Terms and Conditions for Simple Business Overdrafts

Dated 17 February 2014

Terms and conditions

These products are issued by the Commonwealth Bank of Australia
ABN 48 123 123 124 AFSL 234945

CommonwealthBank

Overdraft terms & conditions
These are the terms and conditions that relate to Overdrafts. You should read and understand this section.

What happens when you sign
By signing the Letter of Offer, you are agreeing to abide by all of the terms and conditions in this document and our Business Transaction and Savings Accounts Terms and Conditions.

Code of Banking Practice
The relevant provisions of the Code of Banking Practice apply if you are an individual or a small business.

If you have a complaint
Please contact your branch manager and explain the problem.

Our staff will review the situation and, if possible, resolve it immediately. If the matter has not been resolved to your satisfaction, please contact our Customer Relations team:

- at **www.commbank.com.au/contact-us/compliments-complaints/default.aspx**
- by telephone on **1800 805 605**
- by facsimile on **1800 028 542**
- or by writing to us, care of:

  Customer Relations
  Commonwealth Bank Group
  Reply Paid 41
  Sydney NSW 2001.

When we receive your enquiry or complaint, we will investigate the cause of your concern and respond to you as quickly as possible. If we can't resolve the matter quickly, we will keep you informed of progress.

If after giving us the opportunity to resolve your complaint, you feel we have not resolved it satisfactorily, you may also lodge a written complaint with the Financial Ombudsman Service at:

Financial Ombudsman Service
GPO Box 3
Melbourne Vic 3001
Phone: **1300 78 08 08**
Fax: **(03) 9613 6399**
Email: **info@fos.org.au**
Website: **www.fos.org.au**

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A.1 General provisions

You must carry out all of your obligations on time.

A.1.1 Business Transaction and Savings Accounts Terms and Conditions

Our Business Transaction and Savings Accounts Terms and Conditions also apply to the Overdraft but to the extent that they are inconsistent with these terms and conditions, these terms and conditions prevail.

A.1.2 Drawing on your funds

If you complete our standard account authority form, you can also authorise another person to draw a cheque on the Loan Account or if the method of operation allows one person to make withdrawals using an electronic terminal.

How much can you draw down?

You can draw the full amount of the Limit, or, if we agree, any additional amount. If we provide credit over the Limit it is debited to your Loan Account but is not a waiver of our right to refuse in the future drawings in excess of the Limit. The terms of the Overdraft Contract will still apply if you draw additional funds.

When we won't provide funds

If you are in default under clause A4.1 or fail to meet any of our conditions, we don't have to provide further credit.

A.1.3 Transactions

Access to and transactions on the Overdraft:

- through CommBiz are subject to the CommBiz Terms and Conditions (where you have linked your Overdraft to your CommBiz service)
- by drawing cheques and through electronic terminals and (where you have linked your Overdraft to a signatory's NetBank service) through NetBank are subject to the Business Transaction and Savings Accounts Terms and Conditions.

A.1.4 Minimum payments to account

Each month you must deposit into your Loan Account amounts equal to or greater than the total of any interest, fees and charges debited to your Loan Account during that month. We may also require you to deposit additional moneys on demand – see clause A.1.6.

A.1.5 Overdraft Limit

Please refer to our Letter of Offer which sets out the amount of your Limit.

Annual review

We review your Limit each year to determine whether we will continue, cancel, or reduce your Limit. We will give 30 days' written notice advising you of any decision to cancel or reduce the Limit.

A.1.6 Cancelling or reducing your Limit

At any time either we or you can reduce or cancel a Limit, although you are still liable for your obligations under the Overdraft Contract. We will not provide any more credit once you or we cancel your Limit. We will notify you if we decide to cancel or reduce your Limit.

If we cancel the Limit, you must repay the full amount under the Overdraft Contract to us when we ask. If we reduce the Limit you must repay us enough of the debit balance so that the amount you owe is less than the reduced Limit.

We can require you to repay the Overdraft in full at any time. You also can repay all or part of the Overdraft at any time.

A.2 Calculating and paying interest and fees

Interest is the price you pay to use the money we lend you. This section explains how we calculate it and how you agree to pay it.

A.2.1 How we calculate interest

We start calculating interest daily from the day we lend you the money. We calculate the daily rate by dividing the Reference Rate by 365 (even in a leap year). As the interest rate is variable, it may change from day to day. We debit interest to the account monthly unless we agree on a different interest cycle. We also debit interest on the day you pay off the Overdraft.

A.2.2 Interest rates

The Reference Rate for the Overdraft is stated in the Letter of Offer. We may charge a higher interest rate on any debit balance which exceeds the Limit.

A.2.3 Default interest

You must pay us interest on any amount (including interest) which you fail to pay on the due date. We charge interest daily on the overdue amount from the due date of payment of the amount until the amount is paid.

