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# **BUSINESS LENDING GENERAL TERMS**

**Effective 16 October 2017**

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## 1. What to read

These Business Lending General Terms apply to all Facilities you have with us. They should be read with your Business Letter of Offer which lists the Facilities we are offering you. For each Facility the letter will include:

- Facility Details (such as the purpose, pricing, limits, expiry date and key financial terms); and
- Specific Conditions (these govern the use of that type of Facility, together with these Business Lending General Terms).

The Facility Details and Specific Conditions may make changes to how these Business Lending General Terms apply to a Facility.

## 2. How we will work with you

### Our promise to you

We will act reasonably and fairly towards you, taking into account your and our respective business interests. That includes whenever we are:

- considering any request you make; or
- deciding whether to give our consent or to exercise a right, discretion or remedy; or
- setting any conditions for doing any of those things.

It's worth noting that even if we don't make a decision or do something straight away, we may still do so later on. This includes where we delay or defer doing so, or we temporarily waive a requirement.

### Our commitment to good banking practices

Doing the right thing is important to us. That's why we follow a voluntary set of rules for banks on the best banking practice standards called the Code of Banking Practice. This Code applies to our relationship with you if you are an individual or a small business customer (as defined by that Code).

You can obtain from us, on request:

- information on our current rates and standard fees and charges relating to the Facilities;
- general descriptive information concerning our banking services (including about cheques, account opening procedures, bank cheques, our confidentiality obligations and complaint handling procedures) and concerning the importance of reading the terms and conditions for each banking service we provide to you and informing us promptly when you are in financial difficulty;
- general descriptive information about the identification requirements of the Anti-Money Laundering & Counter Terrorism Financing Act 2006 and the options available to you under the tax file number legislation; and
- a copy of the Code of Banking Practice.

To find out more about the Code, visit [nab.com.au](http://nab.com.au) and look up "Code of Banking Practice".

## 3. Getting started

Before you can use any Facility we will need the following (unless we've told you otherwise):

- a properly accepted Business Letter of Offer (it may be electronically signed);
- all Security specified in the Business Letter of Offer, satisfactory to us, with original title documents and anything else we need to register the Security and have it as first ranking security;
- if we have asked you to insure any of your assets, evidence that you have obtained insurance we are comfortable with. That may include noting our interest on your policy; and
- anything else that the Facility Details ask for.

Also, we will need to be satisfied:

- with any valuation we require of your assets (this must be for a value, and from a valuer, we are comfortable with). You can ask for a copy of a non-residential property valuation report and our instructions to the valuer. See clause 13 for details;
- with our 'know-your-customer' checks;
- with title, security, insolvency and corporate searches concerning you, any other Security Provider and all Security assets. We will arrange these searches and let you know if there are any issues; and
- you are not in Default and no Adverse Event exists. See clause 11 for more details.

## 4. Using your Facilities

### Basic requirements for each use of a Facility

Once we've received everything we need for you to start using a Facility, the basic requirements for each use are:

- you have given us a Drawdown Notice beforehand (so we have time to check everything is in order and make any funding available). Unless the applicable Specific Conditions say otherwise, we will need this at least 2 Business Days before the requested date of use;
- in the case of the first use of the Facility, the requested date of use is no later than the Last Date for Drawdown (if any) set out in the Facility Details;
- in all cases, the requested date of use is a Business Day no later than the Final Repayment Date;
- the requested use is for a purpose, and meets any other requirement, as specified in the Facility Details;
- using the requested amount won't cause any Facility Limit to be exceeded (and if the Facility has different components that you can use, it won't cause any component amount specified in the Facility Details to be exceeded); and
- you are not in Default, and no Adverse Event exists. See clause 11 for more details.

### Facility Limits

Each Facility Details specifies a limit for use of that Facility, and whether that limit can change. If a Facility has different components that you can use, the Facility Details will also specify each component amount, which is the limit for use of a component.

If you exceed any limit without our agreement, you must pay us the excess immediately. Until you do, we may charge you the applicable Default Interest Rate on that excess amount.

If you ask us in advance, we may let you temporarily exceed a limit. There may be a fee for exceeding your limit, which we will tell you about before we charge it. You will then need to pay us the excess when we ask you or on the date we've already agreed you will pay.

### Reviewing your Facilities

We may review your compliance with the Bank Documents, your financial position and that of each Security Provider periodically (but at least annually).

You must give us all requested information, documents, consents and assistance in connection with a review. Following a review, we may continue to provide the Facilities on the same terms, or we may notify changes we may make under clause 14 or ask you and any Security Provider to vary Bank Documents or to enter new documents with us.

