and repay it back in monthly instalments over the loan term.

Because the loan is unsecured, there is no specific asset of yours that secures the loan (such as your house or car) if you cannot repay the loan.

The loan is not guaranteed by anyone. The only person we can claim against for repayment is you (and/or your spouse or partner, if both of you are borrowers under the loan) if you cannot repay the loan.

How is the loan funded?

Harmoney uses two funding models in order to make loans to customers. These are:

- a wholesale funding model, which is a funding model that Harmony uses to fund loans to borrowers from investments made by wholesale investors (Wholesale Funding Model); and
- a peer to peer model, which is a funding model that Harmony uses to fund loans to borrowers from investments made by retail investors (P2P Model).

When you apply for a loan on Harmony's website, you will be automatically allocated to be funded through either the Wholesale Funding Model or the P2P Model.

As a borrower, your customer experience will be the same, regardless of whether you are funded through either the Wholesale Funding Model or the P2P Model.

Harmony (acting in its sole discretion) may either approve or decline your loan application. In addition, approval of your loan application is subject to investors being willing to fund your loan. If your loan is not funded within 14 days, then your loan application will be declined.

A loan which is funded under the Wholesale Funding Model is made by Harmony Nominee Limited. That company is a bare trustee for all the investors who fund the loan. Your liability is to that company, and you do not deal with the underlying investors.

A loan which is funded under the P2P Model is made by Harmony Investor Trustee Limited. That company is a bare trustee for all the investors who fund the loan. Your liability is to that company, and you deal only with that company (through its agent, Harmony Limited), not with the underlying investors.

When is the loan advanced?

The net loan amount is advanced no later than the first working day after you receive a disclosure statement for the loan (loan disclosure). The loan disclosure is emailed to you once the loan has been funded by the investors. (Saturdays, Sundays, and national public holidays are not "working days".)

The loan is advanced in accordance with your instructions less the establishment fee, and less the other amounts you have agreed to be deducted from the loan. If you have agreed with Harmoney to use the loan for consolidating your existing debts, then Harmoney will transfer an agreed amount of the loan (which may be all or part of the loan) to your existing creditor(s) in repayment of those debts, as authorised by you.

What do I pay for the loan?

An establishment fee will be charged for the brokering of the loan as specified in the [Interest Rates & Fees page](#). Other fees will also apply. Further information on fees and charges are also included in the “Fees and Charges Payable by You” section of Parts B and C of this document (as applicable).

What must I repay?

You have to pay back the total amount you borrowed. This includes the amount you borrowed, as well as the amount covering the establishment fee and (if you selected any optional service such as Payment Protect) the fee for that service.

You must also pay interest on the full loan amount. Interest is calculated by multiplying the unpaid loan balance by the annual interest rate. The annual interest rate is fixed and specified in the loan offer, and also confirmed in the loan disclosure. Interest is charged monthly.

If you do not pay an amount when it is due, you also have to pay the charges noted in "What happens if I default?" below.

Can I cancel the loan?

You can cancel the loan within seven working days of the day we email you the loan disclosure (cooling-off period). If you decide to cancel the loan, you must do all of the following:

- You must give us a written cancellation notice. You can email the notice to us (as an alternative to posting or delivering it to us). We must receive the notice during the cooling-off period.
- You must repay all loan money we have advanced. Payment must be in full and in cleared funds. For information on how to do this, see the "Borrower FAQs" section [here](#).

If you cancel the loan during the cooling-off period, you will not be charged the establishment fee or (if you selected an optional service such as the Payment Protect) the fee for that optional service. You will only need to repay the net amount you wanted to borrow and that has been paid out.

When must I pay you?

You must repay the loan amount and the interest on it, in monthly instalments. The amount of each monthly instalment, and the day on which it is due, will be specified in the loan disclosure. You can pay weekly or fortnightly as long as the full instalment amount is received by the scheduled payment date.

Can I pay off the loan early, or make early repayments?

You can make early repayments, or repay the loan in full, without charge. For information on how to do this, see the "Borrower FAQs" section [here](#).

You could save money if you pay off the loan early or make early repayments. This is because interest is calculated daily on your outstanding balance. You will incur less interest costs if you reduce the outstanding loan balance through early repayment. If you have Payment Protect, you will also receive a proportionate rebate of the Payment Protect fee if you pay the full loan off early (but not if you only make early repayments).

What am I liable for?

You are liable to repay the loan amount plus interest on that amount. You are also liable to pay any fees which apply to your loan (as contemplated in the "What do I pay for the loan" section" above and the "Fees and Charges Payable by You" section of Parts B

and C of this document (as applicable). Details on the current amount of fees is specified in the "Interest rates and fees" section [here](#).

If you do not pay an amount when it is due, you also have to pay the charges noted in "What happens if I default?" below.

If both you and your spouse or partner are borrowers under the loan, you are liable to us for the full amount owing – not just for a share of it. It makes no difference whether you are the "principal borrower" or "co-borrower". The full amount owing can be claimed from you, without having to first claim it (or a share of it) from your spouse or partner. You will be liable for the full amount even if the relationship between you and your spouse or partner ends (eg even if you break up or divorce) or if your spouse or partner dies (unless Payment Protect cover applies).

What happens if I default?

If you do not make your payments when they are due, we can:

- charge you the fees and costs described under "What am I charged if I default?" below; and
- require that you immediately repay the full amount owing. This will include the amount you borrowed, all unpaid interest, default/collection charges, and enforcement costs. If you do not pay the amount owing, we can pursue payment from you through collection agencies and/or in the courts.

What am I charged if I miss a payment or do not make a payment in full?

There is no default interest rate. However, interest continues to accrue on all amounts owing at the annual interest rate.

You will be charged overdue fees on all overdue amounts, and dishonour fees on any dishonoured payments through your bank. These fees will be charged at the rates specified in the "Interest Rates & Fees" section [here](#).

You will also be charged all collection agency costs, legal expenses, and other enforcement-related costs we incur.

Can I get help if I suffer hardship?

You can apply to us for a hardship variation if you cannot reasonably keep up your payments due to illness, injury, loss of employment, the end of a relationship, or other reasonable cause. For information on how to do this, see the "Unforeseen hardship" section [here](#).

What are the loan terms?

The amount lent to you, the term for which it is lent to you, and the interest rate that applies are those to which you agreed when you accepted the loan offer. Your loan contract will come into existence and force immediately after the loan disclosure has been provided to you (or to your spouse or partner, if applicable). (The loan disclosure will confirm that loan amount, term, interest rate, and other charges that are payable and will also specify the repayments you must make.)

The standard terms and conditions that apply to the loan are those set out in the Loan Contract that is posted on Harmony's website when you make a loan application on the Website, together with the specific terms applying to your loan as set out in the loan disclosure. There is a copy of the current Loan Contract in the "Legal agreements" section [here](#).

If you select Payment Protect, the Payment Protect Terms will be treated as part of the Loan Contract terms. There is a copy of the current Payment Protect Terms in the "Legal agreements" section [here](#).

Can the loan terms be changed?

The loan amount, annual interest rate, loan term, repayments amounts, fees payable under the loan contract (except as otherwise contemplated in this section) and repayment dates are fixed. These can only be changed with our and your agreement (or if you and your spouse or partner are both borrowers under the loan, with the prior agreement of either yourself or your spouse or partner).