A.2.4 Interest on unpaid interest, fees and charges

We charge to the Loan Account interest on unpaid interest, fees and charges.

A.2.5 Court orders

If any obligation to pay us an amount becomes part of a court order, we will charge interest on that amount separately, using the higher of the rate in the Letter of Offer or the rate in the court order.

A.2.6 Fees and charges

You must pay the fees and charges set out in the Letter of Offer as varied in accordance with clause A.3.2.

You must also pay:

- our usual transaction fees and charges; and
- our reasonable expenses of enforcing the Overdraft Contract and any security.

We will debit all such fees, charges and expenses to the Loan Account when they are payable by you. If no time is specified for payment, they are payable as soon as we charge or incur them.

Information on current interest rates and standard fees and charges is available on request.

A.3 Changing the Overdraft

A.3.1 Changes to interest rates

From time to time we may reduce or increase our Reference Rates. We advertise any reduction or increase in the variable Reference Rate in a leading daily newspaper no later than the day on which the change takes effect. Our variable Reference Rate is published on our website at commbank.com.au

A.3.2 Changes to terms and conditions

We may from time to time change fees and charges, interest rates and these terms and conditions. We will give you notice of the change in accordance with clause 2.6 of our Business Transaction and Savings Accounts Terms and Conditions.

A.4 If you default

This section explains how you can go into default and what happens then.

A.4.1 When are you in default?

You are in default in any of the following situations:

- you don't pay any amount owed to us on time;
- you don't keep to the other terms and conditions of this Overdraft Contract or any other contract you have with us;
- you or a guarantor become insolvent or subject to any form of administration, or a receiver or manager is appointed over any of your assets;
- you or a guarantor stop paying creditors, admit that you or they can't pay your or their debts, or stop carrying on business (or threaten to);
- anything happens that in our reasonable opinion means you will not meet your obligations under the Overdraft Contract; or
- you or a guarantor gives us incorrect or misleading information, at any time.

A.4.2 What happens when you are in default?

We may send you a default notice

If you are in default we can choose to enforce this Overdraft Contract. If we decide to do this we may give you a default notice (but we don't have to do so unless it is required by law).

What we can do

If you don't fix the default within the time specified in any notice or if we do not give you a notice, we can:

- place a stop on your account;
- cancel this Overdraft Contract;
- decide that all amounts you owe us are due immediately, without further notice;
- sue you for the money you owe us; and/or
- refuse any transactions on the Overdraft.

We can exercise these rights despite any delay or previous waiver of these rights.

A.5 Notices and communication

During the course of an Overdraft, we may have to tell you about things that have changed (such as interest rates), and you may also need to inform us of things that have changed (such as your address).

A.5.1 Keeping us informed

You must tell us if:

- you change your address or contact details
- you believe we have made an offer to you that is not specified in the Letter of Offer.

A.5.2 Sending notices

All notices to us must be in writing. You can give us notices in person at a branch, by post or by fax to the address or fax number we have provided.

We can give you a notice:

- in person
- by leaving it at your last known address
- by pre-paid post (to your last known address)
- by fax (to your last known number)
- in accordance with clause A5.3
- any other way permitted by law.

A.5.3 Notices sent by email

If you have given us your email address and agree to receive information by electronic communication, we can email notices to you directly or tell you by email that you can retrieve them from our website.

Changing your details

You can change your email address by notifying us at any time. You can also give us notice to end your agreement to receive information by electronic communication.

A.5.4 When do our notices take effect?

Unless a later effective date is shown on the notice, notices take effect:

- on the day they would be received in the ordinary course of post, if sent by post;
- at the time shown in a transmission report, if the machine creates a report showing that the fax was sent in full, if sent by a fax machine; or
- on the day the email enters the system of the host of your email address or internet service provider if sent by email.

A.6 Meaning of words

A reference in this document to:

- the singular includes the plural and vice versa;
- a document includes any variation or replacement of it; and
- anything includes the whole and each part of it.

Insolvent

A person is insolvent if:

- in the case of a natural person, the person is an insolvent under administration within the meaning of the Corporations Act 2001 (Cth); or
- in the case of a corporation, the corporation is an externally administered corporation within the meaning of the Corporations Act 2001 (Cth).

Letter of Offer

The Letter of Offer or offer document addressed to the Borrower setting out the particulars of the Overdraft and any document varying or replacing an earlier Letter of Offer.

Limit

The limit or amount set out in the Letter of Offer to which the Overdraft can be drawn.

Loan Account

An account we establish in your name for recording all transactions in connection with the Overdraft.

Overdraft

The Overdraft facility we make available under the Overdraft Contract.