## 5. Payments

### Regular payments

You must pay us the amounts, and at the times, set out in the Facility Details and relevant Specific Conditions.

On the Final Repayment Date you must pay all the Facility Amount Owing. We will give you at least 90 days written notice if we intend not to renew any Facility after the Final Repayment Date.

If any amount that we have not already told you about becomes payable under the Bank Documents, we will notify you and provide a reasonable time for you to pay.

### What currency must you pay us in?

You must pay us in Australian dollars unless the Specific Conditions say otherwise for a particular Facility.

If you pay us in a currency other than the one which was due, we can convert your payment into the due currency. We will act reasonably when making the conversion, but any costs involved in converting currencies will be added to what you must pay us.

This also applies if we are debiting an account of yours which is in a different currency to the due currency.

### Payment rules

Except as required by law, every payment must be made in full without any set-off, counterclaim, withholding or deduction.

If a payment falls due on a non-Business Day, you can pay us on the next Business Day unless the relevant Specific Conditions say otherwise.

If we have not specifically agreed in your Bank Documents how we are to apply a particular payment, we will act reasonably in applying payments we receive for any Facility Amount Owing against your liabilities to us.

## 6. Accounts

### Dealing with your accounts

The Specific Conditions may require you to nominate or open accounts with us in your name in order to use a Facility. This is for recording transactions for the relevant Facility.

Also, we may open accounts with us in your name to record certain transactions relating to your Facilities.

We can debit any of those accounts with any Facility Amount Owing that is due and payable, even if that causes an account to become overdrawn. If there are multiple accounts for your Facility, we can choose which account we debit from.

Where an account is overdrawn we may charge you interest on the overdrawn amount at the applicable Default Interest Rate. You must pay us the overdrawn balance of an account within a reasonable time after we ask, but doing so as soon as you can will minimise your costs.

We may sometimes have to adjust the recorded date of a debit or credit to an account. We will act fairly and reasonably in doing so.

### Account statements

We will give you any statements for your Facilities and accounts with us, as required by the Code of Banking Practice and may do so electronically.

## 7. Rates

The Facility Details and Specific Conditions specify the yearly rates and charges for a Facility. The Facility Details will say whether an applicable rate for a Facility (or, if applicable, for a component of a Facility) is a fixed rate, cap rate, floor rate, floating rate or variable rate, and how rates apply to the Facility. These details also include the available periods that rates apply for (sometimes referred to as interest periods or pricing periods). When a period ends, the next period starts on the last day of the previous period.

### Interest calculation and charging

Unless the relevant Specific Conditions say otherwise, we will calculate applicable interest at the end of each day on the outstanding loan or debit account balance for each Facility you have with us, and charge it to you on the last Business Day of each month and on the Final Repayment Date for each of your Facilities.

Unless paid when charged, the interest will be debited to an account you have with us or added to the Facility Amount Owing. This could mean you have to pay interest on any unpaid interest charged to you.

Daily interest is calculated at the annual interest rate divided by 365. For foreign currency Facilities, to get the daily rate we divide by 365 if in Fiji Dollars (FJD), Pounds Sterling (GBP) or Hong Kong Dollars (HKD), or by 360 in all other cases.

### Variable rates and floating rates

If your Facility Details specify a variable rate or a floating rate for your Facility (or any applicable component of your Facility), the rate will be made up of a specified 'indicator rate' plus one or more margins as specified in the Facility Details and applicable Specific Conditions. A variable rate or a floating rate therefore may change from day to day with changes in the indicator rate or in a margin.

You can contact us to find out the indicator rate. If an indicator rate is less than zero, it will be deemed to be zero for determining the applicable rate for your Facilities.

### Indicative rates

A rate listed in the Facility Details as 'indicative' or a 'current rate' is a guide only, and may not be the actual rate that applies. The actual rate will be determined and advised to you in accordance with the relevant Specific Conditions.

### Default Interest Rate

It is important that you pay all amounts on time and don't exceed your Facility Limits. The applicable Default Interest Rate will apply and be calculated at the end of each day on the following amounts (unless we've agreed otherwise):

- any overdue amount of a Facility Amount Owing;
- any amount overdrawn under an account you have with us; and
- any use of a Facility above a Facility Limit.

The rate applied each day is the applicable Default Interest Rate divided by 365.

Interest at the applicable Default Interest Rate is charged to you on the last Business Day of each month and on the Final Repayment Date for each of your Facilities. Unless paid when charged, the interest will be debited to an account you have with us or added to the Facility Amount Owing. This could mean you have to pay interest on any unpaid interest charged to you.