New fees can also be introduced, but only if this is considered necessary as a result of a legal or regulatory development. Any such changes will be shown in the ["Interest Rates & Fees"](#) section on the website.

In all other respects, we can amend the Loan Contract at any time by notice to you (effective from the time stated in the notice).

What is Payment Protect?

Payment Protect is a repayment waiver. It is an optional feature which you can add (if you want to) to your loan when you accept the loan offer.

If you take out Payment Protect and a certain event happens, you will not be liable to pay the monthly repayments for which you have cover that fall due after you have notified us of the event and your waiver application has been approved (ie they will be "waived"). The maximum amount waived will depend on your level of cover and the nature of the event.

The current copy of the Payment Protect Terms is in the "Legal agreements" section [here](#).

What does Payment Protect cover?

There are two levels of Payment Protect available: Partial cover, and Complete cover. The events covered by Partial cover are death and terminal illness. The events covered by Complete cover are death, terminal illness, disability (whether due to illness, a medical condition, or accidental injury), and involuntary redundancy.

Below is an overview of the benefits that are offered (this is only a brief summary):

Level	Event	Employment Restrictions	Waived repayments	Maximum amount waived	Stand down periods
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Level	Event	Employment Restrictions	Waived repayments	Maximum amount waived	Stand down periods
Exclusions apply for all levels of cover – see section 7 of the Payment Protect Terms for a list of exclusions.					
Partial & Complete	Death – You die	None	All your remaining monthly repayments that fall due after we have been notified of your death	No maximum	None – immediate cover

Level	Event	Employment Restrictions	Waived repayments	Maximum amount waived	Stand down periods
Partial & Complete	Terminal illness - You suffer or are diagnosed with an illness or accidental injury that is likely to cause your death within twelve months	None	All your remaining monthly repayments that fall due after you have notified us of your Terminal Illness	No maximum	None – immediate cover
Complete	Disability - You suffer or are diagnosed with an illness or accidental injury that makes you unable to work	You must be: - permanently employed for at least 20 hours per week when you suffer the disability; or - self-employed for at least	Your monthly repayments that fall due after you have notified us of your disability and before you are able to work again for 20 hours per week or more	24 months' repayments (combined total for all illnesses and accidental injuries)	- Illness that starts or is diagnosed during first 30 days of Payment Protect: no cover - Other illnesses, and all

Level	Event	Employment Restrictions 20 hours per week when you suffer the disability.	Waived repayments	Maximum amount waived	Stand down periods
					accidental injuries: 14-day stand-down period (ie repayments due during first 14 days off work after you have notified us of your illness or disability are usually not waived)

Level	Event	Employment Restrictions	Waived repayments	Maximum amount waived	Stand down periods
Complete	Redundancy - You become unemployed due to involuntary redundancy	You must be in permanent employment for at least 20 hours per week for at least three months immediately before becoming unemployed due to involuntary redundancy	Your monthly repayments that fall due after you have notified us of your redundancy and before you are permanently employed again for 20 hours per week or more	5 months' repayments (combined total for all redundancies)	No cover if, within the first 30 days that you have Payment Protect, you: • receive a redundancy proposal; or • receive a redundancy notice; or • become unemployed due to redundancy.

What exclusions are there to Payment Protect cover?

"Terminal illness", "disability" (including "accidental injury"), and "redundancy" are all specifically defined in the Payment Protect Terms. If something happens that is not within the exact definition, it is not covered. The meaning of each event is set out in the section dealing with that event (eg the meaning of "Disability" is in section 4 "Disability cover".)

There are certain exclusions to the cover provided by Payment Protect. For example, there is no cover for pre-existing medical conditions. The exclusions are in section 7 of the Payment Protect Terms.

A particular waiver application must meet certain conditions before payments will be waived. For example, your waiver application will be approved only if (among other things) you are up to date with your loan payments when the event for which you have cover occurs. The conditions that apply in respect of each event are set out in the section dealing with that event (eg the conditions for a disability waiver are set out in the Payment Protect Terms at section 4 "Disability cover".)

Certain time limits apply under these conditions. For example, there is no cover in respect of an event if you do not provide us with a complete waiver application (ie with your written notice of the event, as well as all supporting and additional documents and information required to complete your application) within 30 days after the event has occurred, other than in the case of death or terminal illness. There is no time limit for giving written notice of death, and written notice of Terminal illness must be given within 60 days after the event has occurred. In the case of either death or terminal illness, there is no cover if all supporting and additional documents are not provided within 30 days of notification of the event. The time limits that apply in respect of each event are set out in more detail in the section dealing with that event. In any case, all repayments that fall due before Harmony has received written notice will not be waived.

Only events that occur during the original loan term are covered. If the term of your loan is extended for any reason (e.g. due to unforeseen hardship), there is no cover for events that occur after the original loan term has ended.

Does Payment Protect apply to a co-borrower?

If both you and your spouse or partner are borrowers under the loan, each of you needs to get Payment Protect if you want to be covered (but one of you can get Partial cover and the other Complete cover).

If your spouse or partner is not liable to pay any monthly repayments on the loan under his or her Payment Protect plan (eg because of his or her disability, if he or she has Complete cover), depending on the nature of the event, you are not liable for those monthly repayments during the period the repayments are waived.

How do I know whether Payment Protect applies to my loan?

The loan disclosure will confirm whether Payment Protect applies to your loan and (if so) what type of cover you have and the fee for it.

How much does it cost to get Payment Protect?

A fee for Payment Protect is charged at the rate specified in the "Interest Rates & Fees" section [here](#). The total loan amount is increased to cover this fee (ie the fee is capitalised), so that you in effect pay the fee down as part of your monthly loan repayments.

Interest on the part of the loan amount borrowed to cover the Payment Protect fee will accrue at the same annual interest rate as applies to the rest of your loan.

What happens to the Payment Protect fee if I pay off the loan early?

If you repay the loan in full early, part of the Payment Protect fee will be rebated. A rebate will also apply if your Payment Protect cover is cancelled, in which case you will be entitled to a rebate on the Payment Protect fee that would have been payable for the period from the date of cancellation until the end of the loan term.

Could I be liable for further costs under Payment Protect?

If we incur any medical or other costs in verifying or assessing your initial or ongoing entitlement to cover, we will bear those costs unless (as a result of that process) we determine that you are not entitled (or are no longer entitled) to the cover – in which case the costs will have to be paid by you.

What happens if a payment is waived under Payment Protect?

If a Payment Protect waiver application is approved, you will no longer owe the monthly repayments that are waived. The number of payments waived will depend on your level of cover and the nature of the event. We will not be entitled to charge any overdue fees on repayments, refer them to a collections agency, take any court action to recover them, or report them as overdue to a credit reporting agency.

Any monthly repayments that fall due after a covered event has occurred, but before you have notified us in writing of the event, do not qualify for a Payment Protect waiver. It is in your interests to notify us without delay if an event occurs for which you have Payment Protect cover, so that your waiver may start applying as soon as possible.

What happens if you receive notice of an event on the same day a monthly repayment falls due?