Overdraft Contract

The contract which consists of the Letter of Offer and any other documents referred to in the Letter of Offer and these Terms and Conditions.

Reference Rate

The Simple Business Overdraft Rate or any other applicable reference rate referred to in the Letter of Offer as varied in accordance with clause A.3.1.

Terms and Conditions

The terms and conditions set out in this document as amended by us from time to time.

We/us/our

Commonwealth Bank of Australia ABN 48 123 123 124 and its successors, assigns and agents.

You/Your

The company, person or entity referred to in the Letter of Offer to whom we provide the Overdraft under the Overdraft Contract. If there are more than one, you means each of them separately and every two of them jointly. You includes your executors, administrators and assigns. When two or more of you are parties to the Overdraft Contract, your undertakings and agreements bind you jointly and severally. For example, we can ask any one of you to pay the full amount owing under the Overdraft Contract.

Part B: Privacy Act Acknowledgement and Consent

Privacy information

By entering into this contract, you give us permission to collect, use and exchange your information with others. This form also tells you about our privacy practices.

You must give us accurate and complete information; otherwise you may be breaking the law and we may not be able to provide you with the products and services that you require.

'you' includes individual borrowers and any person who holds office in an entity which is a borrower.

'we' means Commonwealth Bank of Australia and its agents.

'Group' means us and our subsidiaries.

'your information' means information about you or your entity (such as name and contact details), your interactions with us (such as card transactions) and your credit history (such as amount borrowed, whether you fail to make any repayments on time and information obtained from credit reporting bureaus). It may also include information about you that is publicly available, for example from public registers or social media.

What you need to know

1. Why we collect your information and what we use it for

We collect your information to identify you in accordance with the Anti-Money Laundering and Counter-Terrorism Financing Act

We also collect it to administer our customer relationships, for internal processes including risk management and pricing, to meet our obligations in relation to external payment and credit reporting systems, for our own funding arrangements, and (unless you tell us not to) to identify and tell you about products and services that may interest you.

In some cases, we collect sensitive information for specific purposes. For example, in assessing an application you make for hardship relief, we may collect information about your health.

If you do not want to receive marketing information from us, please call **13 2221**, 8am-8pm Monday to Friday.

2. Exchanging information with CRBs and others involved in credit

We exchange your information with credit reporting bodies (CRBs); other credit providers; persons who are involved in arrangements that provide funding to us; and third parties providing fraud detection services in order for us or them to:

- decide whether to accept you/your entity as a borrower or advise as to risks of acceptance;
- manage credit borrowed by you/your entity and collect overdue payments; and
- facilitate or manage funding arrangements.

In addition, you authorise us to:

- obtain a consumer credit report from a CRB to assess an application for, or collect overdue payments of, commercial credit for which you or your entity has applied;
- obtain commercial credit information about you in order to assess an application by you for consumer credit; and
- disclose to CRBs whether you have made repayments on time.

The CRBs we use are Veda – www.veda.com.au, Experian – www.experian.com.au/credit-services and Dun & Bradstreet – www.checkyourcredit.com.au. See our Privacy Policy for how to access CRB credit information handling policies and information about your rights if you suspect you may be a victim of identity fraud and regarding use by CRBs of your information for marketing purposes.

You have rights to access any credit-related information from us, to request us to correct the information, and to make a complaint to us in relation to the information.

3. Exchanging information with guarantors

You authorise us to give any current or prospective guarantor or security provider any information concerning you/your entity so that they can decide whether to act as guarantor/security provider. This includes information about any facility to be guaranteed (and any facility to be refinanced by it).

4. Other people we may exchange your information with

You authorise us to exchange your information with members of the Group who may use your information for any of the purposes we can.

We may also exchange your information with others outside the Group, for example, your employer (to verify your identity), representatives, brokers and agents who refer your business to us, our service providers, other financial institutions, debt collectors and debt purchasers and relevant public registers.

Sometimes, it may be necessary to send your information overseas – for example, where we outsource functions overseas, send information to Group members overseas, where we need to complete a particular transaction on your behalf or where this is required by laws and regulations in Australia or in another country. See our Privacy Policy for more information.

Part B: Privacy Act Acknowledgement and Consent

5. Privacy Policy and how to contact us

Please visit commbank.com.au (follow the Privacy Policy link) to view the most recent copy of our Group privacy policy, You can also obtain a copy from any branch of the Bank. Please read the policy in conjunction with this form. It tells you about:

- other ways and reasons that we and the Group may collect, use or exchange your information;
- how you may access and seek correction of your information; and
- how to complain about a breach of your privacy rights (including credit reporting rights) and our complaint handling procedures.

You can also contact us about privacy issues:

- Email – customerrelations@cba.com.au;
- Phone – 1800 805 605; or
- Mail – Write to the address in our Privacy Policy.

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