

Current Terms and Conditions for Business Finance

Issued 15 May 2020

Commonwealth Bank
of Australia



DO NOT USE – NOT CURRENT

Current Terms and Conditions for Business Finance

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PLEASE READ

It is important that *you* take the time to read and understand the *Contract*, including these *Terms and Conditions*.

WE'RE HERE TO HELP

If *you're* not completely sure *you* understand all the terms and conditions in this document, we recommend *you* get legal or financial advice. *You* can also talk to *your* relationship manager, business banker or broker, or call *us* on 13 1998.

If *you* are experiencing financial difficulty making payments under a loan, then *you*, or *your* representative, should contact *us* as soon as possible. We can then discuss *your* situation and the options available to help *you*. The sooner *you* contact *us*, the sooner we can try to help.

BANKING CODE OF PRACTICE

The Code of Banking Practice or, from 1 July 2019, the Banking Code of Practice, applies where relevant to *your* Facility if *you* are a small business as defined in the Code of Banking Practice or the Banking Code of Practice (as the case may be) or an individual.

You can obtain a copy of the Code by contacting *us* or visiting <https://www.commbank.com.au/about-us/opportunity-initiatives/policies-and-practices/banking-code-of-practice.html>

A. Conditions for all Facilities

A.1 YOUR CONTRACT WITH US

A1.1 The Contract

A1.1.1 When we offer to provide *you* with one or more *Facilities*, the contract between *you* and *us* is made up of:

- (a) this document;
- (b) the *Offer Document*; and
- (c) any other documents specified in the *Offer Document*.

A1.1.2 Except to the extent stated in these documents, other services *we* provide, such as payment or other transaction accounts or services, or access to *your Facility* using one of *our* electronic banking platforms, are governed by separate terms, not this *Contract*.

A1.2 Using this document

A1.2.1 This document is in two parts, which *you* should read together:

- (a) **Part A** covers the terms and conditions that, unless otherwise stated, apply to all *Facilities*. *You* should read all of **Part A**.
- (b) **Part B** has more details about different types of *Facilities*, including yours. *You* only need to read the sections of **Part B** which are relevant to *your Facilities*.

A1.2.2 If there are inconsistencies:

- (a) **Part B** prevails over **Part A**, and
- (b) the *Offer Document* (including any contractual documents referred to within it) prevails over both **Part A** and **Part B** of this document.

A1.3 Which sections of Part B do you need to read?

For the terms relating to:	Read this section:
Agribusiness Line of Credit	B.3
Bank Guarantee	B.5
BetterBusiness Bill Facility	B.2
BetterBusiness Loan	B.1
Bill Facility	B.2
Business Credit Card*	B.7
Business Line of Credit	B.3
Contingent Liability Facility	B.5
Corporate Charge Card	B.7
Corporate Credit Card	B.7
Foreign Bills Negotiated Facility	B.5

For the terms relating to:	Read this section:
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Export Documentary Collection	B.5
Export Documentary Credit	B.5
Import Documentary Credit	B.5
Import Documentary Collection	B.5
Insured Export Finance Facility	B.5
Market Rate Loan	B.4
Multi-Option Facility	B.6**
Overdraft	B.3
Trade Advance Facility	B.5
Trade Finance Facility	B.6**

* No longer available for sale.

** *You* should also read the sections covering *your Sub-Facilities*.

A1.4 If you are a Large Business Customer

A1.4.1 *You* are a *Large Business Customer* if:

- (a) for a *Facility* obtained before 1 July 2019, the total Limits of *your Facilities* and those of Group Members have ever been \$3million or more or *your Offer Document* says *you* are; and
- (b) for a *Facility* obtained on or after 1 July 2019, at the time that *you* obtain the *Facility*, the total Limits of all *your Facilities* and the business debts owed to *us* by Related Entities is \$3million or more (including the *Facility* applied for). In that case, when *you* obtain that *Facility* *you* will also become a *Large Business Customer* for the purposes of all *Facilities* that *you* hold (including any *Facility* previously obtained when *you* were not a *Large Business Customer*), and *you* will be told this in *your Offer Document*.

A1.4.2 If *you* take out a new *Facility* from 30 April 2018, *your Offer Document* will make it clear if *you* are a *Large Business Customer*.

A1.4.3 Some of these *Terms and Conditions* apply only to *Large Business Customers*. For example, *you* need to meet extra conditions to avoid being in *Default*.

A1.5 Declarations you make

Each time *you* sign an *Offer Document* or use a *Facility*, *you* declare that:

A1.5.1 (General declarations):

- (a) the name of each individual given to *us* is correct;

- (b) a *Security Provider* who gives us *Security* is the sole owner of the *Security Property*, or you have told us of any joint owners;
- (c) each *Security Provider* has advice from the Commonwealth Government allowing them to take an interest in the *Security Property* if required by foreign investment laws;
- (d) the *Security Property* is not, and will not become, subject to any kind of competing *Security Interest* or obligation without our prior written consent;
- (e) you are not in default on any other credit agreement and nothing has happened which may put you in default in the future;
- (f) you're not breaching any laws or obligations to anyone else by signing this *Contract*;
- (g) none of the information you have given us is incorrect, incomplete or misleading; and

A1.5.2 (for each Borrower that is a company):

- (a) the company is financially sound and not under threat of liquidation;
- (b) there are no current, pending or threatened proceedings against the company that could have a *Material Adverse Effect*, including legal actions, arbitration or administration proceedings;
- (c) the *Contract* and each transaction contemplated under it either:
 - (i) benefits the company, does not create any conflict of interest and, where a *Related Party* of a public company is involved, does not breach Chapter 2E of the *Corporations Act*; or
 - (ii) has been approved by a resolution, duly passed by the shareholders of the company; and
- (d) where a transaction contemplated under the *Contract* involves giving financial assistance to buy shares in the company, that assistance is permitted under section 260A(1) of the *Corporations Act*; and

A1.5.3 **(for each Borrower that is a trustee)**, the additional declarations in **A8.1** are true.

A1.6 Laws that apply to this Contract

The *Contract* is governed by the laws in the State or Territory of your address in the *Offer Document*.

A1.7 Counterparts

An *Offer Document* may be executed in any number of counterparts, all of which are taken together to constitute one and the same instrument.

A1.8 Our power of attorney

A1.8.1 You irrevocably appoint each of our employees separately as your attorney to:

- (a) draw, sign, accept and present *Bills* under a *Bill Facility*, either as drawer or acceptor;

- (b) change an incomplete or inaccurate *Offer Document*, as long as the change is consistent with the information or instructions you have provided;
- (c) do anything required to make the *Contract* complete and enforceable; and
- (d) endorse any negotiable instrument.

A1.8.2 You indemnify us against all costs and losses resulting from this power of attorney, except to the extent they are caused by our negligence, wilful misconduct or fraud.

A.2 SETTING UP AND USING YOUR FACILITY

A2.1 Purpose

You can only use your *Facility* for the purposes set out in your *Offer Document*.

A2.2 Cancelling your Facility before it is funded

We can withdraw our offer or cancel a *Facility* at any time before you use it if:

- (a) you don't use it within 30 days of signing the *Offer Document*;
- (b) your financial circumstances change and we reasonably believe you will not be able to meet your obligations under the *Contract*; or
- (c) the terms of a *Fixed Rate Period* have been agreed but the *Facility* is not fully funded on the expected funding date.

A2.3 Conditions you must meet before funding

You need to meet these conditions before we will allow any *Drawing*:

Conditions

Identity check	<ul style="list-style-type: none"> • We have completed all <i>Know Your Customer Checks</i> relating to you, your beneficial owners, each <i>Guarantor</i> and any <i>Authorised Representative</i>.
Information we require	<ul style="list-style-type: none"> • You've given us all the information we've asked for about the <i>Facility</i> and its use.
Default	<ul style="list-style-type: none"> • You're not in <i>Default</i> and would not be in <i>Default</i> as a result of the <i>Drawing</i>.
Security	<ul style="list-style-type: none"> • We're satisfied with the valuation and title to the <i>Security Property</i>. • You've done everything necessary to give us any <i>Security</i>. • The <i>Guarantor</i> (if we've asked for a guarantee) has not withdrawn or given notice to limit their guarantee or become an undischarged bankrupt.

Conditions

Documentation and instructions	<ul style="list-style-type: none"> We've received all relevant documents from you, in a form acceptable to us properly executed, including any Security documents, and any authority documents required to process payments to or from your accounts.
Insurance	<ul style="list-style-type: none"> You've given us evidence you have insurance which meets our requirements if we request it. We've obtained any lender's mortgage insurance we require.
Additional conditions	<ul style="list-style-type: none"> You've met any additional conditions set out in the Offer Document, including Conditions Before Funding, conditions prior to variation, or (in relation to a Drawing after the initial Drawing) Conditions After Funding (such as evidence of the value of building work completed).
Nominated Account	<ul style="list-style-type: none"> You've met the requirements in A3.3.2 and Part B regarding any Nominated Account.

A.3 COSTS AND PAYMENTS

A3.1 What you must pay

A3.1.1 Principal (not applicable for Bill Facilities)

- Your principal is the total amount we have advanced to you under your Facility, including (for Facilities under **section B.5**) under a Payment Instrument.
- You must repay the principal advanced under your Facility:
 - as set out in **Part B** and your Offer Document, and
 - in full by the final repayment date of the Facility, together with any other amounts still owing.
- We will not require you to repay the Residual Balance until the end of the Term unless you are in Default. We are under no obligation to refinance your Residual Balance.

A3.1.2 Interest

- You must pay interest on the principal and any other outstanding amounts as set out in **Part B** and your Offer Document and Account Confirmation Document.

- The Interest Rates that apply to a Facility are described in **Part B** and the Offer Document and Account Confirmation Document.
- Unless otherwise specified:
 - We start calculating interest daily from the day we lend you money. We calculate the daily rate by dividing the Interest Rate by 365 (even in a leap year).
 - We calculate your interest payments on the last calendar day of your agreed charging period (for example, each month) after processing all transactions on the Loan Account. Unless we have agreed to interest in advance payments, we charge interest and fees the next day.
 - If we agree to allow you to pay interest in advance, we charge interest for the whole Interest in Advance Period on the first day of that period. If you later pre-pay the Facility during that period, we will apply an Interest in Advance Rebate.

A3.1.3 Default Interest

- This clause does not apply to Card Facilities.
- You must pay us Default Interest on any amount, including interest, which you fail to pay on the due date.
- This does not affect your obligation to make all payments on time.
- We charge Default Interest:
 - at our default interest rate: see commbank.com.au/business/rates-fees.html; and
 - daily on the overdue amount, including interest from the due date until the overdue amount is paid.
- You must pay any outstanding Default Interest on the day you pay out the Facility.

A3.1.3A Excess Drawing Interest

- This clause does not apply to Card Facilities
- You must pay us Excess Drawing Interest on any amount which exceeds your Limit.
- This does not affect your obligation to make all payments on time.
- We charge Excess Drawing Interest:
 - at our monthly excess drawing interest rate: see commbank.com.au/business/rates-fees.html
 - daily on the overdrawn amount from the date it became overdrawn until the overdrawn amount is paid.
- You must pay any outstanding Excess Drawing Interest on the day you pay out the Facility.

<p>A3.1.4 Fees</p> <p>(a) You must pay fees as set out in Part B and your Offer Document as changed from time to time under clause A.4.</p> <p>(b) For a fee expressed as a per annum percentage, we calculate the daily rate by dividing the percentage by 365 (even in a leap year), unless otherwise specified.</p> <p>(c) We will provide you with a statement of the current standard fees, charges and interest rates applicable to your Facility, if you ask us.</p> <p>A3.1.5 Establishment and management costs</p> <p>(a) You must reimburse us for costs we incur establishing or managing your Facility, including government duties, fees, taxes and legal costs.</p> <p>(b) If we can apply for a refund or credit for costs paid by you, we'll apply for it and pay you whatever part of it is owed to you.</p> <p>(c) We will provide you with a statement of the current standard fees, charges and interest rates applicable to your Facility, if you ask us.</p> <p>A3.2 When you must pay</p> <p>(a) Your Offer Document or Account Confirmation Document sets out your repayment details, including the times you must make repayments.</p> <p>(b) Your scheduled repayments will include a portion of your principal, unless your Facility has an interest-only period.</p> <p>(c) If a repayment is due on the 29th, 30th or 31st day of the month, but a month does not have that date, it will be due on the last day of that month.</p> <p>A3.3 How you pay</p> <p>A3.3.1 Authorisation</p> <p>You authorise us to debit your Loan Account or your Nominated Account for any fees, interest, repayments, establishment and management costs, or other amounts owing under this Contract.</p> <p>A3.3.2 Direct Debit – Nominated Account</p> <p>(a) This clause A3.3.2 applies if we require you to pay, or you request us to pay, by direct debit.</p> <p>(b) At all times you must maintain an approved Nominated Account with sufficient funds and an up-to-date direct debit authority for each Facility.</p> <p>(c) Usually, the Nominated Account must be a transactional account with us that is in your name.</p> <p>(d) At our discretion, we may allow you to choose a Nominated Account in the name of a third party or with another financial institution.</p> <p>(e) You must make sure that any Nominated</p>	<p>Account has enough money to meet your payment obligations from time to time.</p> <p>(f) We can help you by taking a request to cancel the Direct Debit Request and forwarding it to the Direct Debit User on your behalf. We can also stop payments to the Direct Debit User, which will prevent all debits for that Direct Debit User from being paid from your account.</p> <p>A3.3.3 What happens if a payment is dishonoured</p> <p>(a) If a payment is dishonoured, it will be treated as if it has not been made. This may mean you default on your obligations, your Nominated Account may become overdrawn and you may incur associated fees.</p> <p>(b) We may try to collect the payment again on a later date by the same method.</p> <p>A3.3.4 We can open a payment account</p> <p>If a payment is not made on time under the Contract, you authorise us to:</p> <p>(a) debit the credit balance of any other account you have with us to wholly or partly repay the outstanding amount; or</p> <p>(b) open a payment account in your name against which we may debit any outstanding amount you owe us under the Facility, including Default Interest on the outstanding amount.</p> <p>A3.4 How we apply your payments</p> <p>If you have more than one Facility and pay more or less than the required amounts on any of them, we can decide how to apply any payment you make to your Facilities, unless you advise us how you want it applied.</p> <p>A3.5 If you cancel the Facility before funding</p> <p>If you end the Contract before we provide the Facility, we can ask you to pay the accrued fees and charges under the Contract and keep fees and charges you have already paid.</p> <p>A3.6 Amounts in foreign currencies</p> <p>(a) We provide Facilities in Australian dollars and foreign currencies approved by us (these can change based on their availability).</p> <p>(b) When you make a foreign currency payment, we'll calculate the Australian dollar equivalent at our same day value selling rate, at 11:00 am on the day we make the calculation.</p> <p>A.4 CHANGES TO YOUR FACILITY</p> <p>A4.1 Changes you and we agree</p> <p>(a) Your Contract can only be changed in writing signed by you and us, except as set out in these Terms and Conditions.</p> <p>(b) If you ask for a change to the Facility and we agree, we'll send you a new Offer Document, an Account Confirmation Document or both. We may ask you to sign the documents to confirm the changes.</p>
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A4.2 Changes we can make without your agreement

- (a) The types of changes we can make to the *Contract* without *your* agreement are listed in **the table** below with the minimum notice period and the way we'll let *you* know of the changes.
- (b) Each of the type of changes below is a separate right and this **clause A4.2** is to be read as if each change was a separately expressed right.
- (c) If *you* don't like any of the changes, *you* can cancel the *Contract* by repaying the *Facility*. *You* may have to pay fees and charges, such as an *Early Repayment Adjustment* and an *Administrative Fee*.
- (d) No notice of change is required if a particular change has already been agreed in the *Contract* (for example, the expiry of special pricing on a certain date).
- (e) We can't change a *Fixed Rate* during the *Fixed Rate Period*. However, unless otherwise agreed, *Fixed Rates* described in an *Offer Document* are indicative only until the *Fixed Rate Period* and we do not have to notify *you* of the final *Fixed Rate* before the *Fixed Rate Period* begins.

Changes table

What we can change	How we can change it	Minimum notice period	How we will notify you about the change
(i) Variable <i>Interest Rates</i> or <i>Bill Rates</i> which are not <i>Market-Linked Rates</i> . Includes reference rates, margins and premiums. Note: CBA reference rates are also published on commbank.com.au .	Increase them. ¹	If we haven't made the same change to other customers' <i>Interest Rates</i> , 30 days. Otherwise, no later than the day on which the variation takes effect.	In writing ² or by advertising in the national or local media.
(ii) Variable <i>Interest Rates</i> which are <i>Market-Linked Rates</i> . Includes reference rates and margins and premiums.	Increase them. ¹	As soon as reasonably practicable (we are not able to notify <i>you</i> of these in advance).	In writing ² or by advertising in national or local media.
(iii) Variable <i>Interest Rates</i>	<ul style="list-style-type: none"> Change the basis on which interest is calculated. Change the frequency with which interest is debited or credited. 	30 days.	In writing. ²
(iv) Fees (including any fee expressed as a percentage of <i>your Outstanding Balance</i> or <i>Limit</i> or other amount)	<ul style="list-style-type: none"> Introduce a new bank fee.¹ Increase an existing bank fee.¹ Introduce a new or change an existing government fee which <i>you</i> pay under the <i>Contract</i>. 	30 days. 30 days. <i>We won't notify you</i> about the change if the change is publicised by the government. Otherwise, <i>we</i> will notify <i>you</i> no later than the day on which the variation takes effect.	In writing. ² In writing ² or by advertising in national or local media. In writing ² or by advertising in the national or local media (if required).

(Table continues on next page)

- For example, *Facility* pricing (e.g. margins, fees and rates) may be increased for the following reasons:
 - Deterioration in credit worthiness;
 - Increases in *our* costs;
 - *Regulatory Change*; or
 - Changes in market conditions.
- If we can't reasonably contact *you*, we do not need to provide *you* with written notice and may instead rely on an advertisement in national or local media. Writing includes electronic notice under **clause A9.2**.

What we can change	How we can change it	Minimum notice period	How we will notify you about the change
(v) Repayments	<ul style="list-style-type: none"> Increase the amount or frequency of scheduled repayments. 	30 days.	In writing. ²
(vi) <i>Facility Limit</i>	Reduce or cancel the <i>Limit</i> .		As set out in Part B for the particular <i>Facility</i> .
(vii) Any other term in the <i>Contract</i>	<p>Make any change which reduces <i>your</i> obligations or extend time for payment, including reducing interest rates, fees, or scheduled repayments.</p> <p>Make any change to:</p> <ul style="list-style-type: none"> <i>Regulatory change</i>. Correct errors, inconsistencies or ambiguities. Reflect changes in technology or <i>our</i> processes, including computer systems. Include new product features or services, or changes to better meet customer needs. Add, change or remove any concessions or benefits. Bring <i>us</i> into line with <i>our</i> competitors, industry or market practice or best practice in Australia or overseas. (<i>Card Facilities</i> only), manage risks including credit risk, fraud, operational or regulatory risk as we consider necessary. <p>Make any other change which we reasonably consider is not adverse to <i>you</i> (except if <i>you</i> are a <i>Large Business Customer</i>, in which case, we can make a change whether adverse or not).</p>	<p>No later than when we give <i>you</i> the next statement of account.</p> <p>90 days if we reasonably consider the change will be adverse to <i>you</i>, except where urgent action is necessary to manage <i>our</i> risk.</p> <p>Otherwise no later than the day the change takes effect.</p>	<p>In writing² if the change is specific to <i>you</i> and not generally applicable to other customers.</p> <p>Otherwise, by advertising in the national or local media.</p>

1. For example, *Facility* pricing (e.g. margins, fees and rates) may be increased for the following reasons:

- Deterioration in credit worthiness;
- Increases in *our* costs;
- *Regulatory Change*; or
- Changes in market conditions.

2. If we can't reasonably contact *you*, we do not need to provide *you* with written notice and may instead rely on an advertisement in national or local media. Writing includes electronic notice under **clause A9.2**.

A.5 MANAGING YOUR ACCOUNT

A5.1 Appointing *Authorised Representatives*

- (a) *You* can appoint one or more *Authorised Representatives* by signing *our* usual authority and providing evidence *we* request to complete *Know Your Customer Checks*. Different authorities may be required for different instruction methods.
- (b) *Your Authorised Representatives* can agree terms for any *Facility*. For example, an *Authorised Representative* may:
- (i) authorise or cancel any transaction;
 - (ii) agree to interest rates or repayment terms;
 - (iii) request rollovers;
 - (iv) agree discount rates or the face value for bill *Facilities*;
 - (v) agree on arrangements for ending this *Contract* or any related document or agreement; and
 - (vi) obtain any information about the *Facility*.
- (c) Where there are multiple *Borrowers*, each *Authorised Representative* is authorised to act for all the *Borrowers*.
- (d) When *you* appoint an *Authorised Representative*:
- (i) *you* authorise *us* to rely on all instructions from anyone *we* reasonably believe to be an *Authorised Representative* (whether orally in person or by phone, in writing, fax, email or via one of *our* electronic banking platforms), without the need to make further enquiries; and
 - (ii) *you* release *us* from any liabilities and indemnify *us* for any losses resulting from their appointment, except those caused by *our* negligence, wilful misconduct or fraud.