If you give us written notice that an event has occurred before 12 noon on the day on which a monthly repayment falls due (or if its due date is not a business day, before 12 noon on the next business day), we will treat the notice as received in time for that monthly repayment to be waived (assuming that the application otherwise meets all the requirements for the waiver to apply to it). However, if the notice is received after that 12 noon deadline that particular monthly repayment will not be waived.

Can Payment Protect be changed?

The Payment Protect Terms can be changed without your consent, but only if we reasonably consider the change to be necessary or advisable (for example, because there has been a legal, regulatory, technological, or operational development and the Payment Protect Terms have to be updated to reflect that development).

If we make such a change, the amended Payment Protect Terms will be posted in the website's "**Legal agreements**" section and state the date from which it will apply. If the change is made after your loan application has been submitted, it will not apply to you unless Harmoney sends you an individual notice (by email or otherwise) of the modification and of the date from which it applies to you.

We can refuse to waive any payment, alter your Payment Protect cover, or cancel your Payment Protect cover if you (or any person on your behalf) give us any false or fraudulent information or document in your application for the loan, your application for Payment Protect to apply to the loan, or any Payment Protect claim you make.

Where can I get information about my loan?

The loan disclosure will confirm the funding model that applies to your loan, the loan amount, term, interest rate, repayment schedule, charges payable, and (if you have selected Payment Protect) the type of Payment Protect cover that applies to the loan.

Your dashboard will also contain information about your loan.

We will on request provide you with additional information in accordance with the Credit Contracts and Consumer Finance Act 2003 (CCCFA).

What are my rights?

You are entitled to the contractual rights given to a borrower in the Loan Contract and (if Payment Protect applies to your loan) in the Payment Protect Terms.

You may also have rights under New Zealand's consumer protection legislation, such as the CCCFA.

Who can I contact with a dispute?

Please contact us if you have any questions or concerns about your loan.

If you are unable to resolve a dispute through Harmony's internal dispute resolution process, you can make a complaint to Financial Services Complaints Limited. It is an independent dispute resolution scheme to which we have signed up (in accordance

with the Financial Service Providers (Registration and Dispute Resolution) Act 2008). This scheme can help you to resolve any disagreements you have with us. It is free to make a complaint to it. Its details are at <http://www.fscl.org.nz/>.

PART B: CUSTOMER SERVICE TERMS – WHOLESALE FUNDING MODEL

This Part B only applies to you if your Loan is funded through the Wholesale Funding Model. It does not apply to you if your Loan is funded through the P2P Model.

Introduction

1. Part B of this document sets out the terms on which you are able to access and use the Service. A reference in this Part B to “this agreement” means Part B of this document. If there is any inconsistency between these terms and any other terms set out on the Website, these terms will prevail (except as expressly contemplated by these terms), unless a Loan Contract exists, in which case the terms set out in the Loan Contract will prevail.
2. In providing the Service, Harmony will (and will procure that its Related Companies who provide any aspect of the Service will), if any aspect of the Service is contracted out, take all reasonable steps to:
 - a. ensure that those functions are performed in the same manner, and are subject to the same duties and restrictions, as if Harmony were performing them directly; and
 - b. monitor the performance of those functions.

Co-Borrowers

1. If your spouse or partner has registered as a Borrower (Primary Borrower) and has asked you to register as a co-Borrower, or vice versa, then:
 - a. you will each have the same rights and obligations under this agreement;

- b. you consent to Harmony providing your personal information to the other of you; and
- c. Harmony will be entitled to accept instructions from either of you (without reference to the other) in respect of your rights and obligations under this agreement.

Registration as a Borrower

1. In order to access and use the Service, you must register as a Borrower by completing the Borrower Registration. Harmony reserves the right not to register any person as a Borrower if that person has not completed the registration process to Harmony's satisfaction or does not meet Harmony's eligibility criteria.
2. Harmony's eligibility criteria for registering as a Borrower are:
 - a. you must be a natural person (that is, not a company, partnership, incorporated society, trust, or other legal entity);
 - b. you must be a New Zealand citizen or permanent resident, which Harmony will verify through you having a New Zealand residential address and a bank account with a registered New Zealand bank;
 - c. you must be 18 years of age or older when you register; and
 - d. you must have an acceptable credit record, as determined by Harmony at its discretion.
3. Harmony may terminate or suspend your registration as a Borrower at any time by notice to you if Harmony reasonably believes that you are not complying with the terms of this agreement or are otherwise not using the Service for its intended purpose, or if the information you provide to Harmony is untrue, inaccurate, unsubstantiated or misleading and deceptive.
4. You may terminate your registration as a Borrower at any time by notifying Harmony through the Website or via 0800 HARMONEY or customer.services@harmony.co.nz.
5. If your registration is terminated or suspended, this agreement will continue to apply in respect of any Loans, Loan Contracts, and contracts for Optional Services to which you are a party when the termination or suspension takes effect.
6. Subject to clause 8, this agreement will apply to you for so long as you are registered as a Borrower.

Loan Process

1. If you want to take out a Loan using the Service, you must complete a Loan Application in which you nominate:
 - a. the proposed Loan Amount;
 - b. the Repayment Period;
 - c. if you wish to use your Loan to repay an existing creditor, details of any proposed Debt Consolidation Arrangements; and
 - d. whether you require an Optional Service for the proposed Loan.

The proposed Loan Amount must be expressed as a multiple of \$25. The amount you apply for will also include:

- i. an amount equal to the Establishment Fee that you must pay Harmony if you obtain the Loan; and
 - ii. an amount equal to any Optional Service Fee that is payable by you.
2. As part of the Loan Application, you must provide Harmony with details of your bank account with a registered bank in New Zealand, from which payments are to be made by you in respect of your Loan. By providing those details and in the event your Loan Application is successful, you agree to Harmony establishing a direct debit authority against that bank account on the terms set out in the authority accompanying your Loan Contract in relation to any amount payable by you to Harmony under any Loan Contract.
3. Harmony (acting in its sole discretion) may either approve or decline your Loan Application. In addition, approval of your Loan Application is subject to Participating Investors being willing to fund your Loan. If your Loan is not funded within 14 days, then your Loan Application will be declined. If your Loan Application is declined, Harmony will notify you of that fact. If your Loan Application is approved, Harmony will:
 - a. notify you of that fact; and
 - b. provide you with a Loan Disclosure setting out the key terms of the proposed Loan (as required by the CCCFA). For the purposes of section 35 of the CCCFA, you:
 - i. nominate the email address specified in the Loan Application (or such other email address as you may notify to Harmony) as the information system to which the Loan Disclosure may be sent; and

- ii. agree that the Loan Disclosure may be provided to you by sending you an electronic communication that allows the Loan Disclosure to be accessed from a website or by means of the Internet.

If you take out any Optional Service for your Loan, the Loan Disclosure will also confirm that Optional Service.

You should contact Harmony if you are not clear as to any of the information set out in the Loan Disclosure.

Loan Contract

1. Immediately after Harmony has provided the Loan Disclosure to you, a Loan Contract will come into existence under which Harmony will agree to advance the Loan Amount to you. The Loan Contract will be on the form set out on the Website under the "Legal Agreements" section when you submitted your Loan Application. For the purposes of this agreement, the Loan Disclosure will be treated as provided to you on the day on which it is emailed to you or otherwise sent to you by electronic communication (within the meaning of section 35 of the CCCFA).