## 8. Fees, taxes and costs

### Fees

You agree to pay us each fee, charge, premium or other amount specified in the Bank Documents. All amounts are non-refundable.

Unless otherwise stated, our fees are not charged on a pro-rata basis.

### Taxes and Costs

You agree to pay or reimburse us for all taxes and reasonable Costs incurred from time to time relating to:

- the Bank Documents, the Facilities you have with us and any transactions under them;
- title, security, insolvency and corporate searches concerning you, any other Security Provider and all Security assets;
- preparing, registering and maintaining any financing statement or financing change statement (each as defined in the PPS Law) in relation to a Security, or taking any other action that in our reasonable opinion is necessary;
- preserving and maintaining the assets and property the subject of the Security (such as by paying insurance, rates or taxes for the property, including any interest, penalties and fines);
- a variation, release or discharge of any Bank Document, or giving a consent or approval or waiving a requirement in connection with a Bank Document;
- us acting or relying in good faith on any notice or other communication from you (or genuinely believed by us to be from you) including any email and any attachment to any email;
- a Default or Adverse Event or us exercising or enforcing our rights (or reasonably considering or attempting to do so) under the Bank Documents;
- the costs, indemnification and remuneration of any External Administrator.

If you are a Medium Sized Business, then you also indemnify us (and our officers, employees, contractors and agents) and any External Administrator we appoint, and must pay to us on demand amounts equal to, any loss, damage or Costs arising as a result of or in connection with any of the above listed payments and reimbursements including fraud, negligence or misconduct by any External Administrator appointed by us.

You don't have to pay, reimburse or indemnify us to the extent our fraud, negligence or misconduct contributed to the relevant loss, damage or Costs being incurred.

We need not have incurred an expense or made a payment before enforcing a payment, reimbursement obligation or indemnity.

### GST

Unless otherwise specified, all amounts referred to in the Bank Documents are exclusive of GST. If we are liable to pay GST or a similar tax on a supply (as defined in relevant GST legislation) made in connection with a Bank Document, you must pay us an additional amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

## 9. Promises we rely on

We are relying on some important promises from you to provide the Facilities. These promises are given when you or a Security Provider sign any Bank Document, and again while using a Facility.

### Promises about you and the Security Providers

You promise that:

- you hold all necessary approvals, licences, registrations and permits required to run your business;
- the financial information you gave us gives an accurate and up to date view of your and each Security Provider's financial positions;
- you have not withheld any information from us which might reasonably be expected to affect our decision to provide any Facility to you;
- you don't have a material dispute with anyone;
- entering into the Bank Documents is for your and each Security Provider's own commercial benefits;
- you are not Insolvent, and no Security Provider is Insolvent;
- you have told us about all Defaults and Adverse Events you are aware of;
- except as specified in your Business Letter of Offer, you are not a trustee of any trust nor a partner in a partnership;
- signing the Bank Documents and using a Facility will not cause:
  - you to breach any law or agreement you have with someone else; or
  - any payment obligation you owe to anyone has become due earlier than scheduled; and
- you have told us about any Security Interest granted by you or a Security Provider to anyone else.

**Trustee promises**

If you sign a Bank Document as a trustee your liability to us is supported by you personally, your own assets and the trust assets. You promise that:

- you are the only trustee of the trust and no steps have been taken to remove you as trustee;
- you have power and authority to enter into the Bank Documents and are doing so in good faith, for a proper purpose and for the benefit of all of the beneficiaries of the trust;
- you have the right to be fully indemnified out of the trust assets for obligations incurred as trustee under the Bank Documents ahead of the beneficiaries' claims;
- you are not in breach (however described) under the terms of the trust;
- you will not without our prior written consent:
  - amend the trust deed;
  - cease to be the only trustee; or
  - breach your duties as trustee of the trust.
- the trust has not vested or terminated; and
- true copies of the trust documents have been provided and they disclose all the terms of the trust.

**Partnership promises**

If you are a partner of a partnership, you promise that:

- you have the full power and authority on behalf of the partnership (including under any partnership agreement) to sign and comply with the Bank Documents as a partner to bind the partnership, and doing so is for the proper business of the partnership; and
- true copies of any documented partnership agreements have, if requested by us, been provided by you and they disclose all the terms of the partnership.

## 10. Things you will do

We are relying on your agreement to do, or to not do, certain things, as set out in the Bank Documents. This applies for as long as you have a Facility or otherwise owe us any money.

You will:

- keep your business and financial records in good order;
- not significantly change the nature of your business without our consent;
- maintain insurance for your business, assets and premises for a reasonable amount. You will take out more insurance if we ask you to; and
- let us know straight away if you become aware of a Default or Adverse Event or if you think one is reasonably likely to occur.