The authority under this **clause A5.1** is in addition to any existing authority for *your Facility* and will not be revoked by any other authority unless *we* agree in writing.

A5.2 Cancelling or changing *Authorised Representatives*

You may cancel or change *your Authorised Representatives* by notifying *us* in writing. *We* may notify *you* *we* will no longer accept instructions from any *Authorised Representative*.

A.6 YOUR ONGOING OBLIGATIONS

A6.1 Financial information

A6.1.1 Keeping *us* informed

- (a) *You* must tell *us* if:
- (i) *you* change *your* address or contact details (including email address);
 - (ii) anyone is appointed to investigate *your* affairs or those of a *Guarantor*;

- (iii) any *Security Property* is materially contaminated or is the subject of an environmental clean-up notice; and
 - (iv) there is any material litigation, dispute or claim made against *you* or *your* business.
- (b) *You* must give *us* any information or documents that might affect any *Security Property* or *Security* if *we* reasonably request them.

A6.1.2

Keeping records and providing financial information

- (a) *You* must keep proper accounts and records, according to current laws and generally accepted practices, to give a true and fair view of *your* financial position.
- (b) At any time, *we* can ask for an audit of *your Management Accounts* or any information *we* reasonably require about *you*, *your* business or related matters. This includes information to comply with any laws (for example, anti-money-laundering laws).
- (c) *You* must give *us* copies of:
- (i) *your Management Accounts* and those of all *Related Parties* whenever *we* reasonably require them;
 - (ii) a certified copy of *your* constitution if *we* ask for it; and
 - (iii) un-audited *Management Accounts* within 35 days of the end of each month if *we* ask for them.
- (d) *You* must also give *us* this company information within 30 days if *we* ask (but *you* don't have to give *us* the information until 120 days after the end of the relevant financial year):
- (i) copies of *your* annual *Management Accounts*;
 - (ii) balance sheets and income statements for *your* directors, shareholders, proprietors and *Security Providers*;
 - (iii) monthly cash flow projections for the following financial year;
 - (iv) a list of all outstanding accounts payable and receivable, noting how long they have been outstanding; and
 - (v) a list of stock *you* hold.

A6.2

Tax reporting information

- (a) As part of Australia's international obligations to combat tax evasion, *we* may ask *you* to provide additional information about yourself, a trust settlor or beneficiaries. Until *you* provide this information, *we* may stop *you* withdrawing any credit funds.
- (b) *You* must notify *us* promptly if the information *you* provide is out of date, by calling:
- (i) From Australia: 1300 077 141 (9am – 5pm in *your* state, Monday – Friday),
 - (ii) From overseas: +61 2 9283 6096 (9am – 8pm, Sydney time, Monday – Friday). Call charges may apply.

A6.3 Financial covenants

- (a) You must comply with any *Financial Covenants* set out in any current or previous *Offer Document*.
- (b) Usually, your *Offer Document* will not contain a *Financial Covenant* unless you are a *Large Business Customer* or your *Facility* involves specialised lending, such as margin lending, foreign currency lending, or lending for property development.

A6.4 Other obligations

A6.4.1 Helping us

- (a) You agree to provide us with the assistance we reasonably require to:
- (i) ensure your *Contract* and any *Guarantees* are effective and binding;
- (ii) ensure any *Security* is enforceable, perfected and effective, with the priority we require;
- (iii) exercise rights over the *Security* or the *Security Property*;
- (iv) show you have complied with your obligations under the *Contract* or any *Security*;
- (v) help us get:
- (A) possession or control of, all negotiable instruments, marketable securities and similar instruments that are part of the *Security Property*, and
- (B) all documents of title or certificates (for example, share certificates) for the *Security Property*.
- (b) You also agree to help ensure *Security Providers* do anything we reasonably require for these purposes.

A6.4.2 Valuation

We may, not more than once every 2 years, request that the *Security Property* be revalued at your cost. If we do an inspection or valuation of the *Security Property* and we require you to pay for the inspection or valuation, a copy of the associated report can be made available to you upon request unless you are in *Default*.

A6.4.3 Maintaining insurance

If we've told you we require any insurance, you must maintain it with a reputable insurer to the level and against the risk we reasonably require, and give us evidence that you have it.

A6.4.4 Getting our consent for changes to a company

- (a) If you're a company, you must ask for our consent before:
- (i) changing your form, nature, beneficial ownership, management or *Control*;
- (ii) entering, revoking, cancelling, waiving or changing a *Cross Guarantee*; or

(iii) borrowing more than \$100,000 if it could have a *Material Adverse Effect*.

(b) You must notify us in writing within 10 days of becoming aware that:

- (i) any of these things has happened, or
- (ii) there is a proposal for any of them to happen.

(c) We won't unreasonably withhold our consent.

A6.4.5 Complying with our consents

You must comply with all the conditions in any consent we give under this *Contract*. We'll only refuse our consent or impose conditions if it's reasonable to do so.

B6.4.6 No assignment

You may not assign your rights under this *Contract* without our prior written consent.

A.7 DEFAULTING ON YOUR CONTRACT**A7.1 General obligations**

- (a) You must make sure you are not in *Default*.
- (b) Each of the following situations listed in this **clause A.7** is a separate event and this clause is to be read as if such situation was a separately expressed event constituting a *Default* under the *Contract*.

A7.2 Default – All Borrowers

You will be in *Default* if:

- (a) you miss a scheduled repayment or don't pay us an amount by the due date;
- (b) you exceed your *Limit* (whether due to *Drawings*, currency fluctuations, interest or other charges being debited to the *Loan Account*, or otherwise) and you fail to repay such amount as is necessary to reduce the *Outstanding Balance* to an amount not exceeding the *Limit*:
- (i) by the time required by these Terms and Conditions; or
- (ii) if otherwise agreed with you in writing, by the agreed time; or
- (iii) if neither (i) or (ii) apply, before the expiry of 90 days (whichever of (i), (ii) or (iii) above applies, the relevant time or date is the "due date" for the purposes of **clause A3.1.3** and the definition of *Default Interest*).
- (c) you or a *Guarantor* is *Insolvent*, goes into bankruptcy, voluntary administration, other insolvency process or arrangement, or no longer has legal capacity;
- (d) material creditor enforcement action is taken against you or a *Guarantor* or their assets;
- (e) we believe on reasonable grounds that:
- (i) it becomes unlawful for you or us to continue with the loan; or
- (ii) you or anyone else associated with the *Facility* is a *Proscribed Person*;

- (f) *you* or a *Guarantor* gives *us* information or makes a representation or warranty to *us* which is materially incorrect or misleading (including by omission) and which materially increases *our* risk in relation to a *Facility*;
- (g) *you* use the *Facility* for a non-approved purpose which materially increases *our* risk in relation to a *Facility*;
- (h) a *Security Provider's* assets are dealt with, or attempted to be dealt with in breach of the loan, or any *Security* or other agreement with *us* without *our* consent and such dealing materially increases *our* risk in relation to a *Facility*;
- (i) *you* or a *Guarantor* do not provide *us* financial information as required;
- (j) *you* or a *Guarantor* no longer hold a material licence or permit required to conduct business;
- (k) *you* or a *Guarantor* no longer have required insurance for the *Security*;
- (l) *we* decide there has been an unacceptable material change in the legal or beneficial ownership, or management or *Control* of *you* or a *Guarantor* or *your* or their business changes without *our* consent; or
- (m) in relation to a *Facility* which is a property development loan, foreign currency loan or margin loan, *you* breach a *Financial Covenant*.

A7.3 Large Business Customers

If *you* are a *Large Business Customer*, *you* will also be in *Default* if:

- (a) early repayment is required under a separate financing arrangement *you* or a *Guarantor* has with *us*, due to an event of default (however described) arising from failure to meet a payment obligation;
- (b) *you* have to repay debts of more than \$100,000 to a third party earlier than expected because of default, or *you* don't pay debts of more than \$100,000 to a third party when they are due;
- (c) *you* or a *Guarantor* stop paying creditors, admit that *you* or they can't pay bills, or stop carrying on business (or threaten to);
- (d) *you* or a *Guarantor* propose, or enter into, any arrangement with *your* creditors because of liquidity problems;
- (e) a court or any other authority issues an order or attachment notice over money *we* owe *you* or a *Guarantor* which is not set aside;
- (f) *you* breach a *Financial Covenant*;
- (g) *you* are a company and any action is taken to start the winding up or deregistration of the company;
- (h) part or all of the *Security Property* is lost, stolen, seized, damaged beyond repair or subject to a court order which could have a *Material Adverse Effect*;

- (i) *you* don't keep to the other terms or conditions of *your Contract*;
- (j) *you* or a *Guarantor* don't keep to the terms or conditions of any *Security*; or
- (k) anything happens that in *our* reasonable opinion could have a *Material Adverse Effect*.

A7.4 What happens when you are in Default

A7.4.1 If *you're* in *Default*, and it can be fixed, *we'll* give *you* notice of the *Default* and 30 days to fix it before enforcing the *Contract* (but *we* may charge *Default Interest* under **clause A3.1.3** immediately).

A7.4.2 *We* may enforce the *Contract* if *you* are in *Default* and:

- (a) it can't be fixed;
- (b) it can be fixed and *you* haven't fixed it by the time *we* have asked;
- (c) *we* are authorised by a court;
- (d) *we* have made reasonable attempts to contact *you* without success; or
- (e) *we* reasonably believe:
 - (i) *we* were induced by *your* fraud to enter the *Contract*;
 - (ii) urgent action is necessary to protect the *Security Property*; or
 - (iii) *you* have removed or disposed of the *Security Property* without *our* permission, or intend to do so.

A7.4.3 Actions *we* may take in enforcing the *Contract* include:

- (a) cancelling or suspending access to a *Facility*;
- (b) stopping payments under a *Facility*;
- (c) terminating the *Contract* and any other contract *you* have with *us*;
- (d) requiring immediate payment of the *Outstanding Balance* and any other amounts payable by *you* under the *Contract*;
- (e) seizing and selling any *Security Property* or appointing a receiver in relation to any *Security Property*; and
- (f) suing *you*.

A7.4.4 Unless *you* are a *Large Business Customer*, *we* will only act on a specific event of non-monetary default identified, if the event by its nature is material, or *we* reasonably consider the event has had, or is likely to have, a material impact on

- (a) *You* and *your* guarantor's ability to meet *your* or their financial obligations to *us*;
- (b) *Our* credit or security risk (or *our* ability to assess these);
- (c) *Our* legal or reputation risk where:
 - (i) *we* believe on reasonable grounds that *you*, *your* agent or a guarantor has not complied with the law or any requirement of a statutory authority, or it becomes unlawful for *you* or *us* to continue with the loan;

(ii) *you* or a guarantor gives *us* information or makes a representation or warranty to *us* which is materially incorrect or misleading (including by omission);

(iii) *you* use the Facility for a non-approved purpose.

A7.4.5 If we get a court order for *you* to pay *us* an amount, we will charge interest on that amount using the highest of these rates:

- (a) the rate in the court order;
- (b) the applicable statutory interest rate; or
- (c) the rate in the *Contract*.

A7.4.6 *You* must pay *us* any reasonable expenses we incur in enforcing the *Contract*, including any *Break Cost*. We can set off any amount we owe *you* now or in the future against any amount *you* owe *us*.

A7.5 Evidence of your current balance

A written statement signed by one of *our Authorised Officers* can be used as evidence of the current balance of *your Facility*, unless *you* decide to contest the statement in court.

A.8 TRUSTEES

A8.1 Declarations

If *you* are a trustee of a trust, *you* confirm:

- (a) any other trustees of the trust are *Borrowers* under this *Contract*;
- (b) *you're* also entering the *Contract* in *your* personal capacity;
- (c) *you* have the power under the trust deed and all the necessary authorisations to enter into the *Contract* and observe *your* obligations under it;
- (d) *you* have a right to be fully indemnified for all *your* obligations under the *Contract* out of the property *you* hold on trust;
- (e) the trust is validly constituted and has not been terminated;
- (f) either:
 - (i) there is no conflict of interest affecting *you* as trustee, *your Related Parties* or directors preventing *you* entering into or performing *your* obligations under the *Contract*; or
 - (ii) the trust deed permits *you* to enter into and perform *your* obligations under the *Contract* despite any conflict of interest that may affect *you*, *your Related Parties* or directors;
- (g) the trust fund is sufficient to satisfy *your* right of indemnity;
- (h) *you* are not in default under the trust deed and no action has been taken or proposed to terminate the trust;
- (i) *you* have complied with *your* trustee obligations, and *your* directors and officers have complied with their obligations, if the trustee is a company;
- (j) *you* have taken every necessary action to be authorised to execute the *Facility* and perform *your* obligations under the *Contract*;

(k) executing the *Contract* is not a breach of trust on *your* part; and

(l) *our* rights under the *Contract* have priority over the interest of the beneficiaries of the trust.

A8.2 What you agree to do

You agree to:

- (a) give *us* a copy of the trust deed and any other documents setting out the terms of the trust when we ask or when they change;
- (b) exercise or hold for *us* *your* right of indemnity from the trust fund and the beneficiaries when we ask *you* to do so, so *you* can pay *us* any money owed under the *Contract*;
- (c) observe and perform *your* obligations as trustee of the trust; and
- (d) ensure any successor trustee complies with these *Terms and Conditions*.

A8.3 What you agree not to do

Without *our* consent, *you* will not do anything to:

- (a) retire or be removed as trustee;
- (b) allow additional trustees to be appointed;
- (c) terminate the trust or vary the trust deed in a way that affects *your* ability to fulfil *your* obligations under the *Contract*;
- (d) re-settle the trust fund or determine a vesting date; or
- (e) limit *your* right of indemnity from the trust fund for actions *you* take to fulfil *your* obligations under the *Contract*.

A.9 NOTICES

A9.1 How to send us notices

All notices *you* send *us* must be in writing. *You* can send *us* notices by:

- (a) delivering them to the branch; or
 - (b) post, fax or email,
- using the contact details in *your Contract*.

A9.2 How we will contact you

A9.2.1 Notice methods

We can give *you* a notice:

- (a) in person at a branch;
- (b) by delivering or posting it to *your* last known address;
- (c) by faxing it to *your* last known fax number;
- (d) if we are permitted by law and the Code of Banking Practice or the Banking Code of Practice (as the case may be):
 - (i) by emailing it directly *your* last known address;
 - (ii) by notifying *you* that *you* can view it on *our* website or online banking platform; or
 - (iii) by advertising in the national or local media if this is permitted under **clause A4.2**; or
- (e) in any other way permitted by law.

A9.2.2 When a notice takes effect

Unless a later date is set out in the notice, *our* notices to *you* take effect as follows:

Notices sent by	Take effect
Post	On the day they would normally be received.
Fax	At the time shown on a transmission report showing the fax was sent in full.
Email	On the day the email is received by <i>your</i> email host or internet service provider.
Making it available online	On the day the notice advising <i>you</i> it is online takes effect.
Advertising in media	On the day the advertisement appears in the media.

Notices are considered fully effective even if, at the date of the service, *you* are:

- lacking in mental capacity;
- deceased;
- bankrupt;
- Insolvent*;
- absent from *your* usual residence;
- a corporation in liquidation or which has had an administrator or receiver appointed; or
- are incapable of accessing *your* email, or the online information, as relevant; or
- are unable to receive or view the advertisement in the media.

A.10 OUR RIGHTS, REVERSED PAYMENTS AND REFUSAL OF SERVICE

A10.1 Exercising our rights

A10.1.1 We can enforce this *Contract* before or after we enforce *our* rights under any *Security*. If we don't exercise a right fully or at a given time, we can still exercise it later, unless we have expressly agreed not to or it would be unconscionable.

A10.1.2 *Our* rights and obligations under this *Contract*:

- can be exercised by any of *our* *Authorised Officers*, lawyers or agents;
- are in addition to other rights provided by law independently of the *Contract*; and
- can be assigned or otherwise dealt with at any time and in any way we consider appropriate.

A10.1.3 If we notify *you* that we have assigned *our* rights under this *Contract* to an assignee, *you* can exercise the same rights against the assignee as against *us*.

A10.2 Liability for loss

We're not liable for loss caused by exercising,

trying to exercise, failing to exercise, or delaying exercising a right under this *Contract*, unless the loss is caused by *our* or *our* receiver's negligence, fraud or willful misconduct.

A10.3 Exclusions

- Unless the law doesn't allow it, any law that limits *our* rights under this *Contract* is excluded.
- The rights we have under this *Contract* are independent of the rights we have under any *Security*, or *our* rights under the law. We can exercise them even if we get an order or judgment against *you*.

A10.4 Returns and mistaken payments

We may be obliged or may reasonably agree to refund a payment if ordered by a court or if a trustee in bankruptcy, a liquidator or someone else asks *us* to do so (for example, as a result of a mistaken payment). If that happens, we may return the funds to the relevant party without giving *you* notice and treat the original payment as if it had not been made for the purpose of this *Contract*, any *Security* or any *Guarantee*. We may also stop *you* withdrawing the relevant amount.

A10.5 When we can refuse to serve you

A10.5.1 If we believe *you* or *your* *Authorised Representative* may be a *Proscribed Person*, we may immediately:

- refuse to process any of *your* transactions;
- stop providing a product or service to *you*; or
- refuse to use, deal with or facilitate any assets of *yours* held by *us*.

A10.5.2 We're under no liability to *you* if we do any, or all, of these things in good faith.

A.11 MEANINGS OF WORDS

A11.1 Interpretation

- A reference in this document to:
 - the singular – includes the plural and vice versa;
 - a document – includes any variation or replacement of it;
 - law – means common law, principles of equity, and laws made by parliament (including regulations and other instruments under laws made by parliament and consolidations, amendments, re-enactments or replacements of any of them);
 - a thing – includes the whole and each part of it; and
 - 'includes', 'including' or an 'example' is without limitation.
- If a *Contract* references a defined term which is not listed in these *Terms and Conditions*, its meaning is as it was defined in the last version of the *Terms and Conditions* which included that definition.

A11.2 Understanding Financial Covenants

Following is an explanation of some terms used in common *Financial Covenants*.

Aggregate Facility Limit or AFL

- (a) Your *Offer Document* may set out an *Aggregate Facility Limit*, which is the maximum amount we are willing to lend you across all of your *Facilities*.
- (b) Over time, your *Aggregate Facility Limit* decreases by the amount of the loan principal you have paid off. If the total amount owing under your *Facilities* exceeds your *Aggregate Facility Limit* at any time, you must immediately repay the amount over that limit.

Business Asset Ratio

The ratio of:

- (a) the sum of each *Group Member's Qualifying Current Assets*, cash and short-term deposits and investments, to
- (b) the sum of each *Group Member's Creditors*.

Credit Exposure Limit or CE

- (a) The *Offer Document* may include a *Credit Exposure Limit*, which is the maximum amount we are willing to lend you across all of your *Facilities*, depending on the *Value of Qualifying Current Assets*.
- (b) It is calculated as a percentage of the *Value of Qualifying Current Assets* set out in your *Offer Document*.
- (c) If the value of your qualifying *Current Assets* falls below the VQCA at any time, your *Credit Exposure Limit* will also fall. If this happens, you must immediately repay any amount over the *Credit Exposure Limit*.

Creditors

The total value of money owed by you to others, including trade creditors and *Sundry Creditors/Accruals*.

Current Assets

The sum of each *Group Member's* total current assets, less the amount of any loans receivable within 12 months from beneficiaries, shareholders, directors or *Related Parties*.

Current Liabilities

The sum of each *Group Member's* total current liabilities, less the total amount of any loans payable within 12 months to any beneficiaries, shareholders, directors or *Related Parties*.

Current Ratio

The ratio of:

- (a) *Current Assets*, to
- (b) *Current Liabilities*.

Debt Service Coverage Ratio

The ratio of:

- (a) *Earning Before Interest, Tax, Depreciation*

and *Amortisation* (EBITDA) PLUS non-recurring expenses MINUS non-recurring income, to

- (b) principal and *Interest Expense*.

Earnings Before Interest

The sum of each *Group Member's Net Profit* plus *Interest Expenses*, for the *Reporting Period*.

Earnings Before Interest and Tax

The sum of each *Group Member's Net Profit Before Tax* plus *Interest Expenses*, for the *Reporting Period*.