Optional Service Terms and Contracts

1. If you applied for an Optional Service in relation to a Loan, the Optional Service will be provided to you as follows:
 - a. If the terms that govern the Optional Service provide that they apply as additional Loan Contract terms, they will be part of the Loan Contract from the time that the Loan Contract comes into existence.
 - b. If the terms governing the Optional Service provide that the Optional Service will be provided under a separate contract from the Loan Contract, then a separate contract for that Optional Service will come into existence immediately after Harmony has provided the Loan Disclosure for the Loan to you.

The additional Loan Contract terms or Optional Services contract (as the case may be) will be on the terms of the Optional Service set out on the Website under the "Legal Agreements" section when you submitted your Loan Application.

Fees and Charges payable by You

1. You must pay Harmoney an Establishment Fee for arranging each Loan made to you using the Service. The Establishment Fee will be calculated at Harmoney's rate (as notified on the Website under the "**Interest Rates & Fees**" section when the relevant Loan Contract is formed) and paid by you on Settlement.
2. If a Loan is advanced to you, you must pay Harmoney all fees and charges specified in the Loan Contract and Loan Disclosure (such as the account maintenance fee and any overdue fees, dishonour fees, or enforcement costs). The fees and charges applying under Loan Contracts as at the date of this Agreement are set out on the Website under the "**Interest Rates & Fees**" section.
3. If you take out an Optional Service, you must pay (in the manner provided in the Loan Contract) any Optional Service Fee that applies to it. The Optional Service Fees applying as at the date of this Agreement are set out on the Website under the "**Interest Rates & Fees**" section. You must also pay all costs that are payable by you under the terms governing that Optional Service. If you do not pay a cost for which you are responsible, Harmoney may pay it and debit the amount it paid to your Loan account (and if that happens, you must pay that amount in full with your next Loan repayment , together with any interest that accrues on it.)
4. Harmoney may from time to time introduce new types of fees or charges to be charged under or in connection with the Service, Loan Contracts, or Optional Services with effect from the time specified on the Website under the "**Interest Rates & Fees**" section. However, any new type of fee or charge will apply in respect of a Loan or an Optional Service only if introducing the new type of fee or charge is considered necessary as a result of a legal or regulatory development (including as a result of any legislative change or in the interpretation or application of any legislation). You must pay Harmoney any such fees and charges at the rate (as specified on the Website under the "**Interest Rates & Fees**" section from time to time), in such manner as Harmoney may notify you. Harmoney will be entitled to process additional direct debit payments to cover any such fees and charges.
5. Warranties: You warrant to Harmoney that:
 - a. all information you provide to Harmoney is true, accurate, and complete, and there is no information which has not been provided which would impact on Harmoney's decision to register you as a Borrower or to make a Loan available;

- b. you will provide Harmoney with updated information in respect of any Loan if any of your circumstances have changed from the time you submitted your Borrower Registration; and
- c. if your residential address, email address, or telephone number changes, you will immediately provide Harmoney with notice of the change and update the dashboard with your revised information.

Right to Profit

- 1. You acknowledge and agree as follows:
 - a. Harmoney does not act as your agent in connection with the Service. For example, Harmoney does not act as your agent in arranging a Loan.
 - b. Harmoney and its Related Companies may be paid a commission or other financial benefit by any person in connection with any Loan or the Service or an Optional Service (which may include Participating in any Loan).

Liability

- 1. You acknowledge and agree, in respect of the Relevant Persons that:
 - a. none of the Relevant Persons will be liable in respect of any failure:
 - i. to provide the Service or otherwise to comply with this agreement, if the failure or non-compliance is caused by events beyond its reasonable control; or
 - ii. to achieve any funding in respect of any Loan;
 - b. the liability of any Relevant Person (if any) in relation to any Loan will be limited to the amount of the Establishment Fee actually received by Harmoney for that Loan.

Nothing in this clause 21 or this agreement (except for clause 22) limits any rights you may have under the Consumer Guarantees Act 1993, the Fair Trading Act 1986, or any other applicable legislation.

This clause 21 is for the benefit of, and is enforceable by, each Relevant Person, in terms of Part 2, subpart 1 of the Contract and Commercial Law Act 2017.

2. If you are in trade, and you acquire the Service in trade, all parties agree that to the maximum extent permitted by law:
 - a. the provisions of the Consumer Guarantees Act 1993; and
 - b. sections 9, 12A, and 13 of the Fair Trading Act 1986,will not apply to this agreement.
3. You acknowledge that you do not rely on Harmoney's skill or judgment as to the suitability or otherwise of the Service for your specific needs, in terms of providing a service through which you can seek to have loans funded.
4. You acknowledge that the Website may not be available at all times and that Harmoney will not be liable to you for any loss of profit or opportunity (however described) arising from any inability to access the Website at any time.

Replacement of Harmoney

1. Harmoney may be replaced with another entity appointed to hold Loans as trustee for Participating Investors (and otherwise to act as trustee for Participating Investors). Any such change will not affect your rights and obligations under this agreement. The replacement trustee will have the same rights and obligations under this agreement as the trustee it replaces, without further action being necessary.

Communications and Disputes

1. Harmoney may provide you with communications in relation to the provision of the Service, including notices and disclosures, by mail or in an electronic form, including by email.
2. You must provide notices to Harmoney by mail (posted to its registered address) or by email to the email address below.
3. If you have any questions about the Service or the terms of this agreement, please contact Harmoney as follows:

Phone: 0800 HARMONEY

Email: customer.services@harmony.co.nz

4. Harmony is a member of the Financial Services Complaints Limited dispute resolution scheme. If you are unable to resolve a dispute through Harmony's internal dispute resolution process, you may refer any dispute relating to the provision of the Service to that dispute resolution service, details of which are available at <http://www.fscl.org.nz/>.
5. The entries made in the accounts maintained by Harmony are, in the absence of manifest error, conclusive evidence of the matters to which they relate.

Amendments to Agreement

1. Subject to clause 18, Harmony may modify this agreement, and the way in which it provides the Service, at any time by notice on the Website under the "Legal Agreements" section. You should check the "Legal Agreements" section of the Website regularly. Any such modifications will apply from the date stated on the Website.

Assignment

1.
 - a. You may not transfer or assign any of your rights or obligations under this agreement without Harmony's prior written consent (which consent may be withheld at Harmony's absolute discretion).
 - b. Harmony may transfer or assign all and any of its rights under this agreement to any person, without requiring your consent. You agree that Harmony may disclose all information they hold about you to any such person or intended person.

Anti-money Laundering Obligations

1. Harmony and certain persons who Participate or propose to Participate in Loans to you (Affected Investors) may have initial or ongoing customer due diligence and other obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (or equivalent legislation in other countries) and related regulatory directives or guidelines. You agree promptly on request by Harmony to provide it with any information and documents that are reasonably required to

enable Harmoney or any Affected Investor to comply with those obligations. You authorise Harmoney to disclose any information or documents it holds about you (including any information or documents you provide to Harmoney under this clause 33) to any Affected Investor for this purpose.

Governing Law

1. This agreement is governed by New Zealand law. The parties submit to the non-exclusive jurisdiction of the New Zealand courts in respect of all matters arising under or in connection with this agreement.