**Trustees**

If you sign a Bank Document as a trustee you will:

- give us copies of all of the trust documents we ask for;
- when we ask, exercise your right to be indemnified out of the trust assets to satisfy any liabilities under the Bank Documents; and
- comply with the terms of the trust and ensure that your rights as trustee have priority over the beneficiaries' interests.

You agree not to do any of the following without our written consent:

- end the trust, or distribute trust assets;
- change the trust terms;
- change the trustee of the trust;
- allow a Security Interest to exist over any trust asset;
- (if the trust is a unit trust) issue units to any person who is not a unit holder on the date of your Business Letter of Offer.

**Partnerships**

If you are a partner you must make sure that:

- each partner complies with its obligations as a partner of the partnership;
- the partnership's records are in good order;
- you obtain our written consent before:
  - any changes are made to the partners or the terms of the partnership;
  - the partnership is terminated, or its property distributed;
  - taking action which could make it harder for a partner to comply with a Bank Document; or
  - mixing partnership assets with other assets.

### **Self-managed superannuation funds**

If you are a trustee of a self-managed superannuation fund which is regulated by the superannuation laws, you will need to comply with those laws. These superannuation laws are the Superannuation Industry (Supervision) Act 1993 (Cth), regulations made under that Act, any other instruments made under the Act or regulations and any consolidations, amendments, re-enactments or replacements of them.

If you wish to use a Facility to buy an asset, you will need to sign and comply with the terms of a Superannuation Acquisition Financing Deed or Superannuation Financing Deed, in a form acceptable to us.

Our recourse to your fund will be limited in accordance with the terms of the deed. Please note that the terms of the deed prevail over any inconsistent term in another Bank Document.

Due to the requirements of the superannuation laws, despite any other term in a Bank Document you cannot redraw any amount you repay under a Facility.

If you have used a Facility to buy an asset, you agree to not overdraw your accounts and to pay, or direct your security trustee to pay, us any proceeds received:

- from any insurance claim relating to the asset, before repaying the Facility Amount Owing; and
- if the asset is compulsorily acquired, sold or otherwise disposed of, immediately following receipt.

### **Co-operation**

You will immediately give us any document or information we reasonably ask for and do what we reasonably require to give full effect to the Bank Documents.

### **Lender's Mortgage Insurance**

You will pay for all premiums and stamp duty for any lenders mortgage insurance we take out in respect of any Facilities we provide to you. We can take such payments from any of your accounts with us.

Please note that lenders mortgage insurance protects us (and not you). If you are in Default and we enforce the Security but the Facility Amount Owing is not paid in full, we may recover the remaining amount under the lenders mortgage insurance policy. However, you then become legally responsible to pay that amount to the insurer.

### **What if you don't comply with your promises?**

Even if you are not in Default at the time, if you or a Security Provider don't comply with promises or other obligations in a Bank Document, we may contact you and invite you to discuss your situation with us and the options available to assist you to meet your obligations.

If we determine a failure to comply is continuing, and is reasonably likely to have a significant negative impact on:

- you or a Security Provider being able to make any payment due under a Bank Document; or
- our ability to recover any Facility Amount Owing (including from the value of any property or assets secured under a Security) or
- the credit risk associated with us providing the Facilities to you,

we may review your Facilities.

Any outcome of a review does not affect our rights if later you are in Default. Clause 11 sets out when you are in Default and the consequences.

You must give us all requested information, documents, consents and assistance in connection with a review. Following a review, we may continue to provide the Facilities on the same terms, or we may notify changes we may make under clause 14 or ask you and any Security Provider to vary Bank Documents or to enter new documents with us.

Also, if you are a Medium-Sized Business, as a result of a review we may notify you that:

- we no longer wish to continue the Facilities, in which case you will need to pay us the Facility Amount Owing within 90 days (or such later date we advise you); or
- a failure to vary Bank Documents or to enter new documents with us by a certain date will require you to pay us the Facility Amount Owing within a further 90 days (or such later date we advise you), failing which you will need to make that payment.



## 11. Default

Defaults are events or circumstances (sometimes outside your control) which may impact upon your or a Security Provider's ability to meet your obligations under a Bank Document, or which are outside our credit policies.

There are three types of Default (Conduct Default, a Payment Failure and a Default that arises following an Adverse Event) and each has different consequences and timeframes before we become entitled to take enforcement action.