Earnings Before Interest, Tax, Depreciation And Amortisation (EBITDA)

For the *Reporting Period*, the sum of each *Group Member's*:

- (a) *Net Profit Before Tax* from their business operations, plus
- (b) *Interest Expenses*, *Depreciation Expense* and *Amortisation*.

Environmental Law

A law regulating or otherwise relating to the environment, including but not limited to:

- (a) any law relating to land use or planning, pollution of air or water, soil or ground water contamination, chemicals, waste, use of dangerous goods, or to any other aspect of protection of the environment or persons or properties; and
- (b) any statute now or in the future in force relating to heritage places, clearing land within the boundaries of catchment areas and water reserves and the protection and management of natural vegetation.

Interest Coverage Ratio

The ratio for the *Reporting Period* of:

- (a) the sum of *Net Profit Before Tax* and *Interest Expense*, to
- (b) *Interest Expense*.

Interest Expense

The total interest paid or accrued for any finance or other financial accommodation granted to any *Group Member*.

This includes any:

- (a) fees and charges (including commitment, utilisation and non-utilisation fees of a regular and recurring nature calculated as a percentage fee of the limit or balance) for any finance or other financial accommodation including any guarantee, indemnity or *Letter of Credit* under any bill of exchange, promissory note or discounting arrangement, and
- (b) finance charges under any hire purchase or lease agreements for which a *Group Member* is actually or contingently liable.

Liquidity Ratio

The ratio of:

- (a) the sum of *Current Assets* and the amount of the financial accommodation we've made available to *you*, less the actual or contingent amount outstanding, to

(b) *Current Liabilities*.

Net Profit Before Tax

Each *Group Member's* gross sales/revenue from normal operating activities, less any allowable discounts and total expenditure (brought to account on an accrual basis).

Net Worth

The sum of each *Group Member's Total Tangible Assets* less their *Total External Liabilities*.

Non-Tangible Assets

Intangible assets including, but not limited to, goodwill, copyright, patents and licences.

Property Development Budget

A document that details the total development costs, sales income and the cash flow timing of the development costs and sales income to determine the feasibility of and funding requirement for the project.

Total development costs are on a GST-exclusive basis and include acquisition costs, design/council costs, building/construction costs, holding costs, fixed selling costs, interest capitalisation and construction/project contingency. Sales income includes the gross realisations of the project less allowance for GST and sales commission.

Qualifying Current Assets

The total of:

- (a) accounts receivable of less than 91 days standing
- (b) finished goods, work in progress and raw materials, excluding goods:
- (c) declared in writing by *us*, or by the *Group Member* who owns the goods, to be obsolete, and
- (d) which are subject to any claim by a *Group Member's* supplier.

Quick Asset Ratio

The ratio of:

- (a) *Current Assets* less *Total Inventory*, to
- (b) *Current Liabilities*.

Reporting Period

- (a) Any period we define as the reporting period, which we notify *you* of in writing.

Sundry Creditors/Accruals

- (a) Amounts due and payable within the next 12 months by a *Group Member* to any third party. This does not include trade creditors or loans to two or more shareholders, directors or related parties.

Total Interest Bearing Debt

- (a) The aggregate amount of money borrowed or raised by each of the *Group Members* or

financial accommodation made available to any *Group Member* which incurs *Interest Expense*.

- (b) This excludes any loans to a *Group Member* from beneficiaries or from shareholders, directors or related parties.

Total Inventory

The sum of each *Group Member's* finished goods, work in progress, and raw materials.

Total Liabilities

The sum of each *Group Member's* total current and non-*Current Liabilities*.

Total Assets

A *Group Member's* total *Current Assets* and non-*Current Assets*.

Total External Liabilities

- (a) *Total Liabilities* (*Current* and non-*Current Liabilities*), less any loans to a *Group Member* from beneficiaries or from its shareholders, directors or related parties.

- (b) This doesn't include loans to a *Group Member* from beneficiaries or its shareholders, directors or *Related Parties* who are subordinated under a deed of subordination in favour of *us*, in respect of the *Facility*.

Total Liabilities

The sum of each *Group Member's* total current and non-*Current Liabilities*.

Total Revenue

- (a) The total of Gaming Machine Commissions or gaming machine net takings, plus all other revenue.
- (b) This includes bar takings and catering, commissions, interest and rent received and sundry income, but excludes abnormal and extraordinary items.

Total Tangible Assets

Total Assets less:

- (a) the sum of each *Group Member's* Non-*Tangible Assets*, and
- (b) any loans by a *Group Member* to beneficiaries or to its shareholders, directors or *Related Parties*.

Total Wages to Total Revenue

Total wages as a percentage of *Total Revenue*.

Value of Qualifying Current Assets (VQCA)

The sum of each *Group Member's* *Qualifying Current Assets* at a point in time.

A11.3

Definitions

In this *Contract*, the following words have the meanings given below:

Account Confirmation Document

A document we prepare to supplement an *Offer Document* which is issued after the *Facility* is funded, or after a change to *your Facility* which

sets out applicable details of the *Facility* or *Loan Account*, including of the:

- (a) date of the first and subsequent *Drawdown* or funding;
- (b) *Interest Rate*;
- (c) repayment details;
- (d) interest charging frequency; and
- (e) *Fixed Rate Period*,

which are not known at the time we issue the *Offer Document*.

Later *Account Confirmation Documents* prevail over earlier *Account Confirmation Documents* and the *Offer Document* to the extent of any inconsistency.

Administration Fee

The fee you pay us to cover our administrative costs relating to the *Pre-payment* of a fixed rate BetterBusiness Loan or a fixed rate Bill Facility.

The fee amount is set out in the *Offer Document*.

Authorised Officer

Our officers who meet the definition of ‘officer’ in the *Corporations Act*.

For example, those with ‘manager’ or ‘executive’ in their position title.

Authorised Representatives

Any of your representatives or any *Person* other than you who draws bills under the *Bill Facility* who have been identified in an authority to us including any *Person* referred to as an:

- (a) ‘Authorised Signatory’ on one of our standard forms of authority for business accounts; or
- (b) ‘Authoriser’ in one of our standard forms of authority for operation on Facilities using CommBiz.

BBSY

See Bank Bill Swap Bid Rate (BBSY).

Bank Bill Swap Bid Rate (BBSY)

A benchmark interest rate that we use to determine an interest rate on a given day, to establish a *Facility* we provide to you.

The BBSY we use is the bid rate shown at approximately 10.10 am (Sydney time) on the ‘BBSY’ page of the Reuters Monitor System, on the first day of the relevant Interest Period. It is expressed as a percentage per annum and rounded to four decimal places.

If, for any reason, the BBSY rate is not available from the Reuters Monitor System, we refer to rates quoted by the Reference Banks for the purchase of a bill with a face amount and term which is equal to, or approximately equal to, the *Facility* Limit.

We use the rates that are quoted at or about 10.30 am (Sydney time) on the first day of the relevant Interest Period. We then take the arithmetic mean (rounding upwards, if necessary, to four decimal places, and disregarding the highest and lowest rates quoted).

If fewer than two Reference Banks are willing to provide quotes, we use the rate reasonably

determined by us to be cost of funds in prevailing market conditions.

For this definition ‘Reference Banks’ are:

- (a) National Australia Bank Limited;
- (b) Westpac Banking Corporation;
- (c) Australia and New Zealand Banking Group Limited; and
- (d) other banks or financial institutions as we may agree with you.

Bill

A bill of exchange (other than a cheque) for the purposes set out in the *Bills of Exchange Act 1909*. For **Part B.5**, this includes a draft or a foreign *Bill*.

Bill Facility

The *Facility* made available under the *Contract* and by which you may raise money by having *Bills* discounted.

Borrower

Each *Person* named as the ‘Borrower’ in the *Offer Document*.

If there is more than one borrower, the singular term is still used but refers to any combination of one or more borrowers.

IRRM Break Cost

For a *Contract*, this is any costs or losses calculated in accordance with any requirements in **Part B** associated with:

- (a) liquidating or redeploying deposits or other amounts from third parties that were arranged or acquired for funding the *Contract*;
- (b) pre-paying or ending any *Facilities* that were entered into to fund the *Contract*. This may include the difference between:
 - (i) the return we would have received under the *Contract* if it hadn’t ended early; and
 - (ii) the return we receive by re-investing the principal we recover on early termination.

Business Day

Any day which is not a Saturday, Sunday, or public holiday, special holiday or bank holiday in the relevant location.

For the payment or purchase of a currency other than AUD, the location is the principal financial centre of the country of that currency. Otherwise, the location is Australia.

Card Facility

A *Facility* to which **section B.7** applies.

Conditions After Funding

Any conditions, covenants or undertakings that you must observe after the *Facility* is funded. These are set out in the ‘Conditions After Funding’ section of the current and any previous *Offer Document*.

Conditions Before Funding

Any conditions that you must observe before the *Facility* is funded. These are set out in the ‘Conditions Before Funding’ section or ‘Conditions Prior to Funding’ of any *Offer Document*.

Contingent Liability Instrument

- (a) bank guarantee;
- (b) documentary letters of credit;
- (c) standby letters of credit;
- (d) air waybill and consignment notes endorsed by us; or
- (e) a letter of guarantee or indemnity.

Common Maturity Pool Date

A date we set when the pool constituted by aggregating *Fixed Rate Facilities* or *Bill Facilities* is due for repayment in full. This is a date within one calendar month on either side of the maturity date set out in the *Offer Document*.

Contract

The contract between you and us. It consists of:

- (a) these *Terms and Conditions*;
- (b) the *Offer Document* you sign; and
- (c) any other documents referred to in an *Offer Document* as comprising part of the *Contract* for a *Facility*.

If your *Facility* was entered into before 30 April 2018, it includes any documents that formed part of your *Contract* before that date.

Control

The power to directly or indirectly govern an *Entity's* financial and operating policies in order to obtain benefits from its activities, as defined in *Accounting Standard AASB 1024: Consolidated Accounts* (or, if applicable, *Australian Accounting Standard AAS 24: Consolidated Financial Reports*).

Corporations Act

Corporations Act 2001 (Cth).

Cross Guarantee

A guarantee or other instrument in connection with the granting by ASIC of an order under the *Corporations Act* giving relief to a corporation's directors from the law's requirements as to accounts and reports.

Default

Circumstance of default as described in the *Contract*.

Default Interest

The interest you pay us on any amount, including interest, which you fail to pay on the due date.

Drawdown or Drawing

The action taken when you use money under, access credit under, draw a *Bill* under, or we issue a *Contingent Liability Instrument* under, a *Facility*.

Early Repayment Adjustment

The adjustment we may make when:

- (a) in relation to a *Loan* or *Bill Facility* with a *Fixed Rate*:
 - (i) you make a full or partial *Pre-payment*;
 - (ii) we require you are required to make a partial or full repayment due to a reduction or cancellation of the *Limit*;

(iii) you fail to draw a *Loan* with a fixed *Interest Rate*; or

(iv) you change the *Fixed Rate Period*, repayment amounts, repayment frequency, interest rate or repayment type.

(b) in relation to a *Market Rate Loan Account*, you make a payment or we require you to make a payment other than on a *Reset Date*.

This is our reasonable estimate of our loss as set out in the relevant section of **Part B** for your *Facility*.

Entity

Any legal, administrative or fiduciary arrangement, organisational structure or other party (including a *Person*).

Excess Drawing Interest

The interest you pay us on any amount which exceeds your *Limit*.

Facility

The finance and other forms of financial accommodation we make available to you under the *Contract*, as set out in the *Offer Document* and (if applicable) an *Account Confirmation Document*. Includes any *Master Facility* and any *Sub Facility*.

Financial Covenant

Any condition set out in an *Offer Document* that:

- (a) is identified as a *Financial Covenant*; or
- (b) requires compliance with a financial indicator or financial benchmark, such as any described in **A6.3**.

Fixed Rate Facility

A *Facility* conducted at a *Fixed Interest Rate* or *Fixed Bill Rate*.

Fixed Rate Period

The period for which an *Interest Rate* or *Bill Rate* is fixed, described in the *Offer Document* or *Account Confirmation Document*.

Group Member

In relation to you means you and each other entity for which we administer a customer service relationship as a group as determined by us and includes co-account holders, related entities, associates, guarantors and *Security Providers*.

GST

Any Goods and Services Tax (or similar tax). It includes any related additional tax, interest, penalty, fine or other charge.

Guarantee

A guarantee provided in relation to obligations under the *Contract*.

Guarantor

Each *Person* other than any *Borrower* nominated to grant a *Security*, or who is nominated to provide a guarantee or named as 'Guarantor' in an *Offer Document*. This includes the *Guarantor's* executors, administrators and assigns.

Insolvent

In respect of a *Person*, means the happening of any of these events:

- (a) the *Person* is, or makes a statement which leads us to reasonably conclude they are, insolvent under administration or insolvent (each as defined in the *Corporations Act*);
- (b) the *Person* has had a controller appointed over any of its property, is in any form of liquidation, is under administration or is wound up;
- (c) the *Person* is subject to any arrangement, assignment, moratorium or composition, is protected from creditors under any statute, or is dissolved, (other than to carry out a reconstruction on terms approved by us);
- (d) an application or order has been made (and, in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in connection with the person, which is preparatory to or could result in any of the things referred to above;
- (e) the *Person* is taken under the *Corporations Act* to have failed to comply with a statutory demand;
- (f) a court would presume the person to be insolvent or unable to pay the person's debts or the *Person* is otherwise unable to pay the person's debts when they fall due; or
- (g) something having a substantially similar effect to any of the things referred to above happens to the *Person*.

Interest in Advance Period

The period when interest is payable in advance.

Interest in Advance Rebate

If you pre-pay a *Facility*, we may give you a rebate on any interest you paid in advance. We calculate this by:

- (a) taking the amount you have pre-paid;
- (b) multiplying it by the *Facility Interest Rate* and the number of days left in the *Interest in Advance Period*; and
- (c) dividing the result by 365.

Interest Rate

An annual rate of interest, including any margin or premium, charged under the *Contract*.

Know Your Customer Checks

The customer identification procedures and customer due diligence we are obliged to undertake under the law in relation to customers and account signatories and mortgagors.

Large Business Customer

A Borrower who meets the criteria in **clause A1.4**.

Letter of Confirmation

An *Account Confirmation Document* so entitled.

Letter of Credit

A letter issued from one bank to another that guarantees payments to a particular Person under specified conditions.

Letter of Offer

An *Offer Document*.

Letter of Variation

An *Offer Document* so entitled which varies the *Contract*.

Limit

The largest amount made available through the *Facility*, as set out in the *Offer Document*.

Loan

A *Facility* under which we lend you money.

Loan Account

An account we set up in your name to record transactions for your *Facility*.

Management Accounts

The profit and loss accounts and balance sheets on an individual and consolidated basis, for you and your *Related Parties*, for a specific period.

This also includes:

- (a) any statements, reports and notes that are attached to, or intended to be read with, the profit and loss accounts or the balance sheets or both;
- (b) any directors' statements and reports and auditor's reports, without limitation; and
- (c) any other associated records we reasonably require.

Market-Linked Rate

An *Interest Rate* or a *Bill Rate* which is linked to money market rates or external reference rates, such as:

- (a) *BBSY*;
- (b) *Bill Rate* (referred to in **section B.2** Bill Facilities);
- (c) *CBA Bill Rate* (referred to in **section B.2** Bill Facilities); and
- (d) *Variable Market Rate* (referred to in **section B.4** Market Rate Loans) *CBA Market Rate* (referred to in **section B.4** Market Rate Loans).

Material Adverse Effect

Something that, in our reasonable opinion, adversely changes:

- (a) your ability to perform your obligations under the *Contract* or a *Security*;
- (b) the value of, or the amount that may be recovered on the sale of, a *Security Property*; or
- (c) our rights and remedies in relation to any *Security*.

Nominated Account

A transaction bank account that we approve under **clause A3.3.2** and from which we are authorised to draw your repayments or other amounts payable by you under the *Contract*.

Offer Document

The document we prepare that sets out the details of a *Facility* which:

- (a) references these *Terms and Conditions*, or a variation of them, and
 - (b) records the details of the *Contract* or variation.
- Offer Documents* are to be read cumulatively, with later *Offer Documents* having precedence over earlier *Offer Documents* to the extent of any inconsistency.

Outstanding Balance

The balance of all unpaid amounts which have been charged to the *Facility*, including principal, accrued interest and accrued fees.

Payment Instrument has the meaning given to it in **clause B5.9**.

Person

Includes:

- (a) an individual;
- (b) an individual acting on behalf of a firm;
- (c) a body corporate;
- (d) an unincorporated association; and
- (e) an authority.

Pre-payment

A payment that *you* make before it is due.

Proscribed Person

A *Person* who appears to *us* to be (or is acting on behalf of, or for the benefit of a *Person* who is or appears to be):

- (a) a proscribed person or Entity under the Charter of the United Nations Act 1945 (Cth) or the Autonomous Sanctions Act 2011 (Cth) and associated regulations;
- (b) in breach of the laws of any jurisdiction relating to money-laundering or counter-terrorism; or
- (c) on a list of people with whom dealings are proscribed by the government or a regulatory authority of any jurisdiction.

Regulatory Change

A change required by law, or the Banking Code of Practice or to implement or adopt a decision, recommendation, regulatory guidance of any court, tribunal, Australian Financial Complaints Authority service or an industry regulator.

Related Entity

'Related Entity' as defined in section 9 of the Corporations Act 2001 (Cth).

Related Party

Any *Entity* that:

- (a) has *Control* or significant influence over *you*;
- (b) is subject to *Control* or significant influence by *you*; or
- (c) is subject to the *Control* of any *Entity* which has *Control* over *you*.

In this definition:

- (a) a trust may be a *Related Party*, and
- (b) 'significant influence' means the capacity of an *Entity* to substantially affect the financial and/or operating policies of another *Entity*.

Repayment Schedule

For a *Loan Account* or a *Facility*, the schedule *we* issue that sets out *your* scheduled repayments.

Residual Balance

The principal amount specified as the *Residual Balance* in the *Offer Document* for a *Facility*.

Security

Any *Security Interest* for *your* obligations, or those of a *Guarantor*, under a *Contract* or associated guarantee. This includes any proposed *Security* to which *we* have agreed. In an *Offer Document*, 'Security' also includes *Guarantee*.

Security Interest

A mortgage, charge or other encumbrance in relation to real property or an interest in relation to goods or other personal property, a charge, consignment, pledge, transfer of title or assignment that in substance secures payment or performance of an obligation under a contract or a guarantee.

Security Property

Property provided as collateral under a *Security*.

Security Provider

A *Person* who provides:

- (a) a *Guarantee* for the *Contract*, or
- (b) *Security* for the *Contract* or *Guarantee*.

This includes any proposed *Security Provider* to which *we* have agreed.

Term

The duration over which *Facility* or *Loan* repayments are to be made, as described in the *Offer Document* and the *Account Confirmation Document*.

For a fixed term *Facility*, it starts on the date the *Loan* is funded. For a revolving *Facility* with an indefinite term, it starts on the date the *Limit* is implemented.

Terms and Conditions

The terms and conditions set out in this document (the 'Current Terms and Conditions for Business Finance').

Trade Advance

An advance which provides short-term finance for domestic and overseas import and export transactions. It's an advance of money for a fixed term at a fixed *Interest Rate* set at start of the *Loan*.

Transaction Tenor

The period of time before a payment obligation falls due or otherwise matures.

we or us and our

Commonwealth Bank of Australia (ABN 48 123 123 124 Australian Credit Licence 234945) and its respective successors and assigns.

you and your

Any *Person* who agrees to be bound by the *Contract*. If there are more than one of *you*, 'you' means each of *you* separately and every two or more of *you* jointly. 'you' also includes *your* executors, administrators and assigns.

B. Conditions for Specific Facilities

B.1 BETTERBUSINESS LOANS

B1.1 Setting up and using your loan

B1.1.1 Drawing down on *your* Loan

- (a) *You* can borrow up to the *Facility Limit*.
- (b) Unless *we* agree otherwise, *you* must draw down the entire *Loan* amount in a single lump sum within three months of the date of the *Offer Document*. After that, *your Limit* is reduced to the current *Loan* amount.
- (c) If *we* agree that *you* can progressively draw down more than one amount and two years have passed since the offer, *we* may reduce *your Limit* to the current *Loan* amount.
- (d) If *you* don't draw funds within agreed timeframes, or *you* don't comply with conditions for extending *your* time to draw the *Loan*, *we* may cancel the undrawn *Facility*.

B1.1.2 Redrawing Special Repayments

- (a) Special repayments are repayments *you* make on a *Variable Rate Loan* in addition to *your* scheduled repayments.
- (b) *We* may:
 - (i) allow *you* to redraw special repayments up to the *Available Redraw Balance*;
 - (ii) require *you* to make a repayment/redraw request in a particular way; and
 - (iii) set minimum redraw amounts.
- (c) *Your* full *Available Redraw Balance* is available at *our* discretion.
- (d) *We* may cancel *your Available Redraw Balance* at any time and notify *you* after the event.
- (e) Redraw is not available on *Fixed Rate Loans*.