Defined Terms

1. In Part B of this document:

Advance Account means the bank account operated by Harmoney into which funds are transferred by Harmoney from the Investor Account when an Order is accepted, and from which Harmoney at Settlement transfers funds to the relevant Nominated Account (and transfers the Establishment Fee and any Optional Service Fee payable to Harmoney's own account, and any Debt Consolidation Creditor Repayment Amount to the relevant Debt Consolidation Creditor(s));

Borrower means a natural person who has registered as a Borrower with Harmoney;

Borrower Registration means the Borrower registration process, set out on the Website;

Business Day means a day other than a Saturday, Sunday, or statutory public holiday in New Zealand;

CCCFA means the Credit Contracts and Consumer Finance Act 2003;

Collections Account means the bank account operated by Harmoney:

- a. into which Loan Repayments and other amounts payable by Borrowers are paid; and
- b. from which certain deductions, withholdings, and payments are paid to Inland Revenue and Harmoney;

Debt Consolidation means Harmoney making all or part of a Loan available for the purposes of consolidating a Borrower's existing debt and repaying one or more Debt Consolidation Creditors, on terms agreed with Harmoney and authorised by

the Borrower in the Loan Application;

Debt Consolidation Amount means the aggregate of all Debt Consolidation Creditor Repayment Amounts in relation to a Debt Consolidation;

Debt Consolidation Creditor means an existing creditor of the Borrower (which may include Harmony) to be repaid for the purposes of Debt Consolidation on terms agreed with Harmony;

Debt Consolidation Creditor Repayment Amount means the aggregate amount to be paid to a Debt Consolidation Creditor in connection with Debt Consolidation, as agreed by Harmony and authorised by the Borrower in the Loan Application;

Establishment Fee means the fee payable by the Borrower to Harmony for arranging any Loan which Settles, as set out on the Website under the "Interest Rates & Fees" section;

Harmony means Harmony Nominee Limited;

Investor Account means a trust account held by Harmony for the benefit of all Participating Investors whose funds have been deposited into that account for the purpose of investment or reinvestment in Loans or pending repayment to their nominated accounts, in accordance with their respective interests;

Loan means the Loan Amount lent by Harmony to a Borrower, using the Service, and where applicable includes the amount of all compounded and capitalised interest and fees;

Loan Amount means, as the context requires:

- a. the amount that a Borrower wishes to borrow (inclusive of the amount of the Establishment Fee payable on the Loan, and any applicable Optional Service Fee that is to be capitalised), as set out in the relevant Loan Application; or
- b. the total amount of the Loan at Settlement (inclusive of the amounts of the Establishment Fee and, if applicable, the capitalised Optional Service Fee and any Debt Consolidation Amount), as set out (or to be set out) in the Loan Disclosure;

Loan Application means the application for a Loan, which is set out on the Website;

Loan Contract in relation to a Loan means the contract under which that Loan is made, as described in clause 13;

Loan Disclosure means, in respect of any Loan, the initial disclosure required under the CCCFA which is provided to the Borrower in respect of that Loan;

Loan Repayments means, as the context requires:

- a. the monthly payments of principal and interest which will be payable by the Borrower in respect of the Loan Amount specified in a Loan Disclosure; or
- b. the monthly payments of principal and interest which are payable by the Borrower on a Loan which has Settled;

Nominated Account means the New Zealand bank account which is nominated by a Borrower from time to time as the account into which Loan advances are to be paid by Harmony for that Borrower at Settlement;

Optional Service means a service that you may opt in to when taking out a Loan;

Optional Service Fee in relation to a Loan means the fee you must pay to have the benefit of any Optional Service for that Loan, as set out on the Website under the **"Interest Rates & Fees" section**;

Order means an offer by an investor to participate in funding a Loan;

Participating Investor in relation to a Loan means an investor who provided or participated in providing funds to Harmony to make the Loan; and "Participate" has a corresponding meaning;

Related Company has the meaning given to that term in section 2(3) of the Companies Act 1993;

Relevant Person means any of Harmony Nominee Limited, Harmony Investor Trustee Limited, Harmony Limited, any related company (as defined in section 2(3) of the Companies Act 1993) of those entities, and any employee, director, officer, agent, and contractor of those entities, or such related company;

Repayment Period in relation to a Loan means the period (in months) for which the Loan has been made to you which you accepted on the website;

Service means the lending service which Harmony provides through the Website through the Wholesale Funding Model;

Settlement in relation to a Loan means the time at which Harmony advances the Loan Amount as provided in the Loan Disclosure, and Settle and Settled have corresponding meanings;

Website means the website at www.harmony.co.nz, or such other website as Harmony may from time to time operate to provide the Service; and

Wholesale Funding Model means the funding model which Harmony uses to fund loans to borrowers from investments made by wholesale lenders.

Interpretation

1. In this agreement:

- a. headings are inserted for ease of reference only, and do not affect the interpretation of this agreement;
- b. references to you or your means the Borrower(s) and includes, unless the context requires otherwise, the Primary Borrower and co-Borrower;
- c. references to the singular include the plural and vice versa;
- d. references to a person include an individual, company, corporation, partnership, firm, joint venture, association, trust, unincorporated body of persons, governmental or other regulatory body, authority or entity, in each case whether or not having a separate legal identity;
- e. reference to any party includes its permitted assignee or transferee; and any reference to Harmony includes any entity appointed to replace it under clause 25;
- f. reference to the "liability" of a person include references to its liability under any cause of action, whether in contract, tort, or equity or under any enactment;
- g. references to any document (however described) are references to that document as modified, novated, supplemented, varied or replaced from time to time and in any form, whether on paper or in an electronic form; and
- h. a reference to any legislation is a reference to that legislation as amended or replaced from time to time and includes any regulations or legislative instrument made under it.

PART C: CUSTOMER SERVICE TERMS – P2P MODEL

This Part C only applies to you if your Loan is funded through the P2P Model. It does not apply to you if your Loan is funded through the Wholesale Funding Model.

Introduction

1. Part C of this document sets out the terms on which you are able to access and use the Service. A reference in this Part C to “this agreement” means Part C of this document. If there is any inconsistency between these terms and any other terms set out on the Website, these terms will prevail (except as expressly contemplated by these terms), unless a Loan Contract exists, in which case the terms set out in the Loan Contract will prevail.
2. You acknowledge and agree that:
 - a. Harmoney Limited is authorised to provide the Service pursuant to an FMCA licence;
 - b. you may have only one Loan outstanding at any time, the Loan Amount of which will be subject to any maximum limit specified on the Website; and
 - c. you may not borrow more than \$2 million using the Service in any 12-month period.
3. In providing the Service, Harmoney will (and will procure that its Related Companies who provide any aspect of the Service will):
 - a. exercise the care, diligence, and skill that a prudent licensee for the Service would exercise in the same circumstances; and
 - b. if any aspect of the Service is contracted out, take all reasonable steps to:
 - i. ensure that those functions are performed in the same manner, and are subject to the same duties and restrictions, as if Harmoney were performing them directly; and
 - ii. monitor the performance of those functions.