### Conduct Defaults and consequences

A Conduct Default occurs if:

- you or a Security Provider are Insolvent; or
- we believe on reasonable grounds that:
  - there has been fraud on your, or a Security Provider's part; or
  - if you are a Medium Sized Business, urgent action is necessary to protect or take control of any property or assets secured under a Security, including from seizure or sale.

If a Conduct Default occurs, you are in Default and we can immediately take any or all of the 'Enforcement actions' listed below. We don't need to give you notice before taking any action after a Conduct Default occurs. We will give you appropriate notice after taking enforcement action.

### Payment Failures and consequences

A Payment Failure occurs if you or a Security Provider don't pay on time any amount due under a Bank Document.

If a Payment Failure occurs you are in Default, but we will give you a notice that a Payment Failure has occurred allowing at least 7 days (or a longer period required by law) to remedy the Payment Failure. If not remedied within that period we can immediately take any or all of the 'Enforcement actions' listed below.

### Adverse Events and consequences

An Adverse Event occurs if any of the following occurs (whether or not within your control):

*legal matters:*

- you or any Security Provider breaches any law; or
- you or any Security Provider that is an individual, no longer has legal capacity or becomes a person protected by the state; or
- it becomes unlawful for you or any Security Provider or for us to perform our respective obligations under a Bank Document.

*creditor enforcement:*

- any Security Interest becomes capable of enforcement over your or a Security Provider's assets; or
- a court order for payment is made, or a judgment is entered or signed, against you or any Security Provider and after 5 Business Days the order or judgement remains unsatisfied and able to be enforced.
- *misrepresentation:* you, a Security Provider or another person on your behalf gives us information which we reasonably believe to be materially incorrect or misleading (including by omission or by not complying with a promise in clause 9).
- *improper use of Facility:* a Facility (or any other product or service we provide you) is used for a purpose not disclosed to and approved by us.
- *improper dealings with Security:* without our consent you or a Security Provider remove, sell or dispose of, or grant or permit the creation of, any interest (including a Security Interest) in any property or assets secured under a Security (or try to do so);
- *change of control (not applicable if you are an individual):* there is a change in the person or persons who control you or a Security Provider as compared to immediately before your first use of a Facility. Here, 'control' refers to owning or controlling (directly or indirectly) more than 50% of shares (if a company), units (if a unit trust) or partnership interests, or of the membership or voting of a board of directors, partnership or other governing body.
- *loss of licence or permit or other authorisation:* any licence, permit or other authorisation required for you to conduct your business is not held or renewed, or is suspended, revoked, cancelled or terminated.
- *failure to provide proper accounts:* you fail to provide proper accounts in accordance with the Bank Documents.

*failure to maintain insurance:*

- any insurance you are required to have under the Bank Documents is not held, or is cancelled or not renewed, or is changed by you so that it is less able to be relied on for the purposes of the relevant Bank Documents, or becomes unenforceable because of any action or inaction by you.
- *failure to comply with a Financial Covenant:* if you have a Specialised Facility and/or you are a Medium Sized Business, any 'Financial Covenant' specified in your Business Letter of Offer is not complied with.
- *specified events:* if you are a Medium Sized Business, an event or circumstance specified in your Business Letter of Offer as an 'Adverse Event' occurs.

You must promptly give us any information we ask for concerning an Adverse Event.

If an Adverse Event occurs which we determine is:

- reasonably likely to have a significant negative impact on either you or a Security Provider being able to make any payment due under a Bank Document; or
- reasonably likely to have a significant negative impact on our ability to recover any Facility Amount Owing (including from the value of any property or assets secured under a Security),

then we may give you a notice (**Adverse Event Notice**).

An Adverse Event Notice will allow you at least 30 days to remedy the Adverse Event (if it can be remedied) or to submit to us a plan to resolve the Adverse Event to our satisfaction.

If, after the period specified in the Adverse Event Notice:

- the Adverse Event has not been remedied to our satisfaction; or
- your plan to resolve the Adverse Event was not satisfactory to us,

then we may give you a further notice that the Adverse Event has not been remedied and allowing at least 7 days (or a longer period required by law) to remedy the Adverse Event. If not remedied within that period you are in Default and we can immediately take any or all of the 'Enforcement actions' listed below.

If an Adverse Event is not reasonably likely to have either of the above impacts, then we may ask for further information, but we will not take any further action.

#### **What if a Payment Failure or an Adverse Event is remedied but another similar one occurs?**

A Payment Failure or an Adverse Event will not be treated as remedied if, at the end of the applicable remedy period, it continues to exist or another Payment Failure or Adverse Event of the same type exists.