B1.2 Costs and payments

B1.2.1 Interest

- (a) Interest
 - (i) For each day there is an *Outstanding Balance*, *you're* liable for interest on it. The day's interest rate will be the *Interest Rate* divided by 365 (even in a leap year), and it will be applied to the *Outstanding Balance* at the end of the day.
 - (ii) After *we* have processed transactions to the *Loan Account*, *we* will calculate interest on the last calendar day of each month (or on any other agreed interest charging cycle). *We* will then charge interest the next day by debiting it

against *your Loan Account* (as part of the *Outstanding Balance*).

(b) *Your* Interest Rate

- (i) *Your Interest Rates* are set out in *your Offer Document* or *Account Confirmation Document*.
- (ii) If *your* interest charging cycle is not monthly, *your Interest Rate* may also include a premium, set out in *your Offer Document* or *Account Confirmation Document*.

B1.2.2 Fixed rate loans

Your Offer Document may set out an indicative fixed *Interest Rate*. The actual fixed *Interest Rate* will be set on the day *your* loan is funded and set out in an *Account Confirmation Document*, together with the first repayment due date, repayment frequency and the *Fixed Rate Period*.

(a) When a *Fixed Rate Period* ends

When a *Fixed Rate Period* ends, the *Interest Rate* will revert to the relevant variable CBA reference rate applicable to the BetterBusiness Loan at the time, unless *you* and *we* have agreed the terms of a new *Fixed Rate Period* or variable rate in a new *Offer Document*.

(b) Interest in Advance

- (i) If *you* have a fixed rate loan, *we* may agree to let *you* pay interest in advance for a maximum of 12 months at a time.
- (ii) If *your Offer Document* shows interest is payable in advance, *we* will debit interest for the whole advance period on the first day of that period.

(iii) *You* must still pay other interest or *Default Interest* accrued during the *Interest in Advance Period*.

(c) Pre-paying or changing fixed rate Loans

- (i) If *you* have a fixed rate *Loan*, *we* may allow *you* to:
 - (A) repay all or part of the *Loan* during the *Fixed Rate Period*;
 - (B) change the *Fixed Rate Period*, repayment amounts, repayment frequency, *interest rate* or repayment type; or
 - (C) switch to a variable *Interest Rate*.

- (ii) We treat each such change as a *Pre-payment* in respect of the *Outstanding Balance* which is the subject of the change.
- (iii) Usually, we do not allow any *Pre-payment* less than \$25,000.
- (d) *Early Repayment Adjustment*
- (i) You must pay an *Early Repayment Adjustment* and the *Administration Fee* on the *Pre-payment Date*.
- (ii) This is because fixed interest rate loans are provided on the understanding that only the scheduled repayments will be made over the *Fixed Rate Period*. While we may let you make a *Pre-payment* for all or part of the *Outstanding Balance*, you will be liable to pay the *Early Repayment Adjustment*.
- Warning:** If the wholesale market swap rate falls, the *Early Repayment Adjustment* can be high. You can ask us for an estimate of an *Early Repayment Adjustment* at any time.
- (iii) The *Early Repayment Adjustment* is our estimate of our loss based on the difference between our wholesale market swap rate on:
- (A) the date the *Interest Rate* was fixed for the *Fixed Rate Period*; and
- (B) the date of the *Pre-payment* for the balance of the *Fixed Rate Period*.
- (iv) We also take into account any scheduled repayments of principal and the current value of the *Early Repayment Adjustment* in the calculation.
- (v) Our estimate may not reflect the actual transactions we entered into when you fixed the *Interest Rate*, or as a result of a *Pre-payment*. That's because we estimate our loss from a *Pre-payment* on a portfolio basis – in the same way we manage our interest rates and *Facility* funding.
- (vi) If you ask us, we'll give you a statement setting out how we estimated the *Early Repayment Adjustment* as a result of the *Pre-payment*, including the formula.
- (vii) We may also charge you an *Early Repayment Adjustment* and *Administration Fee* if a fixed rate *Loan* becomes repayable early because of your *Default*.
- (e) Pre-paying your *Loan* during an *Interest in Advance Period*
- (i) You can pre-pay all or part of your *Loan* during an *Interest in Advance Period*. If you do, we'll pay you an *Interest in Advance Rebate*.

- (ii) You authorise us to apply the *Interest in Advance Rebate* to satisfy any obligation you have to pay any amount you owe under the *Contract*.

B1.2.3 Variable rate Loans

You can fully or partially repay a variable rate *Loan* at any time by giving us two days' notice.

B1.2.4 When you must pay the *Outstanding Balance*

(a) You must pay the *Outstanding Balance* and any other amounts payable by you under this *Contract* by the end of the *Term*, unless we have given you written notice stating otherwise.

(b) Until the *Outstanding Balance* is paid, interest will continue to accrue on it (although the rate may change in accordance with these *Terms and Conditions*), and you must continue to make interest and fees payments at the same frequency.

(c) We may, but are not required to, change scheduled repayments in line with interest rate changes. If we don't change the scheduled repayments, this may result in a larger than expected *Outstanding Balance* which has to be repaid when the *Facility* ends.

B1.2.5 Nominated Account

You must make payments under a *BetterBusiness Loan Facility* by direct debit against a *Nominated Account* unless otherwise agreed.

B1.3 Changes to your Facility

B1.3.1 Limit subject to annual review (*Large Business Customers* only)

If you are a *Large Business Customer*:

(a) We may review your *Limit* each year. We may cancel or reduce it by giving you 90 days' written notice if we reasonably consider that you won't be able to meet your obligations under the *Contract* because of a change in your financial circumstances.

(b) If we reduce or cancel your *Limit*, you must repay such amount as is necessary to reduce the *Outstanding Balance* to an amount not exceeding the *Limit* by the end of the notice period and the *Early Repayment Adjustment* (calculated as if you had prepaid the *Loan* on the date it was cancelled if applicable).

B1.4 Managing your account

B1.4.1 Statements

We will send you a statement of your account every three months or any other agreed period by us that does not exceed three months.

B.2 BILL FACILITIES

B2.1 Bill Facilities

- (a) We draw *Bills* on your behalf as your attorney, naming ourselves as payee.
- (b) After we accept the *Bills*, we purchase them from you at a discount.
- (c) You will be required on maturity (unless a *Bill* is being rolled over) to make a payment to us of the face value of each maturing *Bill*.

B2.2 Setting up and using your Facility

B2.2.1 Indemnifying us

You indemnify us at all times against liabilities incurred under a *Bill Facility*, including when we are the holder of a *Bill* on or after its maturity date, except to the extent the liability is caused by our negligence, wilful misconduct or fraud.

B2.2.2 Funding your Facility

We fund the *Facility* up to the *Limit* by crediting your account with the proceeds of *Bills* discounted by us.

B2.2.3 Drawing Bills

- (a) Unless we otherwise agree, the minimum face value of a *Bill* is \$100,000. Variable *Bills* are drawn for three months unless you advise us to draw them for either one, two, four, five or six months.
- (b) If your *Bill Rate* is fixed, then on the agreed date of first drawdown, we will draw bills on your behalf:
 - (i) at the agreed fixed rate;
 - (ii) at the frequency agreed (either one, three or six months); and
 - (iii) for the agreed face value.
- (c) See **clause B2.2.6** 'Replacing Bills', for subsequent rollover of *Bills* drawn under the *Facility*.

B2.2.4 Discounting Bills

- (a) On the day that we draw or accept a *Bill* (including a *Replacement Bill*):
 - (i) if the *Bill Rate* is fixed, we will discount or arrange for the discounting of the *Bills* at the fixed rate, or
 - (ii) if the *Bill Rate* is not fixed, we will discount or arrange for the discounting of the *Bills* at the *Bill Rate* applicable on that day.
- (b) We can refuse to discount any *Bill* or *Replacement Bill* if:
 - (i) the *Facility* has lapsed or its *Term* has expired;
 - (ii) you're in *Default*;
 - (iii) we reasonably consider that you may not be able to repay the *Bills* or meet your obligations under the *Facility*; or

(iv) any of the conditions in **clause A2.3** are not satisfied.

B2.2.5 Retiring Variable Bills

If you give us two days' written notice, you may retire (i.e. pay instead of rollover) a *Bill* with a variable *Interest Rate* on its maturity.

B2.2.6 Replacing Bills

- (a) If your *Bill Rate* is fixed

If you have a *Fixed Rate Facility*, then, on the *Rollover Date*, *Replacement Bills* will have the same value of the maturing *Bill*, less the value of any scheduled reductions in the *Limit* of the *Facility*.

- (b) If your *Bill Rate* is not fixed

If the *Bill Rate* is not fixed, *Replacement Bills* will have similar terms as those being replaced, unless the day before the *Rollover Date* your *Authorised Representative* instructs us otherwise.

- (c) Paying *Bill* discount proceeds

Unless otherwise agreed, we apply the proceeds from discounting *Bills* on any *Rollover Date* towards *Bills* which mature on the *Rollover Date*. We debit any *Shortfall* on rollover to the *Nominated Account*.

B2.3

Costs and payments

B2.3.1

You must make payments under the *Bill Facility* by direct debit against a *Nominated Account* unless otherwise agreed. You are responsible for ensuring the *Nominated Account* has sufficient available funds to pay:

- (a) any *Shortfall* when a *Replacement Bill* is drawn, and
- (b) any fees and charges payable under the *Contract*.

B2.3.2

Repaying fixed rate Bills

- (a) The outstanding value of *Bills* under the *Facility* must reduce as described in the *Offer Document* and as notified by us.
- (b) If you don't pay us, we may debit the face value of retired *Bills* to the *Nominated Account* or a *Bills-matured Account* we open in your name.

B2.3.3

What happens when the Fixed Rate Period ends

When a *Fixed Rate Period* ends, the *Bill Rate* will revert, at our discretion, to the variable BBSY (Bid) Rate plus a margin set by us, unless you and we have agreed the terms of a new *Fixed Rate Period* or *Bill Rate* in a new *Offer Document*.

B2.3.4

Pre-paying your Bill Facility

To fully or partially pre-pay your variable or *Fixed Rate Facility*, we need written notice no later than two *Business Days* before the date of the intended *Pre-payment*.

- B2.3.5 Full face value *Pre-payments*
 You can pre-pay the full face value on any, or all, of your *Bills* on any date.
- B2.3.6 Partial *Pre-payments*
 You can only make a partial *Pre-payment* if:
- (a) it is at least the minimum amount stated in the Offer Document or, if no minimum is stated, then at least \$100,000, and
 - (b) after the *Pre-payment*, the reduced face value of the remaining *Bill* is at least \$100,000.
- B2.3.7 Pre-paying a *Fixed Rate Facility*
- (a) If you pre-pay fixed rate *Bills* during a *Fixed Rate Period*, you must pay us the *Early Repayment Adjustment* that we quote to you after you notify us of your wish to pre-pay.
 - (b) You must make the *Pre-payment* on the date you nominated. We will debit or credit your *Nominated Account* with the amount quoted, or apply any credit against the face value of *Bills* to be pre-paid.
 - (c) If you accept the quote but fail to make the *Pre-payment*, we may convert the *Facility* to a variable rate *Facility* and apply the variable *CBA Bill Rate*, plus or minus any margin (based on current market conditions and margins). We'll also charge or apply the *Early Repayment Adjustment* amount quoted.
 - (d) We will apply the discounted proceeds of the variable rate *Bills* to the face value of the *Bills* which you have agreed will be pre-paid from the *Fixed Rate Facility*. An Authorised Representative may agree on your behalf:
 - (i) the date of first drawdown, or funding;
 - (ii) the first *Rollover Date*;
 - (iii) the frequency of rollovers; and
 - (iv) the discount rate.
 - (e) Also, you authorise us to draw *Bills* on your behalf. Additionally, we may discount or arrange *Bills* on the *Rollover Date*, for any periods and amounts we think are necessary, to ensure the net proceeds from discounting those *Bills* are sufficient to cover your obligation to pay maturing *Bills*.
- B2.3.8 How we calculate the *Early Repayment Adjustment*
- (a) If we work out that we made a loss or gain because of the *Pre-payment* of fixed rate *Bills* during a *Fixed Rate Period*, we will charge or credit an *Early Repayment Adjustment*.
 - (b) We'll estimate the cost or gain using our standard formula and it will depend on:
 - (i) the magnitude of the difference between the fixed *Bill Rate* and the termination rate (being the market swap rates at the time of the quotation or *Pre-payment*);
 - (ii) the remaining *Term* to maturity;
 - (iii) the face value of the current *Bills*; and
 - (iv) any scheduled reductions in the face value of *Bills*.
- (c) If the termination rate is less than your fixed *Bill Rate*, the *Pre-payment* will result in a negative *Early Repayment Adjustment*. This amount, plus the *Administration Fee*, will be charged to your *Nominated Account*.
- (d) If the termination rate is greater than your fixed *Bill Rate*, the *Pre-payment* will result in a positive *Early Repayment Adjustment*. This amount, less the *Administration Fee*, will be paid to your *Nominated Account* or applied to the *Bills* being pre-paid.
- (e) If you make a *Pre-payment* on a day which is not a *Rollover Date*:
- (i) we calculate the *Early Repayment Adjustment* as at the next scheduled *Rollover Date*, and
 - (ii) we discount the face value of *Bills* being pre-paid from the next *Rollover Date* to the *Pre-payment* date at the prevailing variable *Bill Rate*.
- (f) Our calculation may not be a true reflection of the actual transactions we may enter into as a result of the *Pre-payment*, or which we may have entered into when you fixed the *Interest Rate*.
- (g) There may not be specific transactions referable to the *Facility* because we manage our funding and *Interest Rates* on a portfolio basis.
- B2.3.9 When you must pay the *Outstanding Balance*
- (a) You must pay the *Outstanding Balance* and any other amounts payable by you under this *Contract* by the end of the *Term*, unless we have given you written notice stating otherwise.
 - (b) After the *Term*, until the *Outstanding Balance* is paid, the *Facility* will continue at the relevant *Bill Rate* and you must continue to make payments at the same frequency.
- B2.4 Changes to your Facility**
- B2.4.1 Withdrawing our approval
- (a) We may withdraw our approval if we don't receive a signed *Offer Document* within one month of you having received it.
 - (b) Also, we may withdraw approval if you do not accept, within one month of receiving the *Offer Document*, the:
 - (i) date of funding;
 - (ii) frequency of rollovers; and
 - (iii) proposed last day of the *Term*.

- (c) We may not withdraw *our* approval if *you* give *us* the documents and *you* agree to pay in advance a monthly commitment fee until all conditions can be agreed upon by *you*.

B2.4.2 *Limit* subject to annual review (*Large Business Customers* only)

If *you* are a *Large Business Customer*:

- (a) We may review *your Limit* each year. We may cancel or reduce it by giving *you* 90 days' written notice if we reasonably consider that *you* won't be able to meet *your* obligations under the *Contract* because of a change in *your* financial circumstances.
- (b) If we reduce or cancel *your Limit*, *you* must repay such amount as is necessary to reduce the *Outstanding Balance* to an amount not exceeding the *Limit* by the end of the notice period and the *Early Repayment Adjustment* (calculated as if *you* had prepaid the *Loan* on the date it was cancelled).

B2.5 Managing your account

B2.5.1 Giving *us* instructions

Unless *your Bill Facility* is fixed, *you* may instruct *us*, with one *Business Day's* notice, to draw and accept *Bills*. The instructions must state *your Bill Facility*, the face value and term of the *Bills*, and the *Rollover Dates*.

B2.5.2 Written confirmation

- (a) If a *Bill* is drawn, we'll send *you* written notification after the transaction is made.
- (b) Write to *us* immediately if the notification indicates any material error or if the transaction was not authorised by *you*. If we reasonably believe after an investigation that the notification correctly reflects the transaction and the instructions received from *your Authorised Representative* then, unless *you* can provide satisfactory evidence to the contrary, we'll treat the transaction as having been properly authorised.

B2.6 Defaulting on your Contract

B2.6.1 Early repayments after Default

We may also charge *you* an *Early Repayment Adjustment* and *Administration Fee* if a fixed rate *Bill Facility* becomes repayable early because of *your Default*. We will charge it to *your Nominated Account* or to a *Bills-matured Account*.

B2.6.2 Authority to roll over *Bills* on Default

- (a) If *you* don't make any payment on *your Bill Facility* by the due date, we will be appointed as *your* attorney. This means we can draw, accept, discount, or arrange the discounting of any *Bills* equal to the amount *you* owe at the time.

- (b) Alternatively, we may debit the amount *you* owe to a *Bills-matured account* opened in *your* name on *our* behalf.

B2.6.3 *Bills-matured Account*

- (a) *You* must pay interest on all amounts debited to a *Bills-matured Account*.
- (b) The interest:
- (i) accrues daily;
 - (ii) begins to accrue from the date the account is debited;
 - (iii) is calculated on the unpaid daily balance of the account at the *Default Interest Rate* until the outstanding amount on the account is repaid; and
 - (iv) is debited monthly.

B2.7 Meanings of Words

In this **section B.2**, the following words have the meanings given below:

Bill Rate

The rate of discount, expressed as a percentage yield to maturity per annum, described in *your Contract*. It is based on either the *BBSY*, the *CBA Bill Rate*, or an agreed fixed rate, and may include a margin.

Bills-matured Account

An account opened under **clause B2.6.3**.

CBA Bill Rate

The *Bill Rate* reasonably determined by *us*, based on the *Bank Bill Swap (BBSY)* rate and prevailing market conditions.

It is applied to all similar *Facilities* which apply the *CBA Bill Rate* with similar amounts and terms on the *Rollover Date*.

Replacement Bill

A *Bill* which replaces another *Bill* when that *Bill* matures.

Rollover Date

The date on which a *Bill* matures.

Shortfall

The difference between:

- (a) the face value amount of a *Bill* maturing on the *Rollover Date*, and
- (b) the proceeds of discount of the *Replacement Bill* which replaces the maturing *Bill*.

B.3 LINES OF CREDIT AND OVERDRAFT FACILITIES

B3.1 Setting up and using your Facility

Your Facility Limit

- (a) You can borrow up to the *Facility Limit* set out in your *Offer Document*. Your *Limit* may be a temporary limit, or include a temporary limit that will automatically expire or be reduced on a set date.
- (b) If we provide credit over your *Limit*, we can still refuse future drawings that would put (or keep) your balance over your *Limit*.

B3.2 Costs and payments

B3.2.1 Interest

- (a) For each day there is an *Outstanding Balance*, you're liable for interest on it. The day's interest rate will be the *Interest Rate* divided by 365 (even in a leap year), and it will be applied to the *Outstanding Balance* at the end of the day.
- (b) After we have processed transactions to the *Loan Account*, we will calculate interest on the second-last calendar day of each month (or on any other agreed interest charging cycle). We will then charge interest the next day by debiting it against:
 - (i) your *Loan Account* (in which case it will become part of the *Outstanding Balance*); or
 - (ii) if you have chosen to pay by direct debit, your *Nominated Account*.

B3.2.2 Your Interest Rate

- (a) Your *Interest Rates* are set out in your *Offer Document* or *Account Confirmation Document*.
- (b) If you choose an interest-charging cycle other than monthly, your *Interest Rate* may also include a premium, set out in your *Offer Document* or *Account Confirmation Document*.

B3.2.3 Paying interest

- (a) Within 30 days of the end of each month or other agreed interest-charging period, you must deposit enough money in your *Loan Account* or (if you have chosen to pay by direct debit) the *Nominated Account* to cover interest, fees and charges debited from that account during the period.
- (b) If you have an AgriBusiness Line of Credit, we may allow you to wait up to two years from the date of the *Offer Document* before paying interest, as long as the account balance stays below your *Limit*.

B3.3 Changes to your Facility

B3.3.1 Reducing or cancelling your Limit

- (a) You can reduce or cancel your *Limit* at any time. We can reduce or cancel your *Limit* by giving you 90 days' written notice.
- (b) If we reduce or cancel your *Limit*, you must repay such amount as is necessary

to reduce the *Outstanding Balance* to an amount not exceeding the *Limit* by the end of the notice period.

- (c) We can require you to repay the *Outstanding Balance* at any time provided we give you 90 days' written notice.

B3.4 Managing your account

B3.4.1 Statements

We will send you a statement every three months or any other agreed period that does not exceed three months.

B3.5 How to use your cheque account (if applicable)

B3.5.1 Clearance Time

- (a) Cheques usually takes three business days issued in Australia, although it may take longer to clear individual cheques or cheques sent from other countries.
- (b) If you require a special clearance, please inform the teller when you are depositing the cheque into your account. Additional fees are charged for this service.