Co-Borrowers

1. If your spouse or partner has registered as a Borrower (Primary Borrower) and has asked you to register as a co-Borrower, or vice versa, then:
 - a. you will each have the same rights and obligations under this agreement;
 - b. you consent to Harmony providing your personal information to the other of you; and
 - c. Harmony will be entitled to accept instructions from either of you (without reference to the other) in respect of your rights and obligations under this agreement.

Registration as a Borrower

1. In order to access and use the Service, you must register as a Borrower by completing the Borrower Registration. Harmony reserves the right not to register any person as a Borrower if that person has not completed the registration process to Harmony's satisfaction or does not meet Harmony's eligibility criteria.
2. Harmony's eligibility criteria for registering as a Borrower are:
 - a. you must be a natural person (that is, not a company, partnership, incorporated society, trust, or other legal entity);
 - b. you must be a New Zealand citizen or permanent resident, which Harmony will verify through you having a New Zealand residential address and a bank account with a registered New Zealand bank;
 - c. you must be 18 years of age or older when you register; and
 - d. you must have an acceptable credit record, as determined by Harmony at its discretion.
3. Harmony may terminate or suspend your registration as a Borrower at any time by notice to you if Harmony reasonably believes that you are not complying with the terms of this agreement or are otherwise not using the Service for its intended purpose or if the information you provide to Harmony is untrue, inaccurate, unsubstantiated or misleading and deceptive.
4. You may terminate your registration as a Borrower at any time by notifying Harmony through the Website or via 0800 HARMONEY or customer.services@harmony.co.nz.

5. If your registration is terminated or suspended, this agreement will continue to apply in respect of any Loans, Loan Contracts, and contracts for Optional Services to which you are a party when the termination or suspension takes effect.
6. Subject to clause 9, this agreement will apply to you for so long as you are registered as a Borrower.

Loan Process

1. If you want to take out a Loan using the Service, you must complete a Loan Application in which you nominate:
 - a. the proposed Loan Amount;
 - b. the Repayment Period;
 - c. if you wish to use your Loan to repay an existing creditor, details of any proposed Debt Consolidation Arrangements; and
 - d. whether you require an Optional Service for the proposed Loan.

The proposed Loan Amount must be expressed as a multiple of \$25. The amount you apply for will also include:

- i. an amount equal to the Establishment Fee that you must pay Harmony if you obtain the Loan; and
 - ii. an amount equal to any Optional Service Fee that is payable by you.
2. As part of the Loan Application, you must provide Harmony with details of your bank account with a registered bank in New Zealand, from which payments are to be made by you in respect of your Loan. By providing those details and in the event your Loan Application is successful, you agree to Harmony establishing a direct debit authority against that bank account on the terms set out in the authority accompanying your Loan Contract in relation to any amount payable by you to Harmony under any Loan Contract.
3. If Harmony approves your Loan Application for listing on the Website, it will assign a Credit Grade to your Loan Application which will state the maximum Loan Amount and the Interest Rate applicable to that application. Harmony may in its discretion specify different ranges of maximum Loan Amounts which you are approved to list for, with a different Interest Rate applicable to each such range. You may then select the Loan Amount from the information provided by Harmony.

Following this selection, your Loan Application (together with those details, including the Loan Repayments) will comprise your Loan Listing for that Loan.

4. Your Loan Listing will be published by Harmony on its investor marketplace for consideration by Participating Investors during the Listing Period. You may withdraw your Loan Listing at any time before the Loan has been Fully Funded (as set out in clause 15) by cancelling your Loan Listing on the Website.
5. Harmony (acting in its sole discretion) may either approve or decline your Loan Application. In addition, approval of your Loan Application is subject to Participating Investors being willing to fund your Loan. If your Loan is not funded within 14 days, then your Loan Application will be declined. If your Loan Application is declined, Harmony will notify you of that fact. If your Loan Application is approved and your Loan is Fully Funded before the Listing Period expires, Harmony will:
 - a. notify you of that fact; and
 - b. provide you with a Loan Disclosure setting out the key terms of the proposed Loan (as required by the CCCFA). For the purposes of section 35 of the CCCFA, you:
 - i. nominate the email address specified in the Loan Application (or such other email address as you may notify to Harmony) as the information system to which the Loan Disclosure may be sent; and
 - ii. agree that the Loan Disclosure may be provided to you by sending you an electronic communication that allows the Loan Disclosure to be accessed from a website or by means of the Internet.

If you take out any Optional Service for your Loan, the Loan Disclosure will also confirm that Optional Service. You should contact Harmony if you are not clear as to any of the information set out in the Loan Disclosure.

Loan Contract

1. Immediately after Harmony has provided the Loan Disclosure to you, a Loan Contract will come into existence under which Harmony will agree to advance the Loan Amount to you. The Loan Contract will be on the form set out on the Website under the "Legal Agreements" section when you submitted your Loan Application. For the purposes of this

agreement, the Loan Disclosure will be treated as provided to you on the day on which it is emailed to you or otherwise sent to you by electronic communication (within the meaning of section 35 of the CCCFA).

Optional Service Terms and Contracts

1. If you applied for an Optional Service in relation to a Loan, the Optional Service will be provided to you as follows:
 - a. If the terms that govern the Optional Service provide that they apply as additional Loan Contract terms, they will be part of the Loan Contract from the time that the Loan Contract comes into existence.
 - b. If the terms governing the Optional Service provide that the Optional Service will be provided under a separate contract from the Loan Contract, then a separate contract for that Optional Service will come into existence immediately after Harmoney has provided the Loan Disclosure for the Loan to you.

The additional Loan Contract terms or Optional Services contract (as the case may be) will be on the terms of the Optional Service set out on the Website under the "[Legal Agreements](#)" section when you submitted your Loan Application.

Fees and Charges payable by You

1. You must pay Harmoney an Establishment Fee for arranging each Loan made to you using the Service. The Establishment Fee will be calculated at Harmoney's rate (as notified on the Website under the "[Interest Rates & Fees](#)" section when the relevant Loan Contract is formed) and paid by you on Settlement.
2. If a Loan is advanced to you, you must pay Harmoney all fees and charges specified in the Loan Contract and Loan Disclosure (such as the account maintenance fee and any overdue fees, dishonour fees, or enforcement costs). The fees and charges applying under Loan Contracts as at the date of this Agreement are set out on the Website under the "[Interest Rates & Fees](#)" section.
3. If you take out an Optional Service, you must pay (in the manner provided in the Loan Contract) any Optional Service Fee that applies to it. The Optional Service Fees applying as at the date of this Agreement are set out on the Website under the "[Interest Rates & Fees](#)" section. You must also pay all costs that are payable by you under the terms governing that Optional Service. If you do not pay a cost for which you are responsible, Harmoney may pay it and debit the amount it paid

to your Loan account (and if that happens, you must pay that amount in full with your next Loan repayment, together with any interest that accrues on it.)