#### **Enforcement actions**

After any applicable steps and time periods described above, when you are in Default we can do any or all of the following:

- by notice to you, make any Facility Amount Owing immediately due and payable without the need to give any further notice other than as required by law;
- by notice to you, cancel the Facilities with immediate effect;
- by notice to you, cancel or reduce all or any part of a Facility Limit (or if applicable, a component limit) with immediate effect;
- close out any treasury transactions you have with us (such as hedging, money market or currency transactions) and set-off any resulting amounts we owe you against any Facility Amount Owing;
- continue to charge interest at the applicable Default Interest Rate on any overdue amounts (including interest);
- at our discretion, apply amounts we receive in respect of any Facility Amount Owing to any part of the Facility Amount Owing which you are then obliged to pay. We may do so even if you ask or direct us otherwise, but we will act reasonably in the circumstances and in accordance with the law;
- sue you for any Facility Amount Owing; and
- enforce any Security.

#### **Appointment of consultants**

If we think that an Adverse Event or a Default exists or, based on what we know or suspect, is likely to exist in the future, and we ask you to, you will:

- pay our Costs to appoint a consultant; or
  - appoint a consultant we nominate or approve on terms acceptable to us,
- to investigate and report to us on your or a Security Provider's business and on compliance of any party with the Bank Documents.

You will help us and the consultant as soon as you are asked to. We can charge all related Costs to any of your accounts.

We will give you a copy of our instructions to the consultant and a copy of their final report in accordance with the industry guidelines published by the Australian Bankers Association Inc.

Investigated parties are not required to adopt any recommendation, but if they do we are not responsible for it.

#### **Dealing with accounts during a Default or if we can take enforcement action**

We may at any time, without notice to you while a Default exists, and otherwise with notice to you:

- open an account with us in your name which we may conduct; and
- debit an account held by you (or an account conducted by us in your name) with any amounts you owe us or which we are contingently or prospectively liable to pay in respect of a Facility.

We may at any time, without notice to you if we are entitled to take 'Enforcement actions' listed above, and otherwise with notice to you:

- combine and amalgamate any two or more accounts held by you (or an account conducted by us in your name) with us;
- set off or transfer any credit balance on any such account towards satisfaction of any amounts due and owing by you to us (whether alone or with any other person); and
- convert currency using our exchange rate to enable a set-off.

## 12. Change in law

If the law changes and we reasonably believe that it will be against the law for us to provide or continue to provide a Facility to you, we will:

- let you know as soon as we can; and
- work with you to ensure the law is being complied with.

If we are required by law to ask you to pay back some or all of the amounts you owe us we will give you as much notice as the law allows.

### **Increased costs or reduced amounts received**

If any law, or prudential standards, policies or requirements applying to us, changes and we reasonably believe that there will be:

- a material increase in the cost to us of providing or maintaining the Facilities; or
- a material reduction in the effective return or amount we are able to receive in relation to a Facility,

then we will let you know as soon as we can and try to eliminate or reduce the amount of the adverse impact on us.

To the extent that we cannot eliminate or reduce the amount of the adverse impact you must compensate us for the amount.

### **Regulatory events**

From time to time, our ability to provide the Facilities to you may be interrupted, prevented, delayed or otherwise adversely affected by regulatory events such as changes in law or prudential standards, policies or requirements applying to us as a bank, or by the actions of a regulatory authority.

If you are affected by, or suffer a loss due to a regulatory event, we are not liable and are not required to challenge or mitigate the effect of the regulatory event on you or on us.

If we are liable, our liability is limited to re-supplying the Facilities.

You agree that we can share information with other financial institutions and regulatory authorities about you, the Facilities, the regulatory event or another person connected with any of them.

If we ask, you agree to promptly provide us with information about yourself, the Facilities or any person connected with you or the Facilities and to help us obtain any consent we need.

## 13. Our security

### **Valuations**

At any time we reasonably require we may instruct a valuer to value any Security and any property that is the subject of any Security.

You agree to:

- co-operate with the valuer;
- pay when asked any fees and charges in connection with the valuation; and
- comply with every reasonable request to provide assistance to the valuer including providing authorisations, relevant information, records, access to individuals, premises and business equipment used in the conduct of your business.

If you ask, and are not in Default, we will give you a copy of the following for a non-residential property valuation report that you have paid for:

- our instructions to the valuer; and
- a full copy of the valuation report.

Please note that we and the valuer are not responsible or liable to you or any Security Provider for the contents of a valuation.