B3.5.2 Unpaid Cheques

- (a) A cheque can be dishonoured by a bank because of an irregularity or because there is not enough money in the drawer's account to cover it including the cheque is post dated or stale.
- (b) The drawer of a cheque may ask their bank to stop payment on it. The bank is required to act on these instructions provided the cheque has not already been paid.
- (c) If you wish to stop a payment on a cheque you should contact us on 13 1998 24 hours, 7 days a week and provide the cheque number. A stop payment fee may apply.

B3.5.3 Cross Cheques

- (a) A crossing is two parallel lines drawn vertically on a cheque. The crossing acts as an instruction to the bank to accept the cheque only into a bank account and not to cash it.
- (b) The inclusion of the words 'not negotiable' in the crossing helps protect the true owner of the cheque if it is lost or stolen.
- (c) The words 'account payee only' in the crossing serve as a warning to the bank not to accept deposit of the cheque except to the account of the named payee.
- (d) The deletion of the words 'or bearer' from a cheque; the drawer is directing the bank to pay the amount of the cheque only to the payee or in accordance with the written endorsement of the payee.

B3.5.4 Writing Cheques

- (a) To reduce the risk of a cheque being changed in an unauthorised way ensure *you*;
 - (i) sufficient cleared funds in *your* cheque account to cover the amount of the cheque *you* are writing
 - (ii) write only on the forms provided by the bank in pen
 - (iii) never sign blank cheques and date each cheque *you* have signed
 - (iv) cross *your* cheques with two parallel lines, unless *you* want cash
 - (v) write legibly and ensure the amounts in words and figures agree
 - (vi) keep *your* cheques in a safe place at all times. If *your* cheques are stolen or lost, contact *us* immediately on 13 1998.

B.4 MARKET RATE LOANS

B4.1 Setting up and using your Facility

B4.1.1 Your Facility Limit

- (a) *You* can borrow up to the *Facility Limit* set out in *your Offer Document*.
- (b) If *your Offer Document* or *Facility* confirmation letter states *your Facility* is in reduction, *your Facility Limit* will be reduced by the total of any principal repayments set out in *Repayment Schedules* for *your Loan Accounts*. For example, if *you* have two *Loan Accounts* (A and B), and *your Repayment Schedules* require *you* to make principal repayments of \$100 for *Loan Account A* and \$50 for *Loan Account B* on the same day, then *your Facility Limit* will be reduced by \$150 on that day. If the *Loan Accounts A* and *B* have different *Reset Dates*, the *Facility Limit* will reduce by \$50 on one day and by another \$100 on another.

B4.1.2 Conditions *you* must meet before funding

- (a) *You* can access funds from *your Facility* by withdrawing them from a *Loan Account*, after *your Facility* has been funded. Before we fund a *Loan Account*, *you* must:
 - (i) meet the conditions set out in **clause A2.3**, and
 - (ii) agree to all the terms for the *Loan Account*, including the amount *you* will drawdown, any principal repayment arrangements and the next *Loan Account Reset Date*.

B4.1.3 Drawing funds from a *Loan Account*

- (a) *You* can *Drawdown* under a *Loan Account*:
 - (i) when *your Loan* is first funded, and
 - (ii) on the *Loan Account Reset Date*, if we receive *your* drawdown instructions to increase the balance drawn under the *Loan Account* at least one day before the *Reset Date*.
- (b) Drawdown under a new *Loan Account* can be set up on any *Business Day* whether or not it is an existing *Reset Date*.
- (c) We will send *you* an *Account Confirmation Document* setting out each draw-down of a *Loan Account* made under the *Facility*.

B4.2 Costs and payments

B4.2.1 Interest

- (a) For each day there is an *Outstanding Balance*, *you're* liable for interest on it. The day's interest rate will be the Interest Rate divided by 365 (even in a leap year), and it will be applied to the *Outstanding Balance* at the end of the day. After we have processed transactions to the *Loan Account*, we will calculate and charge interest to *your Nominated Account* on each *Reset Date* or each month, as agreed with *you*.

- (b) Each *Reset Period* lasts for three months, beginning on the date *your* loan is funded, unless *we* agree otherwise. If *we* agree to a period other than three months, *we* will charge *you* a *Reset Fee*, as set out in *your Offer Document* and *Account Confirmation Document*.
- B4.2.2 *Your Interest Rate*
- (a) Variable Market Rate
- (i) *Your Interest Rate* is the *Variable Market Rate* plus or minus a margin as set out in *your Offer Document*.
- (ii) *We* set the *Interest Rate* based on the *Variable Market Rate* on the day the *Loan Account* is funded and on each *Reset Date*, subject to any *IRRM Agreement* with *you*. *We* will confirm the interest rate in *your* account statement and in CommBiz or NetBank, if *your Loan Account* is linked to them.
- (b) What happens when an IRRM Fixed Term ends
If the 'Fixed Term' set out in an *IRRM Agreement* ends before *your Facility* expires, then the *Variable Market Rate* will apply from its *Scheduled Maturity Date*, unless *you* enter into a new *IRRM Agreement*.
- B4.2.3 *Pre-paying Market Rate Loans*
- (a) If *you* pre-pay *your Loan* and *we* make a loss due to *your Pre-payment*, *we* will charge *you* an *Early Repayment Adjustment*. *We* calculate the *Early Repayment Adjustment* as *our* reasonable estimate of the difference between:
- (i) the amount *we* could earn if *we* re-lent the *Pre-payment* at the applicable *Variable Market Rate* from the *Pre-payment* date to the *Reset Date*, and
- (ii) the amount *we* would have earned if the *Pre-payment* had not been made until the *Reset Date*.
- (b) If *you* pre-pay a *Loan Account* with an *IRRM Agreement*, *you* may also have to pay any *IRRM Break Cost* and a *Termination Fee*, as set out in the *IRRM Agreement*.
- (c) This **clause B4.2.3** also applies if *we* require *you* to make an early payment (for example, on default).
- B4.2.4 *Ending an IRRM Agreement before the Scheduled Maturity Date*
- (a) If *you* end an *IRRM Agreement* before its *Scheduled Maturity Date*, *you* must immediately pay *us*:
- (i) the *Termination Fee* set out in the *IRRM Agreement*; and
- (ii) any *IRRM Break Cost*;
- (iii) any expenses which *we* incur because of the termination, including any reasonable legal or out of pocket expenses;
- (iv) any fees unpaid up to the date of termination; and
- (v) the net present value of any fees under the *IRRM Agreement* otherwise payable from the *Termination Date* to the *Scheduled Maturity Date*, as calculated by *us* in good faith.
- (b) *We* may debit these amounts from *your Nominated Account* or any other account *you* hold with *us*.
- B4.2.5 *How we calculate our IRRM Break Cost*
- (a) *We* calculate *our IRRM Break Cost*:
- (i) by calculating the mark-to-market value of the *IRRM Agreement* on the *Termination Date*;
- (ii) in accordance with accepted practices in the Australian over-the-counter interest rate derivatives market;
- (iii) using market rates (including any appropriate margin) chosen by *us* in good faith; and
- (iv) based on the same variables as the *IRRM Agreement*, which may include the *Interest Rate*, 'Cap Rate', 'Floor Rate', *Reset Dates*, *Loan Account* balance and *Scheduled Maturity Date*.
- (b) If the calculation shows *we* have made a loss, that loss is *our Break Cost*.
- B4.2.6 *After an IRRM Agreement is ended*
- (a) If *you* end an *IRRM Agreement* without re-paying the *Loan Account*, the *Loan Account* will continue on the same terms as would have applied without the *IRRM Agreement*.
- (b) If *you* end the *IRRM Agreement* on a *Reset Date*, the interest rate from that date will be the day's applicable *Variable Market Rate*. Otherwise, the interest rate from the *Termination Date* will be the interest rate that would have applied on the previous *Reset Date* if the *IRRM Agreement* had not been in place.
- B4.2.7 *When you must pay the Outstanding Balance*
- (a) *You* must pay the *Outstanding Balance* and any other amounts payable by *you* under this Contract by the end of the *Term*, unless *we* have given *you* written notice stating otherwise.
- (b) Until the *Outstanding Balance* is paid, interest will continue to accrue on it (although the rate may change in accordance with these *Terms and Conditions*), and *you* must continue to make interest and fees payments at the same frequency.

B4.2.8 Nominated Account

You must make payments under a Market Rate Loan Facility by direct debit against a *Nominated Account* unless otherwise agreed.

B4.3 Changes to your Facility

B4.3.1 Changing your Loan Accounts

If you are not in *Default*, you can ask us at any time to:

- (a) add or close *Loan Accounts*, and
- (b) transfer funds between *Loan Accounts*, as long as:
 - (i) the total debit balances don't exceed your *Facility Limit*;
 - (ii) the transfer is on a *Reset Date*; and
 - (iii) any *IRRM Agreement* relating to the *Loan Account* permits it.

B4.3.2 Limit subject to annual review (*Large Business Customers* only)

If you are a *Large Business Customer*

- (a) We may review your *Limit* each year. We can reduce or cancel your *Limit* by giving you 90 days' written notice if we reasonably consider that you won't be able to meet your obligations under the *Contract* because of a change in your financial circumstances.
- (b) If we reduce your *Limit*:
 - (i) you must repay any amount required to ensure the *Outstanding Balance* does not exceed the *Limit* at the end of the notice period; and
 - (ii) we may terminate any *IRRM Agreement* before its *Scheduled Maturity Date*.
- (c) If we cancel your *Limit*:
 - (i) you must repay the *Outstanding Balance* and any other amount owing to us at the end of the notice period; and
 - (ii) we may terminate any *IRRM Agreement* before its *Scheduled Maturity Date*.

B4.4 Managing your Account

B4.4.1 Statements

We will send you a statement of account for each *Loan Account* every three months or any other period agreed by us that does not exceed three months.

B4.5 Meanings of words

In this **section B.4**, the following words have the meanings given below:

CBA Market Rate

The interest rate reasonably determined by us, based on the *Bank Bill Swap (BBSY)* rate and prevailing market conditions.

It is applied to all similar *Facilities* with similar amounts and terms on the *Reset Date*.

Interest Rate Risk Management (IRRM)

A risk management arrangement you may use to help limit your exposure to a change in liability due to movements in interest rates, including:

- (a) a hedge product such as interest rate swap;
- (b) an interest rate option which includes cap, floor and collar transactions; and
- (c) any other similar products.

IRRM Break Cost

The amount calculated in accordance with clause B4.2.5

Reset Confirmation Letter

Our letter confirming the next *Reset Date* or other variation to *Facility* under *Loan Account* within a *Market Rate Loan Facility*.

Reset Date

The date specified as such in an *Account Confirmation Document* or *Reset Confirmation Letter*, unless otherwise specified in an *IRRM Agreement*.

If it falls on a weekend or public holiday, the *Reset Date* will usually be the next *Business Day* after the stated date. However, if that day falls in the next calendar month, the *Reset Date* will be the preceding *Business Day*.

Scheduled Maturity Date

The date so identified in the relevant *IRRM Agreement*.

Termination Date

Has the meaning given in the relevant *IRRM Agreement*.

Termination Fee

Has the meaning given in the relevant *IRRM Agreement*.

Reset Period

The period between consecutive *Reset Dates*.

Variable Market Rate

Bank Bill Swap Bid Rate (BBSY) or *CBA Market Rate*, as applicable.

B.5 CONTINGENT LIABILITY AND TRADE FINANCE FACILITIES

B5.1 About this section

This section sets out terms and conditions for the following types of *Facilities* and *Trade Products* and *Services*.

(a) Bank Guarantees and Standbys (**section B5.2**)

Contingent Liability Facility (under which *you* can request *us* to issue any of the below):

- (i) Bank Guarantee;
- (ii) Shipping Guarantees;
- (iii) Release of Air Waybills;
- (iv) Missing Bill of Lading Guarantees; or
- (v) Standby Letters of Credit.

(b) Trade Advance Facility and Insured Export Finance Facility (**section B5.3**).

For domestic purchases, import purchases, domestic sales and export sales.

(c) Imports

Import Documentary Credits (**section B5.4**).

(d) Exports

- (i) Export Documentary Credits (**section B5.5**),
- (ii) Foreign Bills Negotiated Facility (**section B5.6**).

(e) Collections

- (i) Import Documentary Collections (**section B5.7**),
- (ii) Export Documentary Collections (**section B5.7**).

You should also read **section B5.8** ('Trade Finance Fees Table') and **section B5.9** ('Meaning of Words').

B5.2 Contingent Liability Facility

B5.2.1 Setting up and using *your Facility*

(a) *Your Facility Limit*

The total liability for all of *your Contingent Liability Instruments* must not exceed the *Limit* set out in *your Offer Document*.

(b) Issuing a Contingent Liability Instrument

You can ask *us* to issue a *Contingent Liability Instrument* or accept liability under an instrument at any time. *We* will only do so if:

- (i) the aggregate of *our* contingent liability for all *Contingent Liability Instruments*, would, if *we* granted *your* request, not exceed the *Limit*;
- (ii) *you* sign any documents *we* require (such as a particular form of indemnity) in relation to *your* request;
- (iii) *you* agree to any conditions *we* make, including in relation to security *we* require from *you*; and

(iv) *you* agree to *our* additional applicable terms and conditions if *you* are asking *us* to issue an instrument or accept liability electronically.

(c) Any *Contingent Liability Instrument* issued will be in accordance with *your* instructions but *we* determine the form.

(d) Before *we* issue, endorse or countersign a *Letter of Guarantee* or indemnity, if *we* ask, *you* will arrange for an issuer acceptable to *us* to deliver to *us* a backing *Letter of Guarantee* or indemnity in *our* favour and in terms acceptable to *us*.

B5.2.2 Release of *Security*

We do not have to release any *Security* after termination of the *Facility* or expiry of all *Contingent Liability Instruments* until *we* have had a reasonable opportunity to determine the validity of any claim or potential claim under the *Facility*.

B5.2.3 Assigning the benefit of a contingent liability

You acknowledge that:

- (a) the benefit of a contingent liability cannot be assigned without *our* agreement, and
- (b) claims by a named *Beneficiary* under a *Contingent Liability Instrument* may be paid to another *Person* at the *Beneficiary's* direction.

B5.2.4 Dealing with Documents

(a) In relation to Shipping Guarantees, Release of Air Way Bills, and Missing Bill of Lading Guarantees, *you* must:

- (i) take reasonable steps to obtain the relevant original bills of lading, transport or title documents and, upon receipt, deliver them to *us* or as *we* may direct; and
- (ii) take reasonable steps to ensure *our* liability under any *Letter of Guarantee* or indemnity *we* issue is released and the original *Letter of Guarantee* or indemnity is returned to *us* for cancellation.

(b) If *we* agree to any request *you* make to authorise the release or delivery of a shipment of *Goods* which are the subject of an *Import Documentary Credit* *we* have issued, this will be treated as if *we* have made payment and, in that event, *you*:

- (i) waive all discrepancies that may appear in the *Documents* and accept all such *Documents* presented under the relevant *Import Documentary Credit*;
- (ii) must reimburse *us* as required under **clause B5.4.1(a)** for any payment made by *us* under the relevant *Import Documentary Credit*, irrespective of discrepancies that may appear on the *Documents*; and

(iii) authorise *us* to honour any relevant drawings without examining the presented *Documents*.

B5.2.5 Costs and payments

Reimbursing *us* if we pay

- (a) If we are called on to pay a *Beneficiary* under a *Contingent Liability Instrument*, as a result of:
- (i) endorsing, countersigning or issuing letters of guarantee or indemnity;
 - (ii) authorising the release of *Goods* covered by air waybills or customs assessment notices or consignments; or
 - (iii) delivering air waybills or customs assessment notices or control of consignments to *you*,
- you* must immediately reimburse *us*.
- (b) Without limiting *our* rights upon any *Default*, *you* authorise and direct *us* to debit *your Nominated Account* or a payment account under **clause A3.3.4** for any amount we are called on to pay or which we decide to pay to fulfil *our* obligations under a *Contingent Liability Instrument*, and any associated *Default Interest*.
- (c) If we have exercised due care, *your* obligations will not be affected by:
- (i) any inaccuracy, insufficiency or forgery in any notice or demand made on *us* for a contingent liability;
 - (ii) *our* failure to enquire whether any notice or demand has been transmitted or received accurately, or has been given or sent by an unauthorised *Person*; or
 - (iii) the expiry of the *Contingent Liability Instrument*, if we have been called on to make the payment before the expiry date.

Nominated Account

- (d) *You* must make payments in relation to a Contingent Liability Facility by direct debit against a *Nominated Account* unless otherwise agreed.

Fees

- (e) See **clause B5.8** below.

B5.2.6 Changes to *your Facility*

- (a) Reducing or cancelling *your Limit*
- We may cancel or reduce *your Limit* by giving *you* 90 days' written notice. If *your Facility* is an *Uncommitted Facility*, we do not have to give advance notice to *you* of any cancellation of *your Limit*. Reducing or cancelling *your Limit* does not change:
- (i) *our* obligations to any *Beneficiary* under any *Contingent Liability Instrument* we have already issued, or
 - (ii) *your* obligations to *us* for any *Contingent Liability Instrument* we have already issued, including *your* obligations to indemnify *us*.

At the end of the notice period, we may exercise *our* right to pay one or more *Beneficiaries* without being required to do so.

(b) Terminating *your Facility*

We may discharge any contingent liability at any time by paying the *Beneficiary* its face value, less any amounts we have previously paid. If *you* become insolvent or enter into external administration, we may terminate *your Facility* immediately.

B5.2.7 International rules applicable to *Contingent Liability Instruments*

- (a) Each *Standby* will be subject to the ICC International Standby Practices ('ISP') or UCP as specified in the relevant instrument in force from time to time.
- (b) Each demand guarantee, bond or payment undertaking issued by *us* in favour of an overseas party will be subject to ISP or the ICC Uniform Rules for Demand Guarantees in force from time to time, or the governing law where a governing law is specified in the relevant *Payment Instrument*.
- (c) If these *Terms and Conditions* and the terms in any ICC rules are inconsistent or conflict, these *Terms and Conditions* will prevail.

B5.3 Trade Advance Facilities

B5.3.1 *Your* warranties and obligations to *us*

- (a) *You* warrant and represent to *us* that the *Documents* and transaction to be financed by each *Trade Advance*:
- (i) have not been previously financed, and will not be financed, by any *Person* other than *us*;
 - (ii) are not, and will not be, encumbered in any way to any *Person* other than *us*; and
 - (iii) have come about in the ordinary course of *your* business in good faith and without fraud, illegality or any unauthorised act committed by any *Person*.
- (b) *You* provide the warranties and representations in this clause each day from the *Drawdown* date until *you* have repaid the *Amount Owing*.

B5.3.2 *Your* obligations relating to Goods, proceeds of sale, and insurance

- (a) If we release *Documents* to *you* enabling *you* to take delivery of the *Goods* before *you* repay the *Amount Owing* under an *Import Trade Advance* or an Insured Export Finance Facility, *you* will:
- (i) hold the *Goods* exclusively for the purpose of selling or disposing of them in a way approved by *us*, on normal trade terms at market value;

- (ii) immediately pay *us* all proceeds from the sale of the *Goods*, without deducting any expenses, or irrevocably direct payment to *us*;
- (iii) until *we* are paid, hold the *Documents*, the *Goods* and any proceeds from their sale in safe custody and on trust for *us*; and
- (iv) until the *Goods* are sold or delivered:
 - (A) warehouse them in *our* name at *your* cost;
 - (B) immediately deliver to *us* the warrants or receipts for them;
 - (C) authorise *us* or any of *our* officers to enter any warehouse or other premises where the *Goods* may be located at any time for the purpose of viewing, inspecting, identifying or taking possession of the *Goods*;
 - (D) insure the *Goods* at their full insurable value against fire and any other risks *we* may reasonably require, hold the policies on *our* behalf, in case of loss, pay the proceeds of any insurance claim to *us* in full and make good any shortfall; and
 - (E) not grant any security interest over the *Goods* or allow one to be granted, except as *we* agree.
- (b) Until *we* have been paid the *Amount Owning*, *you* acknowledge and agree that:
 - (i) *you* have no claim, lien or set-off of any kind for anything *you* hold on trust for *us* under this clause;
 - (ii) the *Goods* remain *our* property until sold or otherwise disposed of;
 - (A) risk in the *Goods* remains with *you* at all times;
 - (B) any proceeds of sale or disposal paid to *us* under this clause may be used by *us* as *we* think fit; and
 - (C) *you* will comply with any other reasonable conditions *we* may make.

B5.3.3 Setting up and using *your* Facility

Your Facility Limit

- (a) *You* can borrow up to the *Facility Limit* set out in the *Offer Document*.
- (b) For Insured Export Finance, *we* will only provide a *Trade Advance* to finance payment of an *Eligible Invoice*. The *Trade Advance* is limited to the percentage of the invoiced amount specified in the *Offer Document* and based on:
 - (i) the security provided to *us*;
 - (ii) any claim limits under the eligible trade credit insurance policy; and

(iii) other factors, such as the relevant countries of trade and credit risk.