4. Harmony may from time to time introduce new types of fees or charges to be charged under or in connection with the Service, Loan Contracts, or Optional Services with effect from the time specified on the Website under the "Interest Rates & Fees" section. However, any new type of fee or charge will apply in respect of a Loan or an Optional Service only if introducing the new type of fee or charge is considered necessary as a result of a legal or regulatory development (including as a result of any legislative change or in the interpretation or application of any legislation). You must pay Harmony any such fees and charges at the rate (as specified on the Website under the "Interest Rates & Fees" section from time to time), in such manner as Harmony may notify you. Harmony will be entitled to process additional direct debit payments to cover any such fees and charges.
5. Warranties: You warrant to Harmony that:
 - a. all information you provide to Harmony is true, accurate, and complete, and there is no information which has not been provided which would impact on Harmony's decision to register you as a Borrower or to make a Loan available;
 - b. you will provide Harmony with updated information in respect of any Loan if any of your circumstances have changed from the time you submitted your Borrower Registration; and
 - c. if your residential address, email address, or telephone number changes, you will immediately provide Harmony with notice of the change and update the dashboard with your revised information.

Right to Profit

1. You acknowledge and agree as follows:
 - a. Harmony does not act as your agent in connection with the Service. For example, Harmony does not act as your agent in arranging a Loan.

- b. Harmony and its Related Companies may be paid a commission or other financial benefit by any person in connection with any Loan or the Service or an Optional Service (which may include Participating in any Loan).

Liability

- 1. You acknowledge and agree, in respect of the Relevant Persons, that:
 - a. none of the Relevant Persons will be liable in respect of any failure:
 - i. to provide the Service or otherwise to comply with this agreement, if the failure or non-compliance is caused by events beyond its reasonable control; or
 - ii. to achieve any funding in respect of any Loan;
 - b. the liability of any Relevant Person (if any) in relation to any Loan will be limited to the amount of the Establishment Fee actually received by Harmony for that Loan.

Nothing in this clause 24 or this agreement (except for clause 25) limits any rights you may have under the Consumer Guarantees Act 1993, the Fair Trading Act 1986, or any other applicable legislation.

This clause 24 is for the benefit of, and is enforceable by, each Relevant Person, in terms of Part 2, subpart 1 of the Contract and Commercial Law Act 2017.

- 1. If you are in trade, and you acquire the Service in trade, all parties agree that to the maximum extent permitted by law:
 - a. the provisions of the Consumer Guarantees Act 1993; and
 - b. sections 9, 12A, and 13 of the Fair Trading Act 1986,will not apply to this agreement.

2. You acknowledge that you do not rely on Harmony's skill or judgment as to the suitability or otherwise of the Service for your specific needs, in terms of providing a service through which you can seek to have loans funded.
3. You acknowledge that the Website may not be available at all times and that Harmony will not be liable to you for any loss of profit or opportunity (however described) arising from any inability to access the Website at any time.

Replacement of Harmony

1. Harmony may be replaced with another entity appointed to hold Loans as trustee for Participating Investors (and otherwise to act as trustee for Participating Investors). Any such change will not affect your rights and obligations under this agreement. The replacement trustee will have the same rights and obligations under this agreement as the trustee it replaces, without further action being necessary.
2. If a Harmony Servicer Default occurs, a back-up servicer will be appointed to carry out the role of Harmony under this agreement. Any such appointment will not affect your rights and obligations under this agreement. The appointed back-up servicer from time to time will have the same rights as Harmony did, without further action being necessary.

Communications and Disputes

1. You must provide notices to Harmony by mail (posted to its registered address) or by email to the email address below.
2. If you have any questions about the Service or the terms of this agreement, please contact Harmony as follows:

Phone: 0800 HARMONEY

Email: customer.services@harmony.co.nz

3. Harmony is a member of the Financial Services Complaints Limited dispute resolution scheme. If you are unable to resolve a dispute through Harmony's internal dispute resolution process, you may refer any dispute relating to the provision of the Service to that dispute resolution service, details of which are available at <http://www.fscl.org.nz/>.

4. The entries made in the accounts maintained by Harmony are, in the absence of manifest error, conclusive evidence of the matters to which they relate.

Amendments to Agreement

1. Subject to clause 21, Harmony may modify this agreement, and the way in which it provides the Service, at any time by notice on the Website under the "Legal Agreements" section. You should check the "Legal Agreements" section of the Website regularly. Any such modifications will apply from the date stated on the Website.

Assignment

1.
 - a. You may not transfer or assign any of your rights or obligations under this agreement without Harmony's prior written consent (which consent may be withheld at Harmony's absolute discretion).
 - b. Harmony may transfer or assign all and any of its rights under this agreement to any person, without requiring your consent. You agree that Harmony may disclose all information they hold about you to any such person or intended person.

Anti-money Laundering Obligations

1. Harmony and certain persons who Participate or propose to Participate in Loans to you (Affected Investors) may have initial or ongoing customer due diligence and other obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (or equivalent legislation in other countries) and related regulatory directives or guidelines. You agree promptly on request by Harmony to provide it with any information and documents that are reasonably required to enable Harmony or any Affected Investor to comply with those obligations. You authorise Harmony to disclose any information or documents it holds about you (including any information or documents you provide to Harmony under this clause 36) to any Affected Investor for this purpose.

Governing Law

1. This agreement is governed by New Zealand law. The parties submit to the non-exclusive jurisdiction of the New Zealand courts in respect of all matters arising under or in connection with this agreement.

Defined Terms

1. In Part C of this document:

Advance Account means the bank account operated by Harmony into which funds are transferred by Harmony from the Investor Account when an Order is accepted, and from which Harmony at Settlement transfers funds to the relevant Nominated Account (and transfers the Establishment Fee and any Optional Service Fee payable to Harmony's own account, and any Debt Consolidation Creditor Repayment Amount to the relevant Debt Consolidation Creditor(s));

Borrower means a natural person who has registered as a Borrower with Harmony;

Borrower Registration means the Borrower registration process, set out on the Website;

Business Day means a day other than a Saturday, Sunday, or statutory public holiday in New Zealand;

CCCFA means the Credit Contracts and Consumer Finance Act 2003;

Collections Account means the bank account operated by Harmony:

- a. into which Loan Repayments and other amounts payable by Borrowers are paid; and
- b. from which certain deductions, withholdings, and payments are paid to Inland Revenue and Harmony;

Credit Checks means the credit checks carried out by Harmony on a Borrower, either itself or through a Related Company or a third party credit reporting agency;

Credit Grade means Harmony's proprietary credit grade attributed to a Borrower, which Harmony generates based on information provided by a Borrower and otherwise obtains in respect of that Borrower (including through Credit Checks), details of which are set out on the Website under [the "Borrower FAQs" section](#);

Debt Consolidation means Harmony making all or part of a Loan available for the purposes of consolidating a Borrower's existing debt and repaying one or more Debt Consolidation Creditors, on terms agreed with Harmony and authorised by

the Borrower in the Loan Application;

Debt Consolidation Amount means the aggregate of all Debt Consolidation Creditor Repayment Amounts in relation to a Debt Consolidation;

Debt Consolidation Creditor means an existing creditor of the Borrower (which may include Harmony) to be repaid for the purposes of Debt Consolidation on terms agreed with Harmony;

Debt Consolidation Creditor Repayment Amount means the aggregate amount to be paid to a Debt Consolidation Creditor in connection with Debt Consolidation, as agreed by Harmony and authorised by the Borrower in the Loan Application;

Establishment Fee means the fee payable by the Borrower to Harmony for arranging any Loan which Settles, as set out on the Website under the "Interest Rates & Fees" section;