### **Protecting our security position**

If we think that a PPS Law:

- applies or will apply to, or in connection with, a Bank Document; and
- does, or may adversely affect our security position, our rights or obligations in connection with a Bank Document,

we may ask you and you will help us immediately at any time, including:

- providing us with all information we request and taking all actions to help us perfect the Security;
- amending any Bank Document or executing any new Bank Document; and
- to continuously, or as and when we require you to, perfect any Security so it has priority and protection from loss, termination and diminution.

### **Personal property security policies and steps**

You will promptly take all reasonable steps which are prudent for your business in connection with the PPS Law, such as registering any Security Interests you receive in the ordinary course of your business. Where appropriate or when we ask you to, you will identify, protect and achieve the highest priority reasonably available for your Security Interests.

### **Change of details**

You must notify us in writing at least 14 days before:

- you or any Security Provider, trust or partnership changes its name;
- any ABN, ACN, ARBN or ARSN allocated to you or any Security Provider, trust or partnership changes, is cancelled or ceases to apply to it (or if it does not have an ABN, ARBN or ARSN, one is allocated, or otherwise starts to apply to it); or
- you or any Security Provider becomes trustee of a trust, or a partner of a partnership not stated in your Business Letter of Offer.

### **PPS Law waiver**

You waive, to the extent permitted under the PPS Law, your right to receive any notices we are required to give under the PPS Law.

### **PPS Law disclosure**

You agree not to disclose or authorise the disclosure to any person any information of the kind described in section 275(1) of the PPS Law or to waive your duty of confidence to us.

## **14. Changes we may make**

We may need to make changes to your Facilities from time to time. Some changes are automatic, some we can make without your consent and some require your agreement.

We promise to act reasonably when we make any changes and will give you at least 30 days' notice of any change (except for automatic changes – see below for details). If we reasonably consider a change will be materially adverse to you and the same change is not being made to similar facilities of our other small business customers, we will give you at least 90 days' prior written notice of the change.

We may:

- introduce a new fee, charge or premium;
- change the amount of a fee, charge or premium, how it is calculated or when it is charged;
- change a rate (other than a fixed rate) or the Default Interest Rate, including by changing or replacing the relevant indicator rate or a component used in determining a rate, and by changing, adding or removing a margin (including by making a margin positive or negative);
- change your repayment obligations, including the amount of any repayment, or your repayment type; and
- make necessary changes due to a change in law, as required by the Code of Banking Practice or our prudential obligations as a bank.

### **How we will notify you of changes**

We may either write to you or put an advertisement in national and local media for certain changes. For example, where there is a new government charge or a change in an existing government charge, and this has not otherwise been publicised.

If a variable rate for your Facility changes, we will also write to you or advertise no later than the date the change takes effect.

### **Automatic changes**

Automatic changes for a Facility (such as a change to repayment amounts following a change in variable rates) will be notified as set out in the relevant Bank Document.

### **All other changes will need your agreement**

Any other changes to a Bank Document will need your written agreement.

### **What you can do if you don't like a change**

If you don't agree with a change we make or are proposing to make, you may terminate the Facilities by notifying us in writing and repaying us each Facility Amount Owed. Economic Costs may be payable (see clause 15).

## **15. Economic costs and benefits**

An 'Economic Event' occurs if all or part of a Facility is being re-priced by agreement, or becoming payable or being cancelled, repaid or discharged early for any reason (including following a Default).

There are no early termination fees on your Facilities under this Business Letter of Offer. However, if an Economic Event occurs, we may need to liquidate funds or deposits or terminate, reverse or vary an agreement, arrangement or transaction we entered into to hedge, fix or limit our effective cost of funding or maintaining all or part of a Facility. In that case, we will determine and advise you of any resulting Costs or losses to us, or whether there is a benefit to you of any net amount of returns and gains obtained by us, such as due to changes in rates applicable to a Facility (all other things being equal).

You must pay us the amount of any advised Costs or losses, and if applicable to your Facility, we will pay you the amount of any net returns and gains we obtain.

Please note that the amount of Costs or losses you may need to pay following an Economic Event can be significant, and will increase the Facility Amount Owed.

## 16. Communications

### How we will communicate

Notices, statements, certificates and other communications from us can be:

- given to you personally;
- left at or posted to your address last nominated by you;
- sent by facsimile to your fax number last nominated by you;
- given to you by notifying you through an electronic service provided by us that information is available electronically;
- published in the press or at nab.com.au; or
- given to you electronically by:
  - short message service (SMS) to your mobile telephone number or email; or
  - notifying you by short message service (SMS), or by email, of information on our website.

We will use your last nominated mobile number or email address for that notice. You may change your nominated email address or mobile number, by giving us notice or calling us on 13 10 12. On request, we will provide you with paper copies of any notices or communications sent to you (seven years from the time the information is given). You must check your email and mobile phone regularly.