- (c) *You* cannot get a *Trade Advance* after the end of the *Term*.

Drawing down on *your* Facility

- (d) For each *Trade Advance*, *you* must give *us* a *Drawdown* notice in a form acceptable to *us*, setting out:
 - (i) the proposed *Drawdown* date, which must be a *Business Day*;
 - (ii) the *Transaction Tenor*, with a maturity date between 30 days and 185 days after the proposed *Drawdown* date;
 - (iii) the currency; and
 - (iv) the amount. In the case of Insured Export Finance, the amount must not exceed the *Approved Percentage*.
- (e) *You* cannot cancel a *Drawdown* notice after giving it to *us*.
- (f) If *we* do not receive *your* *Drawdown* notice by 11:00 am on the *Business Day* before the proposed *Drawdown* date, *we* may process the *Drawdown* after that date.
- (g) When *you* submit *your* *Drawdown* notice, *we* will advise *you* what supporting documents are required before *Drawdown*. These requirements form part of the *Contract*.

Collection Account for Insured Export Finance Facility

- (h) For Insured Export Finance, *you* authorise *us* to open a *Collection Account* in *your* name and to draw on that account to collect amounts *you* owe *us*.
- (i) *You* agree to maintain in the *Collection Account* sufficient funds to meet *your* payment obligations to *us* under the Insured Export Finance *Facility* at any time.

B5.3.4 Costs and payments

Repaying a Trade Advance

- (a) *You* must repay the *Amount Owning* for each *Trade Advance* before the *Maturity Date* set out as the *Transaction Tenor* in the relevant *Drawdown* notice, including accrued interest and fees. This *Maturity Date* may fall after the end of the *Term*.

Pre-paying a Trade Advance before the Maturity Date

- (b) *You* can pre-pay a *Trade Advance* or reborrow any prepaid amount if specifically allowed in the *Offer Document*. If *you* pre-pay all or part of a *Trade Advance*, *you* may need to pay *us* any *Break Cost*.
- (c) *We* calculate *our* *Break Cost* by calculating the difference between:

- (i) the interest we would have received for the period between the *Pre-payment* date and the *Maturity Date*; and
- (ii) the interest we could receive over the same period from:
 - (A) a leading Australian bank, for Australian dollar amounts; or
 - (B) the London interbank market, for other currencies.
- (d) If the calculation shows we have made a loss, you must pay us the amount of that loss as our *Break Cost*.

Interest

- (e) For each *Trade Advance*, you must pay interest on the *Amount Owing* based on:
 - (i) the interest rate, margin and interest period set out in the *Offer Document* or *Drawdown* notice, or
 - (ii) if they do not specify an interest rate and period, our current lending rate and margin for similar *Facilities* in that currency, for a period determined by us.
- (f) We calculate interest based on either a 360 or 365-day year, depending on the currency. You pay interest either:
 - (i) in arrears, from the *Drawdown* date to the day before you repay the *Amount Owing* in full, or
 - (ii) in advance, from the day when the amount is credited to you, to the day before either the *Maturity Date* or the actual payment date, if it is different, as determined by us. We deduct interest in advance from the proceeds of the *Trade Advance*.

Fees

- (g) See **clause B5.8** below.

Nominated Account

- (h) You must make payments in relation to a *Trade Advance* by direct debit against a *Nominated Account* unless otherwise agreed.

B5.3.5 Changes to your Facility

- (a) You can reduce or cancel your *Limit* at any time. We can reduce or cancel your *Limit* by giving you 90 days' written notice. If your *Facility* is an *Uncommitted Facility*, we do not have to give advance notice to you of any cancellation of your *Limit*.
- (b) If we reduce your *Limit*, you must repay any amount required to reduce the *Amount Owing* to the new *Limit* by the end of the notice period or by the relevant *Maturity Date*, whichever is the later.
- (c) If we cancel your *Limit*, you must repay the *Amount Owing* and any other amounts owing to us at the end of the notice period or by the relevant *Maturity Date*, whichever is the later.

B5.4 Import Documentary Credits

B5.4.1 Your Contract with us

Your indemnity to us

- (a) You indemnify us against any demands, claims, actions, proceedings, liabilities, payments, interest, costs, charges and expenses connected with an *Import Documentary Credit* we issue at your request, including legal expenses on a full indemnity basis and including taxes. When we ask, you must pay them to us on demand. Your indemnity includes:
 - (i) any claims that the *Beneficiary* makes or attempts to make;
 - (ii) any payments to our *Correspondent Bank* under a counter-indemnity;
 - (iii) any amounts we may pay or be required to pay to the *Beneficiary* when the *Import Documentary Credit* is terminated;
 - (iv) any actions we take based on representations made by you; and
 - (v) any failure, inability or refusal on our part to honour the *Import Documentary Credit* because of a court order or a similar restriction or obligation, or because we believe a transaction related to the *Import Documentary Credit* is tainted by fraud or alleged fraud.
- (b) Your liability under this clause is reduced to the extent that our negligence, wilful misconduct or fraud contributes to the amount we claim.

Your obligations when we release Goods or Documents

- (c) We are not bound to release any *Documents* or authorise the release of any *Goods* to you unless you have fully met your obligations to us.
- (d) If you take delivery of *Documents* or *Goods* before any *Bills* under the *Import Documentary Credit* have been negotiated or presented, or before you have reimbursed us for all payments made by us under the *Import Documentary Credit*, you must:
 - (i) hold the *Goods* for sale or other disposal approved by us on normal trade terms at market value;
 - (ii) hold the *Documents*, the *Goods* when received, and the proceeds from the sale of them in safe custody and on trust for us;
 - (iii) promptly pay us all proceeds from the sale of the *Goods* without deducting any expenses, or irrevocably direct payment to us;
 - (iv) until sale or delivery (if applicable) of the *Goods*:

- (A) warehouse them in *our* name at *your* cost;
- (B) immediately deliver to *us* the warrants or receipts for them;
- (C) authorise *us*, *our* employees and agents to enter any warehouse or other premises where they may be located at any time for the purpose of viewing, inspecting, identifying or taking possession of them;
- (D) insure them at their full insurable value against fire and any other risks *we* may reasonably require, hold the policies on *our* behalf and, in case of loss, pay the proceeds of any insurance claim to *us* in full and make good any shortfall;
- (E) not mortgage, charge, pledge or otherwise encumber them, or allow them to be encumbered, other than in *our* favour or as agreed by *us* in writing; and
- (F) comply with any other reasonable conditions *we* may make in *our* discretion to protect the *Goods* and *our* interests under the *Facility*.

- (e) *You* acknowledge and agree that:
 - (i) *you* have no claim, lien or right of set-off of any kind in respect of anything that *you* hold on trust for *us* under this clause;
 - (ii) the *Goods* will remain *our* property until sold or otherwise disposed of;
 - (iii) risk in the *Goods* remains with *you* at all times; and
 - (iv) any proceeds of sale or other disposal paid to *us* in accordance with this clause may be used by *us* as *we* think fit.

Your obligations when there are discrepancies in Documents

- (f) If *you* waive any discrepancy in the *Documents* or otherwise ask *us*, or *our* agents or *Correspondent Banks*, to:
 - (i) comply with payment obligations under the *Import Documentary Credit* despite the discrepancy; or
 - (ii) countersign or issue any guarantee or indemnity covering those discrepancies, then *you* must comply with *your* payment obligations in respect of the *Import Documentary Credit*.
- (g) If the *Import Documentary Credit* terms require specific *Documents* to be forwarded by the *Beneficiary* to *you* at or before the time the *Beneficiary* makes a claim under an *Import Documentary Credit*, all remaining *Documents* relating to the *Import Documentary Credit* must be presented to *us* for such a claim.

- (h) If *you* use the *Documents* forwarded directly to *you* to obtain possession of the *Goods*, *you* must:
 - (i) accept all *Documents* presented; and
 - (ii) pay or accept upon presentation and at maturity all *Bills* drawn in respect of the *Goods* despite any discrepancy or any other matter that might otherwise have affected *your* obligations under this clause.

Your insurance obligations

- (i) Where the terms of the *Import Documentary Credit* require insurance, *you* must:
 - (i) insure the *Goods* against loss or confiscation during transit in a manner satisfactory to *us*; and
 - (ii) provide a copy of that insurance policy and all receipts for current premiums to *us*.
- (j) If *your* insurance is not acceptable to *us*, *you* authorise *us* to arrange any additional insurance for the *Goods*, including for war risk, and *you* agree to reimburse *us* for the cost of that insurance.

Our rights over the Goods if you do not fulfil your obligations

- (k) If *you* do not fulfil *your* obligations to *us* under the *Import Documentary Credit*, *we* may, without limiting *our* other rights if *you* *Default*:
 - (i) cause the *Goods* or any part of them, to be landed, docked, stored, transported, insured, sold, sold without landing, or otherwise disposed of; or
 - (ii) deal with the *Documents* in any way *we* consider appropriate.
- (l) If *we* do, or attempt to do, any of these things:
 - (i) *we* are not liable for any loss suffered by *you* as a result;
 - (ii) *you* must pay the costs and expenses *we* incur in taking this action;
 - (iii) *you* will remain liable for the proceeds of disposal of the *Goods* or dealing with the *Documents*, and must pay any shortfall after they have been disposed of or dealt with; and
 - (iv) *you* must take any actions and sign and deliver any documents *we* reasonably require to perfect *our* title to the *Goods* or otherwise give effect to any proposed landing, docking, storage, insurance, sale or other disposal or dealing of the *Goods* or *Documents*.
- (m) If *we* ask, *you* must appear and defend at *your* own cost and expense any action which may be brought in connection with the *Import Documentary Credit*. *You* agree to make any claim or take any action or institute any proceedings *we* may consider necessary

or desirable to recover any proceeds or to compromise or settle any dispute in connection with any *Documents*, *Goods*, sales proceeds or insurance proceeds relating to the *Documents* or *Goods*, on such terms as we may in *our* absolute discretion consider appropriate. If *you* do not, we may do it in *our* name or *your* name at *your* cost.

B5.4.2 Setting up and using *your* Facility

Your Facility Limit

You can ask *us* to issue *Import Documentary Credits* with a total Australian dollar value up to the *Limit* set out in *your Offer Document*.

Features

- (a) Each *Import Documentary Credit* is irrevocable, with the *Transaction Tenor* and currency set out in *your Application for Irrevocable Documentary Credit* and accepted by *us*, in accordance with the terms of *your Offer Document*.
- (b) The conditions set out in each *Application for Irrevocable Documentary Credit* you submit to *us* also forms part of *your Contract*.
- (c) We may restrict negotiations for any *Import Documentary Credit* to *our* offices or branches, or to the offices or branches of a *Correspondent Bank*. If we do, *you* authorise *us* to accept and pay all *Documents* drawn or purported to be drawn on those offices or branches.

Your authority for us to pay

- (d) *You* authorise *us* to make payments under an *Import Documentary Credit* when we believe they have been properly demanded in accordance with its terms. The presentation of *Documents* under a *Documentary Credit* will be deemed to comply with its terms if the *Documents* appear to be in order and, when taken as a whole, contain a description of the *Goods*.
- (e) We are not obliged to:
 - (i) notify *you* before making a payment or accepting drafts, claims or drawings under any *Import Documentary Credit*; or
 - (ii) take into consideration any notice from *you* of any claim or defence *you* may have against a *Beneficiary*.

B5.4.3 Costs and payments

Reimbursing us when we pay

- (a) *You* must reimburse *us* immediately for amounts we pay or are required to pay under an *Import Documentary Credit*. *You* must pay *us* in immediately available funds in the same currency on the day we make, or are required to make, the payment.
- (b) Without limiting *our* rights upon any *Default*, *you* authorise and direct *us* to debit *your Nominated Account* or a payment account

under **clause A3.3.4** for any amount we are called on to pay or which we decide to pay to fulfil *our* obligations under an *Import Documentary Credit*, and any associated *Default Interest*.

Fees

- (c) See **clause B5.8** below.

Nominated Account

- (d) *You* must make payments in relation to an *Import Documentary Credit* by direct debit against a *Nominated Account* unless otherwise agreed.

B5.4.4 Changes to *your* Facility

We can change or cancel *your Limit* at any time by sending a notice to *you*. If *your Facility* is an *Uncommitted Facility*, we do not have to give advance notice to *you* of any cancellation of *your Limit*. A change to, or cancellation of, *your Limit* will not affect *your* obligations for *Import Documentary Credits* we have already issued.

B5.4.5 International Rules applicable to Documentary Credits

Each *Documentary Credit* will be subject to the *UCP* of the *ICC* and the *ICC Uniform Rules for Bank-to-Bank Reimbursements* under *Documentary Credits* in force from time to time.

B5.5

Export Documentary Credits

B5.5.1 Setting up and using *your* Export Documentary Credit

What you can ask us to do

- (a) If *you* are an exporter who receives an *Export Documentary Credit*, *you* can ask *us* to:
 - (i) discount or negotiate it and credit the proceeds to *you*:
 - (A) immediately, before payment is received from the *Issuing Bank*; or
 - (B) upon acceptance of the *Documents* by the *Issuing Bank*;
 - (C) confirm it on an open basis or on a silent basis;
 - (D) transfer or assign the proceeds;
 - (E) amend or advise it; or
 - (ii) present *Documents* to the *Issuing Bank* for payment without honour or negotiation, then credit the proceeds to accounts specified by *you* when payment is received.

- (b) When *you* make a request, *you* must give *us* any documentation we require, including all *Documents* called for under the *Export Documentary Credit* or any amendments to it.

Assigning your Export Documentary Credit Rights to us

- (c) By asking *us* to provide any of the services set out in this **clause B5.5.1**, *you* assign

and transfer to *us* all of *your Export Documentary Credit Rights* for that *Export Documentary Credit*, as security for payment of the *Amount Owing*.

Protecting *your Export Documentary Credit Rights*

- (d) *You* must not do anything which may waive or otherwise give up, vary, diminish or adversely affect *your Export Documentary Credit Rights*. *You* represent and warrant to *us* that *you* have not, and undertake to *us* that *you* will not, assign, encumber or otherwise deal with any of *your Export Documentary Credit Rights* to any *Person* other than *us*.
- (e) If we ask, *you* must take any actions and execute any documents we reasonably require:
- (i) to evidence and perfect the assignment of *your Export Documentary Credit Rights*, including endorsing drafts or other instruments and giving notices of assignment reasonably required by *us*, at *your* cost;
- (ii) to give effect to or enforce *your Export Documentary Credit Rights* at *our* cost (with costs to be reasonable and agreed with *us*), including by:
- (A) making a demand;
- (B) directing any relevant *Person* to make payment to *us* under the *Export Documentary Credit*, the related *Documents*, or any contract or agreement related to the relevant *Goods*, services or insurances;
- (C) initiating and continuing legal action in any court and jurisdiction relating to the assigned *Export Documentary Credit Rights*, related *Documents*, or any contract or agreement related to the relevant *Goods*, services or insurances; and
- (D) conducting those legal proceedings in *your* name, or allowing *us* to use *your* name, in accordance with *our* instructions.
- (f) If any of the *Export Documentary Credit Rights* are not effectively assigned and transferred to *us*, *you* agree and declare that *you* will hold the remaining interest on trust for *our* sole benefit until it is effectively assigned and transferred to *us*.

Negotiating an Export Documentary Credit

- (g) We will negotiate an *Export Documentary Credit* "with recourse" unless otherwise agreed (a fee may apply).
- (h) If *you* ask *us* to negotiate an *Export Documentary Credit*, and that *Export Documentary Credit* is not honoured when presented or we are not paid on the *Maturity*

Date, then *you* must pay the *Amount Owing* to *us* when we ask, unless we have agreed in writing that the negotiation is on a "without recourse" basis.

- (i) *You* also authorise *us* to:
- (i) take conditional acceptances or acceptances for honour and extend the due date for payment by *you* or any other *Person*;
- (ii) accept payment from any *Person* before or after maturity in whole, or under rebate or discount;
- (iii) accept part payment before maturity and deliver a proportional part of the *Goods* to the drawee or acceptor of a *Bill*, or the consignee of the *Goods*;
- (iv) at the request of the acceptor, delay presentation of a *Bill* for payment or acceptance without affecting *your* liability to *us* for the *Bill* or under these *Terms and Conditions*;
- (v) protest the *Bill* (by a notary public), institute proceedings and take steps for recovery from any drawee, acceptor or endorser of the *Bill* of any amount due, even if we have debited *your* account for the amount of the *Bill*; and
- (vi) take any of these steps at *our* discretion and on such conditions as we think fit.

Confirming an Export Documentary Credit

- (j) By adding a confirmation, we guarantee payment of an *Export Documentary Credit* to a *Beneficiary* on the due date if the *Issuing Bank* fails to pay.
- (k) An *Issuing Bank* may ask *us* to provide an open confirmation.
- (l) Alternatively, *you* can ask *us* to provide a silent confirmation without involving the *Issuing Bank*.
- (m) When *you* ask *us*, we can decide whether or not to provide a confirmation at *our* absolute discretion. We will advise *you* the documents we require to assess *your* request and any further conditions.
- (n) We will not be bound by the confirmation if the *Export Documentary Credit* is changed without *our* written consent.

Your representations and warranties to us

- (o) *You* warrant and represent to *us* that:
- (i) all *Documents* delivered or to be delivered to *us* for an *Export Documentary Credit* relate to the sale of *Goods* or services described in those *Documents*; and
- (ii) at the time the *Documents* are presented *you* will have shipped or delivered the *Goods*, or fully performed the services for the buyer.

Presenting Documents

- (p) You must present us with:
- (i) the original *Export Documentary Credit*;
 - (ii) all amendments to it; and
 - (iii) all *Documents* it calls for or that are necessary to comply with its terms.
- (q) You must present them to us as soon as they are available, and no later than a date determined by us, so that we can process them before the expiry date.
- (r) If the *Export Documentary Credit* expires without these *Documents* being presented, our liability under the confirmation ends on the expiry date.

What we will do if we add a confirmation

- (s) If we have added our confirmation to an *Export Documentary Credit* at your request and the *Documents* fully comply with the terms of the *Export Documentary Credit*, we will send the *Documents* to the *Issuing Bank* for acceptance and payment in accordance with the terms of the *Export Documentary Credit*. We will also:
- (i) for an open confirmation: pay you the amount of the *Export Documentary Credit* on the *Maturity Date*;
 - (ii) for silent confirmation of a term *Export Documentary Credit*: if the *Issuing Bank* fails to pay all or any part of the amount claimed within 5 *Business Days* of the *Maturity Date*, pay you the amount of the *Export Documentary Credit* that has not been paid; or
 - (iii) for a silent confirmation of a sight *Export Documentary Credit*: if the *Issuing Bank* fails to pay all or any part of the amount claimed within 12 *Business Days* of the *Maturity Date*, pay you the amount of the *Export Documentary Credit* that has not been paid.

Transferring Export Documentary Credits

- (t) If you ask, we may agree to transfer an *Export Documentary Credit* from you to another *Beneficiary* (the *Transferee*).
- (u) With your application, you must give us any original copies of the *Export Documentary Credit* and any *Documents* required to effect payment. If we ask, you must also deliver any *Documents* to us that must be substituted for the *Transferee's Documents* to comply with the original *Export Documentary Credit*.
- (v) Unless you instruct us otherwise, we will substitute your *Bills* and invoices for those presented by the *Transferee*. At the time of the transfer, you renounce all transferred rights and interests, in favour of the *Transferee*.

- (w) When we have received payment under the *Export Documentary Credit*, we will deliver the *Transferee's Bills* and invoices to you, together with a payment advice for the amount we received, less the amount of the *Transferee's Bills* and any expenses or charges due to us.
- (x) If you do not deliver your *Bills* and invoices to us according to the terms of the *Export Documentary Credit*:
- (i) you authorise us to forward the *Transferee's Documents*, and
 - (ii) we will have no responsibility to pay you the difference between the *Transferee's Bills* and your *Bills*.

Your agreement with us

- (y) If we agree to transfer an *Export Documentary Credit*, you:
- (i) accept full responsibility for the transfer;
 - (ii) agree that neither we, nor our *Correspondent Banks* or agents, will be responsible for:
 - (A) the description, quantity, quality or value of the *Goods* shipped or the services performed under the transferred *Export Documentary Credit*; or
 - (B) the correctness, genuineness or validity of the *Documents*; and
 - (iii) hold us harmless and indemnify us against all losses, liabilities, costs and expenses arising from or in connection with the transfer, including legal expenses on a full indemnity basis and taxes, except to the extent they are caused by our negligence, wilful misconduct or fraud.