FMCA means the Financial Markets Conduct Act 2013;

Fully Funded in relation to a Loan Listing or a Loan means that Harmony has received sufficient Orders from Participating Investors to fund the full amount of the proposed Loan Amount as specified in the relevant Loan Listing, provided that if an Optional Service is proposed to apply to the Loan, Fully Funded means that Harmony has received sufficient Orders from Participating Investors to fund:

- a. the full amount of the proposed Loan Amount net of any Optional Service Fee that is proposed to be capitalised (so that it will be owing as part of the principal amount of the Loan); plus
- b. the full amount of any charges that are payable to Harmony for the Optional Service;

Harmony means Harmony Investor Trustee Limited, acting through its agent, Harmony Limited;

Harmony Servicer Default means the appointment of a liquidator to Harmony Limited, or Harmony Limited ceasing to be authorised to provide the Service pursuant to a Financial Markets Conduct Act 2013 licence, and that authorisation is not reinstated within 5 Business Days of its loss;

Investor Account means a trust account held by Harmony for the benefit of all Participating Investors whose funds have been deposited into that account for the purpose of investment or reinvestment in Loans or pending repayment to their nominated accounts, in accordance with their respective interests;

Interest Rate means the annual interest rate (expressed as a percentage rate per annum) which is set by Harmony in respect of a Loan Listing;

Listing Period in relation to a Loan Listing means the period from the date the Loan Listing appears on the Website for consideration by Participating Investors to the earlier of 14 days from that date and the date on which the Loan which is the subject of that Loan Listing is Fully Funded;

Loan means the Loan Amount lent by Harmony to a Borrower, using the Service, and where applicable includes the amount of all compounded and capitalised interest and fees;

Loan Amount means, as the context requires:

- a. the amount that a Borrower wishes to borrow (inclusive of the amount of the Establishment Fee payable on the Loan, and any applicable Optional Service Fee that is to be capitalised), as set out in the relevant Loan Application; or
- b. the total amount of the Loan at Settlement (inclusive of the amounts of the Establishment Fee and, if applicable, the capitalised Optional Service Fee and any Debt Consolidation Amount), as set out (or to be set out) in the Loan Disclosure;

Loan Application means the application for a Loan, which is set out on the Website;

Loan Contract in relation to a Loan means the contract under which that Loan is made, as described in clause 16;

Loan Disclosure means, in respect of any Loan, the initial disclosure required under the CCCFA which is provided to the Borrower in respect of that Loan;

Loan Listing means a listing which a Borrower lodges on the Website, and which sets out the details of a Loan which the Borrower wishes to have funded;

Loan Repayments means, as the context requires:

- a. the monthly payments of principal and interest which will be payable by the Borrower in respect of the Loan Amount specified in a Loan Disclosure; or
- b. the monthly payments of principal and interest which are payable by the Borrower on a Loan which has Settled;

Nominated Account means the New Zealand bank account which is nominated by a Borrower from time to time as the account into which Loan advances are to be paid by Harmony for that Borrower at Settlement;

Optional Service means a service that you may opt in to when taking out a Loan;

Optional Service Fee in relation to a Loan means the fee you must pay to have the benefit of any Optional Service for that Loan, as set out on the Website under the **"Interest Rates & Fees" section**;

Order means an offer by an investor to participate in funding a Loan;

P2P Model means the funding model which Harmony uses to fund loans to borrowers from investments made by retail investors;

Participating Investor in relation to a Loan means an investor who provided or participated in providing funds to Harmony to make the Loan; and "Participate" has a corresponding meaning;

Related Company has the meaning given to that term in section 2(3) of the Companies Act 1993;

Relevant Person means any of Harmony Nominee Limited, Harmony Investor Trustee Limited, Harmony Limited, any related company (as defined in section 2(3) of the Companies Act 1993) of those entities, and any employee, director, officer, agent, and contractor of those entities, or such related company;

Repayment Period in relation to a Loan means the period (in months) for which the Loan has been made to you which you accepted on the website;

Service means the lending service which Harmony provides through the Website through the P2P Model;

Settlement in relation to a Loan means the time at which Harmony advances the Loan Amount as provided in the Loan Disclosure, and Settle and Settled have corresponding meanings; and

Website means the website at www.harmony.co.nz, or such other website as Harmony may from time to time operate to provide the Service.

Interpretation

1. In this agreement:

- a. headings are inserted for ease of reference only, and do not affect the interpretation of this agreement;
- b. references to you or your means the Borrower(s) and includes, unless the context requires otherwise, the Primary Borrower and co-Borrower;
- c. references to the singular include the plural and vice versa;
- d. references to a person include an individual, company, corporation, partnership, firm, joint venture, association, trust, unincorporated body of persons, governmental or other regulatory body, authority or entity, in each case whether or not having a separate legal identity;
- e. reference to any party includes its permitted assignee or transferee; and any reference to Harmony includes any entity appointed to replace it under clause 29 or 30 (as applicable);
- f. reference to the "liability" of a person include references to its liability under any cause of action, whether in contract, tort, or equity or under any enactment;
- g. references to any document (however described) are references to that document as modified, novated, supplemented, varied or replaced from time to time and in any form, whether on paper or in an electronic form; and
- h. a reference to any legislation is a reference to that legislation as amended or replaced from time to time and includes any regulations or legislative instrument made under it.



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LENDERS

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LEGAL

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[Customer service terms](#)

Home improvements	Directors	Interest rates and fees	Privacy policy
Wedding loans	Press releases	Investment risks	Loan Contract (standard contract terms)
Car loans	Investor centre	Our collections process	Disclosure statement
Holiday loans	Careers	Auto withdraw	Unforeseen financial hardship
Education loans	Contact Us	Payment Protect	Cancellation provision
Medical expenses		Historical annual default rates	
Business loans		Scorecard 1.6	
Top Up		FATCA obligations	
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Interest rates and fees		Tax returns	
		FAQs	



Harmony Limited (FSP373486), Harmony Nominee Limited (FSP5904148) and Harmony Services Limited (FSP593769) are licensed to provide a peer to peer lending service under Part 6 of the Financial Markets Conduct Act, 2013. The conditions of these licences imposed by the Financial Markets Authority are published on www.business.govt.nz/fsp.

Harmony Limited, Harmony Nominee Limited and Harmony Services Limited are registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008.

Terms and conditions

Subject to approval and funding. Harmony's interest rates range are offered based on the individual borrower's credit assessment according to Harmony's credit scorecard. In order to be approved and list your loan you must meet Harmony's credit criteria and responsible lending requirements. Fees, charges, terms and conditions apply. 99% of loan applications are funded within 24 hours of loan terms being accepted (based on loans submitted in 2021).

Example loan. A Harmony Personal Loan of \$20,000 borrowed for 36 months with a fixed interest rate of 6.99% p.a. the total amount you would need to repay would be \$22,767 (made up of \$20,000 principal, interest of \$2,617 and a \$150 establishment fee).

You are protected by responsible lending laws. Because of these protections, the recommendations given to you about personal loans are not regulated financial advice. This means that duties and requirements imposed on people who give financial advice do not apply to these recommendations. This includes a duty to comply with a code of conduct and a requirement to be licensed.