Instructing us to pay proceeds to a third party

- (z) All instructions you give us to pay the *Export Documentary Credit* proceeds to a third party are irrevocable unless we otherwise agree.
- (aa) You authorise us to rely on the information in all payment instructions delivered to us, without making any enquiries to verify them.
- (bb) We will advise the third party of your instruction in a form and at a time we determine.
- (cc) We have no obligation to pay the *Export Documentary Credit* proceeds to the third party until:
- (i) documents are presented under the *Export Documentary Credit*
 - (ii) the claim is honoured by the *Issuing Bank*; and
 - (iii) we have received the *Export Documentary Credit* proceeds.
- (dd) We are not required to fulfil any arrangements entered into between the third party and you which have resulted in your instructions.

B5.5.2 Payments and costs

Interest on negotiated Export Documentary Credits

- (a) Where we agree to negotiate an *Export Documentary Credit* and advance the credit proceeds to *you* before receiving payment:
- (i) *you* must pay *us* interest on the *Amount Owing*, and
 - (ii) we may use the proceeds from the *Export Documentary Credit* to repay the *Amount Owing* when we receive them.
- (b) We will notify *you* of the interest rate, margin and interest period in writing or when *you* ask *us* to negotiate the *Export Documentary Credit*.
- (c) We calculate interest based on either a 360-day or 365-day year, depending on the currency. *You* pay interest either:
- (i) in arrears, from the day when the amount is credited to *you*, up to (but excluding) the day we receive payment; or
 - (ii) in advance, from the day when the amount is credited to *you*, up to (but excluding) the day we expect to receive payment or the actual payment date, if it is different. We deduct interest in advance from the amount we advance to *you*.

Fees

- (d) See **clause B5.8** below.

B5.5.3 International Rules Applicable to Documentary Credits

- (a) Each *Documentary Credit* will be subject to the *UCP* of the *ICC* and the *ICC Uniform Rules for Bank-to-Bank Reimbursements under Documentary Credits* in force from time to time.

B5.6 Foreign Bills Negotiated FacilitiesB5.6.1 *Your Contract* with *us***Your warranties to us**

- (a) *You* warrant and represent to *us* that:
- (i) the *Foreign Bill* and all *Documents* delivered or to be delivered to *us* relate to a sale of the *Goods* or the provision of services as described in those *Documents*; and
 - (ii) at the time *you* present the *Documents*, *you* will have shipped or delivered the *Goods* to, or fully performed the services for, the buyer.

What you authorise us to do

- (b) When *you* ask *us* to negotiate or issue a *Foreign Bill*, *you* authorise *us* to:
- (i) take conditional acceptances or acceptances for honour and extend the due date for payment by *you* or any other *Person*;
 - (ii) accept payment from any *Person* before or after maturity in whole, or under rebate or discount;

- (iii) accept part payment before maturity and deliver a proportional part of the *Goods* to the drawee or acceptor of the *Bill*;
- (iv) at the request of the acceptor, delay presentation of the *Bill* for payment or acceptance without affecting *your* liability to *us* for the *Bill* or under these *Terms and Conditions*;
- (v) protest or note the *Bill*, institute proceedings and take steps for recovery from any drawee, acceptor or endorser of the *Bill* of any amount due, even if we have debited *your* account for the amount of the *Bill*; and
- (vi) take any of these steps at *our* discretion and on such conditions as we think fit.

B5.6.2 Setting up and using *your Facility***Your Facility Limit**

- (a) The total value in Australian dollars of the foreign bills negotiated under *your Facility* must not exceed the *Limit* set out in *your Offer Document*.

Asking us to discount or negotiate Foreign Bills

- (b) *You* can ask *us* to discount or negotiate a *Foreign Bill* by sending *us*:
- (i) a completed Lodgement Authority for Overseas Documentary Bill in the form we determine;
 - (ii) any *Documents* required for payment under the *Foreign Bill*; and
 - (iii) any other documentation required by *us*.
- (c) The conditions set out in each 'Lodgement Authority for Overseas Documentary Bill' *you* submit to *us* also forms part of *your Contract* with *us*.

B5.6.3 Costs and payments

Your obligation to repay Foreign Bills

- (a) If a *Foreign Bill* is not honoured on presentation or we are not paid before the *Maturity Date*, *you* must pay *us* the amount of the *Foreign Bill* or the Australian dollar equivalent, calculated using *our* same day value buying rate at 11:00 am on the day we make the calculation.

Interest

- (b) When we agree to discount or negotiate a *Foreign Bill*, then advance the credit proceeds to *you* before receiving payment, *you* must pay *us* interest on that advance, based on:
- (i) the interest rate, margin and interest period for set out in *your Offer Document*; or
 - (ii) if it does not specify an interest rate and period, *our* current lending rate and margin for similar *Facilities* in that currency, for a period determined by *us*.

- (c) When we receive them, we can use the proceeds of the *Foreign Bill* to repay the advance and the interest you owe to us.
- (d) We calculate interest based on either a 360-day or 365-day year, depending on the currency. You pay interest either:
- (i) in arrears, from the day when the amount is credited to you, up to but excluding the day we receive payment; or
 - (ii) in advance, from the day when the amount is credited to you, up to (but excluding) the day we expect to receive payment or the actual payment date, if it is different. We deduct interest in advance from the proceeds of the *Foreign Bill* before paying them to you.

Fees

- (e) See **clause B5.8** below.

Nominated Account

- (f) You must make payments in relation to the Bills Facility by direct debit.

B5.6.4 Changes to your Facility

We can change or cancel your *Limit* at any time by sending a notice to you. If your *Facility* is an *Uncommitted Facility*, we do not have to give advance notice to you of any cancellation of your *Limit*. A change to, or cancellation of, your *Limit* will not affect your obligations for *Foreign Bills* we have already negotiated.

B5.6.5 International rules governing collections

Each *Collection* (either documentary or clean) will be subject to the *ICC Uniform Rules for Collections* in force from time to time.

B5.7 Collections

B5.7.1 Setting up and using your Collection

General

- (a) Any *Collection* we undertake will be subject to any additional written instructions or directions we send you with confirmation of the *Collection*.
- (b) You authorise us, in our discretion, to treat any *Collection* as conditional upon us receiving full payment of the relevant *Bill* or delivery of the relevant *Documents* nominated by us).

Import Documentary Collections – Additional Terms

- (c) If we act as a collecting bank in respect of an import *Collection* and *Bills* for acceptance or payment, or *Documents* on a cash against *Documents* basis, we may hold the *Documents* until acceptance or reimbursement of the relevant *Bills*, or payment, by you.

Export Documentary Collections – Additional Terms

- (d) If you ask us, we may negotiate or discount a *Bill* or provide advances against the *Documents* to be sent on *Collection*. In the event that we agree to do this, the relevant provisions of **clauses B5.5** (Export Documentary Credits) or **B5.6** (Foreign Bills Negotiated Facility) will apply.
- (e) We are not obliged to check the *Documents* before sending them to the collecting bank. We will only pay you the proceeds of a *Collection* which have actually been received by us from the collecting bank and will not be liable if we receive late advice of payment. We are not responsible for any act, omission, delay or default on the part of any collecting/settlement bank.

Payments and costs

You must reimburse us

- (a) You must reimburse us on demand, for any amount due in respect of a *Collection* and you indemnify us for any damages, losses, costs and expenses we suffer or incur in connection with that *Collection*, except to the extent they are caused by our negligence, willful misconduct or fraud.

Fees

- (b) See **clause B5.8**.

B5.7.3 International rules governing Collections

Each *Collection* (either documentary or clean) will be subject to the *ICC Uniform Rules for Collections* in force from time to time.

B5.8 Trade Finance Fees Table

The following standard fees apply in relation to *Trade Products* and *Services*. Additional fees may apply under your *Offer Document*.

Trade Advances

Drawdown	AUD50
Rollover	AUD50
Prepayment (Charged where the advance is repaid prior to maturity)	AUD50 plus break costs if applicable

Import Documentary Letters of Credit

Issuance (via manual channel)	AUD150 plus SWIFT fee
Issuance (via Bank's e-channel)	AUD75 plus SWIFT fee
Amendment (via manual channel)	AUD100 plus SWIFT fee
Amendment (via Bank's e-channel)	AUD50 plus SWIFT fee (per amendment)
Cancellation Fee (when we agree to cancel a Letter of Credit for you)	0.25% of undrawn amount Minimum AUD75
Expired Undrawn Balance Fee (where balance at expiry is equal to or greater than AUD5,000 or equivalent)	0.25% of undrawn amount Minimum AUD75
Cash Covered Issuance Structuring (Charged in addition to applicable Issuance and Document Handling Fees for cash covered <i>Import Documentary Letters of Credit</i>)	AUD250
Document Handling Fee (applicable to each drawing received)	0.375% Minimum AUD100 No Maximum
Acceptance / Deferred Payment Commission (Charged where we pay a letter of credit on a term basis rather than at sight)	1.5% p.a. Minimum AUD80
Discrepancy Fee (Deducted from proceeds remitted where charges are for the beneficiary's account, otherwise to be charged to the applicant)	USD100 or equivalent in other currency
Reimbursement (Paying Bank) Commission (Deducted from proceeds remitted where charges are for the beneficiary's account, otherwise to be charged to the applicant)	USD100 or equivalent in other currency

Export Documentary Letters of Credit

Advising Fee (Charged for each EDLC advised to a non-Commonwealth Bank customer; refundable against presentation of shipping documents to Commonwealth Bank)	AUD90
Advising of Amendment Fee (Charged for each EDLC advised to a non-Commonwealth Bank customer; refundable against presentation of shipping documents to Commonwealth Bank)	AUD50
Transfer of Export Documentary Letter of Credit	0.25% Minimum AUD2000
Transfer of Amendment	AUD100
Assignment of Proceeds	AUD100 per assignment
Document Handling Fee (applicable to each drawing received)	0.25% of drawing amount Minimum AUD80 Maximum AUD1000
Acceptance of term drafts drawn on CBA	Price on application Minimum AUD80
Negotiation under Reserve (Charged in addition to Document Handling Fee)	AUD100
Discrepancy Fee	AUD50 per set of documents
Additional Handling Fee	AUD50
SWIFT Fee (Deducted from proceeds remitted where charged are for the <i>Beneficiary's</i> account, otherwise chargeable to the Applicant)	USD20 or AUD equivalent

Foreign Bills Negotiated

Document Handling Fee	0.25% of FBN amount Minimum AUD90 Maximum AUD850
Additional Handling Fee (Charged in addition to Document Handling Fee where amendments to the terms of the collection are advised to the presenting bank or on dishonour)	AUD80 (inclusive of GST)
Documents Free of Payment (Charged when you, as drawer, instruct us to instruct an overseas bank to release collection documents free of payment)	AUD80 (inclusive of GST)
Tracer/SWIFT (Charged to enquire about documents sent for collection)	AUD15

Import Documentary Collections

Document Handling Fee	0.25% of collection amount Minimum AUD90 Maximum AUD850
Accepted Bills Received for Payment	AUD80
Documents Free of Payment (Charged where an overseas bank instructs <i>us</i> to release collection documents to <i>you</i> free of payment)	AUD80
Consignment Fee (Endorsement of shipping documents consigned to the Bank)	AUD100
Air Waybill Release Issuance	AUD90
Dishonour Fee (Charged on the dishonour of payment instrument by the institution on which it is drawn)	AUD80
Re-presentation Fee (Charged when we need to re-present a dishonoured payment instrument)	AUD80
Additional Handling Fee (Charged in addition to Document Handling Fee where amendments to the terms of the collection are advised to the presenting bank or on dishonour)	AUD80

Export Documentary Collections

Document Handling Fee	0.25% of the collection amount Minimum AUD90 Maximum AUD850 (inclusive of GST)
Documents Free of Payment	AUD80 (inclusive of GST)
Additional Handling Fee (Charged in addition to Document Handling Fee where amendments to the terms of the collection are advised to the presenting bank or on dishonour)	AUD80 (inclusive of GST)
Tracer/SWIFT	AUD15

Out of Pocket Expenses

SWIFT (per message)	Minimum AUD15
Courier – International	At Cost Minimum AUD30
Courier – Domestic	At Cost Minimum AUD20
Express Post	At Cost Minimum AUD10

When we provide a foreign exchange service to *you* for the conversion of one currency to another currency, we will apply the following exchange rate to the transaction (unless otherwise negotiated with *us*):

- (a) Where one of the currencies to be exchanged in *your* transaction includes Australian dollars (AUD), the exchange rate applied will be as quoted by *us* on <https://www.commbank.com.au/personal/international/foreign-exchange-rates.html> with reference to:
 - (i) 'Send International Money Transfer' if *your* transaction involves *you* selling AUD and buying a foreign currency, or
 - (ii) 'Receive International Money Transfer' if *your* transaction involves *you* buying AUD and selling a foreign currency.
- (b) Where none of the currencies in *your* transaction includes AUD, please refer to the 'Foreign Exchange Calculator' located at the above URL.

Please note that fees and charges may apply to a foreign exchange conversion. Any applicable fees and charges will be set out in the 'Standard fees and charges for international payments and travel funds' available on *our* website detailed above.

Meanings of words

For *Facilities* referred to in this **section B.5**:

- (a) the following words have the meanings given below, and
- (b) terms not defined in these *Terms and Conditions* have the meaning given to them in the relevant *Offer Document* or applicable rules published by the ICC.

Amount Owing

For *Export Documentary Credit* and *Trade Advances*, all amounts and liabilities, in any currency, that *you* owe or that may become due or owing by *you*, or may be accruing to or for *our* account by *you*, whether alone or with another person.

Approved Percentage

The maximum percentage an *Eligible Invoice* which we will finance with an Insured Export Finance *Trade Advance*, as set out in the *Offer Document*.

Beneficiary

The person identified as the beneficiary of a *Contingent Liability Instrument*, a *Documentary Credit* or a *Payment Instrument*.

For an *Export Documentary Credit* or an Import Documentary Credit, a beneficiary under a *Documentary Credit* or a *Payment Instrument*.

Collection

Our handling of *Documents*, as instructed, to:

- (a) obtain payment against acceptance;
- (b) deliver *Documents* against payment; or
- (c) deliver *Documents* on other terms and conditions.

Collection Account

The account we establish in *your* name which *you* authorise *us* to draw on to meet *your* payment obligations under an Insured Export Finance *Facility*.

Correspondent Bank

Any bank (including any branch of ours) which provides banking or other services for a *Trade Product* or *Service* at *our* request.

Documentary Credit

An undertaking to pay a beneficiary on an agreed date, provided that the beneficiary has submitted the documents specified and complied with the terms of the undertaking.

Documents

In the context of trade finance, all documents relating to the *Goods*. This includes all drafts, bills of exchange, documentary credits, documents of title, transport documents, insurance policies, invoices, certificates, reports, receipts or warrants.

EDLC

An *Export Documentary Credit*.

Eligible Invoice

An invoice *you* issue for *Goods* *you* export where any of the following eligibility criteria are satisfied:

- (a) we have been provided with a copy of the invoice and evidence satisfactory to *us* that the *Goods* have been delivered and we are satisfied the relevant trade insurer regards the invoice as eligible for insurance cover for trade credit risk;
- (b) we have otherwise determined that the invoice is an *Eligible Invoice*; or
- (c) such other criteria as are described in the *Offer Document* have been satisfied.

Export Documentary Credit

A *Documentary Credit* in *your* favour that was issued by either a domestic or overseas *Person*, which we amend, advise, negotiate, discount, confirm, assign or transfer under the *Contract* at *your* request.

Export Documentary Credit Rights

Your rights, title or interest in:

- (a) an *Export Documentary Credit*;
- (b) the proceeds of an *Export Documentary Credit*;
- (c) any agreement between *you* and a third party relating to the *Goods*;
- (d) the *Goods*; and
- (e) any *related Documents*.

Foreign Bill

The *Bill* *you* provide to *us* as one of the *Documents* relating to *your* export of *Goods*, where the importer is named on the *Bill* as the drawee.

Foreign Bills Negotiated

A *Facility* that provides *you*, as the exporter, with post-shipment finance, by providing the

proceeds of an export documentary collection before the buyer's payment is received.

Goods

In the context of trade finance, the goods, product or service (in any combination) referenced in the *Documents* and the *Trade Product* or *Services*.

ICC

International Chamber of Commerce.

Import Documentary Credit

A *Documentary Credit* in favour of a domestic or overseas *Person* that we issue for *you*, or at *your* request.

Import Trade Advance

A loan we make under these *Terms and Conditions* and an *Offer Document*, for domestic or import purchases.

Issuing Bank

In the context of trade finance — the bank which issues the relevant *Documentary Credit*.

Letter of Guarantee

For a *Trade Product* or *Service* any:

- (a) guarantee, indemnity, performance bond, bid/tender bond;
- (b) advance payment guarantee or bond;
- (c) counter, financial, direct pay or commercial guarantee (whether standby or demand); or
- (d) any legally binding letter of comfort or suretyship.

Maturity Date

- (a) For a *Trade Advance*, the maturity date set out in the relevant *Drawdown* notice, and
- (b) for a *Contingent Liability Instrument* or trade instrument, such as a *Bill*, the date by which payment must be made, set out in that instrument.

Payment Instrument

Any *Standby*, *Letter of Guarantee* or counter-indemnity we issue in favour of *our Correspondent Bank* or any other party.

Standby

A standby *Letter of Credit*. It includes any performance, financial and direct pay standby *Letters of Credit*.

Trade Product or Service

Any trade related product, service, loan or *Facility*, including, a product, service, loan or *Facility* as described in this **section B.5** that we provide to *you*.

UCP

Uniform Customs and Practice.

Uncommitted Facility

A *Facility* described as an Uncommitted Facility in the *Offer Document* or which *you* and we have otherwise agreed is an uncommitted facility in respect of which we can cancel the *Limit* without advance notice.

B.6 MASTER FACILITIES

B6.1 About Master Facilities

Under a *Master Facility*, you can have a combination of the following *Facilities* in one package with one overall *Master Limit*:

- (a) AgriBusiness Line of Credit Facility;
- (b) Bill Facility;
- (c) Business Line of Credit Facility;
- (d) Contingent Liability Facility;
- (e) Foreign Bills Negotiated Facility;
- (f) Import Documentary Credit;
- (g) Market Rate Loans;
- (h) Overdraft; and/or
- (i) Trade Advance Facility.

B6.2 Setting up and using your Master Facility

B6.2.1 You can borrow up to your *Master Limit*. The total Australian dollar equivalent of all amounts outstanding on the *Facilities* included under your *Master Facility* (contingent or otherwise) must not exceed the *Master Limit*.

B6.2.2 *Sub Facility Limits* as agreed with you from time to time apply separately to each *Sub Facility* included under your *Master Facility*. These are communicated to you via the *Offer Document* or *Account Confirmation Document*.

B6.2.3 Where there is more than one *Borrower*, we may provide a *Sub Facility* to either one or a combination of those *Borrowers* under the *Master Facility*. You agree all *Borrowers* will be jointly and severally liable for any such *Sub Facility*. We may give notices and issue statements only to the subset of *Borrowers* in whose name each *Sub Facility* is provided.

B6.3 Changes to your Facility

B6.3.1 Reducing or cancelling your *Master Limit*

- (a) Subject to any longer notice period or other restrictions provided for under any *Sub Facility* in relation to a *Sub Facility Limit*, we may cancel or reduce your *Master Limit* by giving you 90 days' written notice.
- (b) At the end of the notice period, if the total Australian dollar equivalent of all amounts outstanding (contingent or otherwise) exceeds the *Master Limit*:
 - (i) we may pay one or more *Beneficiaries* under a contingent liability, and
 - (ii) you must repay the excess.

B6.4 Meanings of words

In this **section B.6**, the following words have the meanings given below:

Master Facility

A Multi-Option Facility or Trade Finance Facility.

Master Limit

The *Limit* for a *Master Facility* set out in the *Offer Document*.

Sub Facility

A *Facility* under a *Master Facility*.

Sub Facility Limit

The *Limit* applying to a *Sub Facility*.

B.7 CARD PRODUCTS

B7.1 Corporate Cards

B7.1.1 There are two types of Corporate Card:

- Corporate Charge Card, for which *you* must pay the outstanding balance in full each month from a *Nominated Account*.
- Corporate Credit Card, for which *you* must make at least the minimum payment each month.

B7.2 Business Cards

Business Credit Cards are no longer available. These *Terms and Conditions* apply to Business Credit Cards already issued to existing customers.

B7.3 Setting up and using your Facility

B7.3.1 Choosing Cardholders

Corporate Cards

- You* can choose anyone 18 years or older to receive a Corporate Card. There is no limit to the number of *Cardholders*.

Business Credit Cards

- A *Cardholder* must be at least 18 years of age. *Cards* may only be issued as follows:

Type of Borrower	Who can receive a Card?	Maximum no. of Cards issued
Individual	<i>You</i> and any other individual <i>you</i> nominate in writing may receive a Card.	We will issue a maximum of two Cards, each with a Code.
Firm of more than one proprietor or partnership	<i>You</i> may nominate, in writing, any two individuals to receive a Card. Where any one or more of the partners is an individual, at least one of the <i>Cardholders</i> must be a partner.	
Company	<i>You</i> may nominate, in writing, any two individuals to receive a Card.	

B7.3.2 Activating a Card

Cards come with activation instructions. A *Card* can't be used before the commencement month or before it has been activated. A *Cardholder* must sign their *Card* as soon as they receive it.

B7.3.3 Using a *Card*

- A *Card* can be used for transactions with any merchant or financial institution displaying

the Mastercard logo in Australia and most other countries. Some goods and services may not be available using a *Card*.

- A *Card* may only be used for business purposes.
- Cards* cannot be placed into credit for a sustained period of time. *We* may return the funds to *you*.
- You* can ask *us* to restrict the use of a *Card* with certain merchant categories. If a merchant is incorrectly categorised, these restrictions will not work and *we* will not be liable.

B7.3.4 Using Electronic Equipment

- You* authorise *us* to process *Cardholder* transactions Using *Electronic Equipment*.

Electronic banking limits

- An electronic banking limit may apply per *Card* to ATM and debit EFTPOS transactions requiring a PIN.
- We* may also set maximum or minimum limits for withdrawals using *Electronic Equipment*.

When we process electronic transactions

- We* may process electronic transactions on the next *Business Day* if they are made:
 - after 3 pm on a *Business Day*; or
 - on a weekend or public holiday.

When we may cancel use of a card in Electronic Equipment

- If *we* believe a *Card* is being used in a way that may cause losses to *you* or *us*, *we* may cancel its use in *Electronic Equipment* without giving *you* advance notice.

Provisional authorisation

- We* may provisionally authorise a transaction made using *Electronic Equipment* —for example, when *you* check into a hotel. When that happens, *your* available credit is reduced by the provisionally authorised amount for up to 31 *Business Days* (but usually less).

Our right not to authorise transactions

- We* reserve the right not to authorise a transaction, even when *you* have available funds. This might happen, for instance, if *we* suspect a fraudulent transaction or have problems with *our* computer systems.

Disputes with a merchant

- Cardholders* are responsible for the accuracy of transaction amounts entered in *Electronic Equipment*.
- A *Cardholder* must deal directly with the merchant if they have complaints about goods or services, or if they dispute the amount charged.

- (j) As a member of the Mastercard scheme, we may be able to request a refund ('chargeback') of a purchase transaction in certain situations, for example if the goods were not delivered.
- (k) To take advantage of this chargeback process, contact *us* within 30 days of the date *your* statement is issued. Otherwise, we may not be able to claim a chargeback for *you*.

B7.3.5 Limits

- (a) *You* may borrow up to the *Facility Limit* in *your Offer Document*.
- (b) Corporate Cards also have a separate *Card Limit* for each *Card Account*, agreed between *you* and *us*. Note that the *Card Limits* may add up to more than the *Facility Limit*. This means that not all *Cardholders* will be able to draw up to their full *Card Limit* at the same time.
- (c) *You* must ensure that none of *your Facility* or *Card Limits* are exceeded. We can require *you* to pay *us* any excess amount immediately.

Asking for a cash advance

- (d) A *Cardholder* can ask for a *Cash Advance* of AUD\$20 or more (or the foreign currency equivalent, if overseas).

B7.4 Costs and payments

B7.4.1 Foreign currency transactions

- (a) Purchases and *Cash Advances* in foreign currencies are converted to Australian dollars by Mastercard, which determines the exchange rates and conversion process.
- (b) In some cases, overseas merchants or ATM operators may allow a *Cardholder* to transact in Australian dollars, in which case they set the exchange rate.
- (c) We charge *you* an international transaction fee when *you* complete:
- a transaction in a foreign currency
 - a purchase or *Cash Advance* in Australian dollars while overseas; or
 - a purchase or *Cash Advance* in Australia (for example online) where the merchant, financial institution or entity processing the transaction is located overseas.

B7.4.2 Making payments

Corporate Credit Cards and Business Credit Cards

What <i>you</i> need to pay	Each <i>Consolidated Account</i> statement sets out: <ul style="list-style-type: none"> a closing balance, which shows how much <i>you</i> owe <i>us</i>; the minimum payment <i>you</i> need to make; and the date the minimum payment is due. <p><i>You</i> must make at least the minimum payment by the due date.</p> <p>The due date is 25 days after the statement date (or, if that day is not a <i>Business Day</i>, the next <i>Business Day</i>).</p> <p><i>You</i> can pay more than the minimum at any time.</p> <p><i>You</i> must also pay the outstanding balance of the <i>Consolidated Account</i> on cancellation of the <i>Facility</i>.</p>
How we calculate the minimum payment	If the <i>Consolidated Account</i> statement shows a closing balance less than \$75, the minimum payment is the closing balance. Otherwise, the minimum payment is the larger of: <ul style="list-style-type: none"> the excess of the closing balance over the <i>Facility Limit</i>; 2.5% of the closing balance (rounded down to the nearest dollar); or \$75.
How <i>you</i> can pay	<i>You</i> can pay <i>your</i> account in Australian dollars: <ul style="list-style-type: none"> by direct debit against a <i>Nominated Account</i>; by cheque directed to the address shown on the statement; or at any of <i>our</i> branches. <p>We don't accept payment through overseas financial institutions.</p> <p>A payment is taken to be made when we credit it to <i>your</i> account. We aim to do this as soon as practical.</p>
Paying by cheque	Cheques must be cleared. If a cheque is dishonoured, we'll treat the dishonoured payment as a <i>Cash Advance</i> and charge interest on it from the date of dishonour.

Corporate Charge Cards

What <i>you</i> need to pay	Each Consolidated Account statement sets out: <ul style="list-style-type: none"> a closing balance, which shows how much <i>you</i> owe <i>us</i>; and the date the payment is due. The due date is 25 days after the statement date (or, if that day is not a Business Day, the next Business Day) unless otherwise agreed. <p><i>You</i> must also pay the outstanding balance of the Consolidated Account on cancellation of the <i>Facility</i>.</p>
How <i>you</i> can pay	<i>You</i> must make payments in relation to a Corporate Charge <i>Card Facility</i> by direct debit against a <i>Nominated Account</i> unless otherwise agreed.

B7.4.3	How we apply <i>your</i> payments We apply <i>your</i> payments in this order: <ol style="list-style-type: none"> Interest and government charges shown on any statement; Any of <i>our</i> fees and charges (including <i>Enforcement Expenses</i>) shown on any statement; <i>Cash Advance</i> shown on any statement; Purchases shown on any statement before <i>your</i> last statement; Purchases shown on <i>your</i> last statement; <i>Cash Advance</i> not yet shown on a statement; Purchases not yet shown on a statement; then Interest, any of <i>our</i> fees and charges, <i>Enforcement Expenses</i> and government charges not yet shown on a statement.
B7.4.4	Fees and charges <ol style="list-style-type: none"> <i>You</i> must pay the fees set out in the 'Commonwealth Bank Business Credit Card Standard Fees and Charges' brochure (or 'Commonwealth Bank Corporate Card Fees and Charges' brochure for Corporate Cards) we give <i>you</i> as changed from time to time under clause A.4. We will debit any fees or charges from the <i>Card Account</i> at the end of each <i>Statement Period</i>, except: <ol style="list-style-type: none"> non-Commonwealth Bank ATM fees, which we debit from the <i>Card Account</i> after any Cash Advance or balance enquiry; and any annual fee, which we debit from the <i>Card Account</i> in <i>your</i> first statement period and then annually.
B7.4.5	Interest <ol style="list-style-type: none"> <i>You</i> must pay interest at the <i>Interest Rate</i> on the interest-bearing balance, which is: <ol style="list-style-type: none"> For Business Credit Cards and Corporate Credit Cards: the unpaid balance of each purchase, <i>Cash Advance</i> and other amount we are permitted to charge, except amounts with an interest-free period.

(ii) **For Corporate Charge Cards:** the unpaid balance of *Cash Advances*.

(b) We debit the *Card Account* on the last day of each *Statement Period* for interest up to and including that day.

Your Interest Rate

(c) *Your Interest Rate* is a reference rate as set out in *your Offer Document* plus or minus a margin. We divide *your Interest Rate* by 365 (even in a leap year) to get a daily rate, then apply it to the interest-bearing balance as described below.

How we calculate interest

(d) At the end of each statement period, we calculate interest separately on:

- purchases; and
- Cash Advances*.

(e) Interest on each of these categories is added to the balance. Fees are considered purchases. We then follow these three steps:

- Average the balances over the statement period;
- Multiply the average by the daily interest rate; then
- Multiply the result by the number of days in the *Statement Period*.

(f) We add to these any interest relating to a previous period that hasn't yet been charged (for example, interest on amounts no longer subject to an interest-free period).

Credit Cards with interest-free periods

(g) A *Business Credit Card* or *Corporate Credit Card* may have an interest-free period on purchases of up to 55 days. The actual interest-free period may be less than 55 days, depending on time between the date the purchase is made and the time payments due.

(h) We won't charge *you* any interest on purchases shown on *your* statement if:

- you* paid in full the closing balance shown on the statement by the due date, and
- you* also paid in full the closing balance on *your* previous statement by its due date.

(i) *You* will still be charged interest on *Cash Advances*.

B7.5

B7.5.1

Changes to your Facility

Fraud, Loss, Regulatory Risk

(a) We can suspend or cancel a *Card*, or suspend *your Facility*, without prior notice:

- if *you* are in *Default*;
- to protect *you*, or *us*, from fraud or other losses; or
- to manage regulatory risk.

(b) If this occurs, *you* must continue paying all required amounts shown on each statement.

B7.5.2

Reducing or Cancelling *your Facility* Limit

(a) *You* can cancel *your Facility* at any time.

- (b) We may reduce *your Facility Limit* or cancel *your Facility* or Card by giving you 90 days' written notice including the reason for doing so if appropriate.
- (c) If we reduce *your Facility Limit*, you must, by the end of the notice period, repay such amount as is necessary to reduce the *Outstanding Balance* to an amount not exceeding the reduced *Facility Limit*.
- (d) If we cancel *your Facility*, you must repay the *Outstanding Balance* and any other amount owing to us by the end of the notice period.
- (e) If the *Facility* is cancelled:
 - (i) all the *Cards* are immediately cancelled and you must return them;
 - (ii) you continue to be responsible for any liabilities incurred on the *Consolidated Account* before the date of cancellation;
 - (iii) you must cancel any recurring payment authority linked to a *Card Account*; and
 - (iv) we will continue to charge any interest, fees, *Enforcement Expenses* and government charges until the *Outstanding Balance* is paid in full.
- (f) If a *Card* is cancelled:
 - (i) you must return it to us immediately, and
 - (ii) you must cancel any direct debit linked to the *Card Account*.
- (g) If we cancel *your Facility* and it is in credit we:
 - (i) will pay you the amount of the credit balance; and
 - (ii) may charge you an amount that is our reasonable estimate of the costs of cancelling *your Facility*.

B7.6 Managing your account

B7.6.1 Your liability

- (a) You are liable for all the credit we extend as a result of you or any *Cardholder* using an *Access Method*. We will debit the *Card Account* or the *Consolidated Account*.
- (b) You must pay us:
 - (i) the price of goods and services bought direct from a merchant or through mail, online and telephone orders (including regular payment arrangement transactions);
 - (ii) the amounts shown on all *Cash Advance* vouchers;
 - (iii) the amounts of all *Cash Advances* and any other transactions charged, or intended to be charged, to *your Card Account* as a result of the use of *Electronic Equipment* or by use of a *Password* or *PIN*; and
 - (iv) any other amounts we may debit to the *Card Account* and the *Consolidated Account* with your or a *Cardholder's* authorisation under these *Terms and Conditions*.

- (c) You are liable for all the credit we extend on a *Card* issued to the *Cardholder*, before or after their *Card* is cancelled or after this *Contract* is terminated.

B7.6.2 Statements

- (a) We send a monthly statement for each *Card Account*. For Corporate Cards, we also send a statement of *Consolidated Account* for the *Facility*.
- (b) We won't send a statement if:
 - (i) there has been no account activity since the previous statement and the balance is less than \$2.00;
 - (ii) we have written off any amount you owe us under the *Facility* and no other entries have been made since the closing date for the previous statement; or
 - (iii) you have been in *Default* over three consecutive *Statement Periods*, including the most recent *Statement Period*, and we have not given credit on the *Card Account* during the most recent *Statement Period*.

B7.6.3 Mistakes and refunds

- (a) You should check *your* transaction history regularly, and each statement as soon as you receive it.
- (b) If you think there is an error or an unauthorised transaction, tell us as soon as you can. That's important because Mastercard scheme rules only allow us to seek a refund within strict time limits: see **clause B7.3.4(k)**.

B7.6.4 Documents

We will, at *your* request, give you a copy of *your* documents in *our* possession including:

- (a) Any relevant Security document;
- (b) Any notice we previously gave to you which is relevant to us exercising our rights

B7.6.5 How to make a complaint

- (a) You can challenge any *Card* transaction by contacting us.
- (b) If we can't resolve *your* concern immediately, we'll advise you in writing about *our* internal complaints resolution procedure.

Investigating your complaint

- (c) Within 21 days of hearing *your* concern, we will either complete an investigation into it or write and inform you that we need more time.
- (d) We aim to complete investigations of transactions involving use of a *Card* and *PIN* or *Card* and *Password* within 45 days (unless there are exceptional circumstances, in which case we'll write to advise you of the delay).
- (e) We'll advise you in writing of the outcome of *our* investigation, the reason for *our* decision, and the relevance of any of the terms and conditions of use of the *Card* that may apply.

Fixing mistakes

- (f) If we find *your* account has been incorrectly debited or credited, we'll adjust the *Card Account* (including any interest and charges) and advise *you* of the debit or credit.
- (g) If we find *your* account has not been incorrectly debited or credited, or in the case of *Unauthorised Transactions*, that *you* are liable for the loss or part of the loss, we will give *you* copies of any documents and other evidence on which we based *our* finding.
- (h) If *you're* not satisfied with *our* decision, please see *our* brochure called *How we can help you*, available at any of *our* branches.

B7.6.6 Protecting *your Card, PIN and Password*

- (a) Each *Card* remains *our* property. If we ask, *you* must return a *Card* to *us*. *You* must also destroy any *Card* that is no longer valid.
- (b) A *Cardholder* must sign a *Card* as soon as they receive it, and keep it in a secure place.
- (c) In the event *you* do not inform *us* about the loss, theft or misuse *you* may not be eligible for refunds or any losses incurred (where *you* otherwise may have been).

Keeping Access Methods secure

- (d) To prevent misuse, theft or loss, *Cardholders* should not share their *Card* or *PIN*. *You* must tell *us* straight away if:
 - (i) a *Card* or device containing the *Card* details has been lost or stolen, or
 - (ii) *you* or a *Cardholder* suspects someone else has used a *Card Account* without permission or may know a *PIN* or *Password*.

How to tell *us* about lost or stolen *Cards, PINs or Passwords*

- (e) In Australia: call *us* on 13 1576 anytime, or visit any branch during bank hours.
- (f) In the USA: call 1-800-Mastercard (1 800 627 8372) (free call).
- (g) In any other country: call +1 636 722 7111 reverse charges, or visit any financial institution displaying the Mastercard logo.
- (h) If we're contacted, we give the *Cardholder* a number as proof of the date and time of the report. The *Cardholder* should keep this in a safe place for future reference.
- (i) If the *Cardholder* can't report the loss, or register their suspicion of misuse because *our* hotline facilities are unavailable, they will need to visit or phone a branch.

If a *Card* is found

- (j) If the *Cardholder* recovers their *Card* after reporting it lost or stolen, they must tell *us* and destroy the *Card*. We will provide a replacement *Card*. If the *Cardholder* is overseas at the time, they should tell a financial institution displaying the Mastercard logo.

B7.6.7 Getting a refund on unauthorised transactions

When you'll get a refund

You will get a refund for an unauthorised transaction if it's clear *you* or any other *User* didn't contribute to the loss, or the loss is because:

- (a) a *Cardholder* can't report a lost *Card* or *PIN* or register a suspicion of misuse because *our* hotline facilities are unavailable;
- (b) someone uses a *Card, PIN or Password* after *you* tell *us* the *Card* was lost, stolen or misused or that someone else may know the *PIN* or *Password*;
- (c) a bank employee or anyone involved in processing *your* transaction contributed to a loss by acting fraudulently or negligently;
- (d) the transaction involved faulty equipment, a forged or faulty *Card* or device or an expired or cancelled *Card, PIN or Password*;
- (e) someone uses a *Card, PIN or Password* before the *Cardholder* receives it; or
- (f) the same transaction is debited more than once.

You might get a partial refund for any unauthorised transaction:

- (g) conducted on any one day if the applicable daily transaction limit is exceeded before or as a result of the transaction;
- (h) on any *Card Account* where the available limit of that *Card Account* is exceeded before or as a result of the transaction; or
- (i) on any account as to which we had not agreed with *you* to give a *Cardholder* access using the *Access Method*.

When you won't get a refund

You will not get a refund for an unauthorised transaction if *you* or any other *Cardholder* has contributed to the loss by:

- (j) committing fraud;
- (k) telling someone the *PIN* or *Password*, keeping an undisguised record of them, creating a *PIN* or *Password* that is easily guessed (like their name or date of birth) or otherwise contributing to the loss by not protecting the *PIN* or *Password*;
- (l) not promptly telling *us* that their *Card* was lost or stolen, or that someone else may know the *PIN* or *Password* (*you'll* be liable for transactions after *you* or the *User* should have told *us*); or
- (m) forgetting to collect the *Card* after using an ATM.

In any other circumstance not covered in the left hand column, we may hold *you* responsible for the transaction unless we are able to obtain a refund for *you* under the Mastercard scheme rules.

B7.7 Meanings of words

In this **section B.7**, the following words have the meanings given below:

Access Method

A method we make available for *you* to provide instructions to *us*, which we rely on as *our* mandate to act.

It includes all components of the *Access Method*, including *Devices*, *Identifiers*, *Codes* or a combination of these. It does not include authentication by a manual signature.

Card

The Mastercard Card we issue on a *Card Account* to a *Cardholder*.

Card Account

For Business Credit Card Accounts – the account we set up in *your* name to record *Cardholder* transactions.

For Corporate Card Accounts – the account we set up in the *Cardholder's* name to record *Cardholder* transactions under *your Facility*.

Cardholder

A person who is issued a *Card* at *your* request, and anyone authorised by a *Cardholder* to use a *Card* or *Code*.

Cash Advance

Any money we lend *you* under *your Card Facility*, except a purchase. Cash advances include:

- (a) ATM withdrawals (including any ATM fee);
- (b) money withdrawn at a branch or other financial institution;
- (c) transfers from *your Consolidated Account*, including transfers using *our* internet banking, mobile banking, phone banking or call centres, or Australia Post;
- (d) transactions for items we consider equivalent to cash, such as gambling, lottery tickets, money transfers or travellers cheques, including transactions which merchants tell *us* are for such items; and
- (e) dishonoured payments.

Code

Information such as a *PIN* or *Password*, which:

- (a) is known to a *User*;
- (b) is intended to be known only to the *User*, or only to the *User* and *us*;
- (c) we require the *User* to keep secret; and
- (d) the *User* must provide (in any manner which we approve) to access a *Card Account* electronically or via a *Card*.

Consolidated Account

The account we set up in *your* name to which we debit or credit amounts for *Card Accounts*.

Device

A physical device used to electronically access a *Card Account*, such as a *Card*, computer or smartphone.

Electronic Equipment

Includes an electronic terminal (like an EFTPOS terminal or ATM), computer, television, telephone, smartphone or smart watch.

Enforcement Expenses

- (a) The cost to *us*, including *our* internal administrative expenses, if we take enforcement proceedings such as: in a court, to recover a payment due under the *Contract* or a *Security*, and
- (b) to enforce the *Security*, including taking possession of the *Security Property*.

Identifier

Information that:

- (a) is known to the *User* and others and not required to be kept secret, or
- (b) which the *User* must provide when accessing a *Card Account* with a *Card* or *Electronic Equipment*.

Password

A password nominated by a *Cardholder* that meets *our* requirements, for use with the *Cardholder's Card*.

PIN

A Personal Identification Number (PIN) which we issue to *Cardholders* (or which is selected by a *Cardholder*) for use electronically with a *Card*, typically at an EFTPOS or ATM terminal.

Statement Period

The period for which we draw up a statement of the *Card Account*, or would have drawn up a statement if there had:

- (a) not been a breach of these *Terms and Conditions*, or
- (b) been a transaction on the *Card Account* (other than *us* writing off an amount owed to *us*) since the date we last drew up a statement.

User

You and any *Cardholder*.

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