Your Specific Conditions also may specify how we will communicate some types of information to you.

If we send a document or communication to you by ordinary post, you are taken to have received it 5 days after it was posted.

A document or communication sent by facsimile is received by you at the time and date shown on the delivery receipt.

A document or communication sent by another form of electronic communication (such as SMS or electronic mail) is taken to be received when it enters your information system as recipient.

A document or communication published in the press or on the internet is taken to be received by you when it is first published.

### Communications from you

Written communications from you must be signed (including electronically) by you (or by a director or another person we have approved in the case of a company or another entity).

### Telephone recording

We may record some conversations with you. We will notify you before we do so or use the recording for any external purpose.

### Contacting us for further information

For further information call 13 10 12 or visit nab.com.au.

## 17. Rules for interpreting this document

### How this document is to be understood

We have tried to make the Bank Documents fair and reasonable. However, if any law applies to make part of a Bank Document inoperative then the intention is for it to be interpreted in a way which preserves as much of the Bank Document and its operative effect as the law allows.

### Inconsistent and applicable law

This document is governed by the laws of the state or territory where the office issuing this document is located. You agree to any court dispute being conducted in the courts of that place.

### Assignment

We may assign or otherwise deal with our rights under the Bank Documents in any way we consider appropriate and you agree to help us including by signing any document or providing consent. We may disclose any information or document to do so, unless stated otherwise under 'Confidentiality' below.

You cannot assign your rights under the Bank Documents without our prior written consent.

### Confidentiality

We and you agree to keep any information provided to each other and the Bank Documents confidential. We and you will only disclose that information to:

- to our respective officers, employees, legal and other advisers and auditors;
- to an External Administrator;
- to third parties with the consent of the other party (such consent not to be unreasonably withheld);
- if required by any securities exchange or if allowed or required by law;
- if there is a regulatory event (as described in clause 12) or we are assigning or otherwise dealing with our interest under any of the Bank Documents;
- to register or maintain our Security; or
- to any Security Provider (or to a person we believe may become a Security Provider), but on the same confidential basis set out above.

We acknowledge that you are providing your signed copy of your Business Letter of Offer on the basis that we keep to these confidentiality obligations.

## 18. Meanings of some words used in your Business Letter of Offer and these Business Lending General Terms

The meanings of some words used in your Business Letter of Offer and these Business Lending General Terms are set out in your Business Letter of Offer, and otherwise are set out below:

**Adverse Events** are set out in clause 11.

**Bank Documents** means your Business Letter of Offer, the documents listed at the start of that letter (including these Business Lending General Terms, the Business Banking Fees: A Guide to Fees and Charges), any Security and any other document, agreement or arrangement you have with us from time to time.

**Banking Day** means a day from Monday to Friday on which we are open for business in Sydney.

**Business Day** means a day from Monday to Friday on which we are open for business in at least one of our branch locations in Australia.

**Conduct Defaults** are set out in clause 11.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Costs** means our costs, charges, fees, expenses and other outgoings. This includes where we appoint advisers, lawyers or professional consultants and the reasonable expenses incurred by our staff and for the use of our operations, premises and resources.

**Default** means:

- a Conduct Default;
- a Payment Failure; or
- an Adverse Event which is not remedied such that you are determined to be in Default as set out in clause 11.

**Default Interest Rate** for a Facility or an overdrawn account for that Facility is set out in the relevant Facility Details. If the rate not specified there, or is not being charged for such Facility or account, the Default Interest Rate, is the total of our published Base Indicator Rate plus any 'Customer Margin' specified in your Business Letter of Offer plus a default margin of 4.5% per annum (or a lesser margin we elect to apply).

**Drawdown Notice** means a notice requesting use of a Facility, or otherwise giving instructions in relation to a Facility, in a form and substance acceptable to us.

**Economic Costs** means any Costs and losses following an 'Economic Event' as described in clause 15.

**External Administrator** means a receiver, receiver and manager, administrator, liquidator, provisional liquidator, controller or bankruptcy trustee.

**Facility** means any bank product we agree to provide to you under your Business Letter of Offer.

**Facility Amount Owning** means all money which you (whether alone or not) are, or at any time may be, liable to pay us under, or in connection with, a Facility.

**Facility Details** – these are set out for each Facility in your Business Letter of Offer.

**Facility Limit** means a financial limit for use of a Facility or a component of a Facility, as set out in the relevant Facility Details.

**Final Repayment Date** means for a Facility the earlier of:

- the Facility Expiry Date specified in the Facility Details;
- the date the Facility Limit is cancelled; or
- the date the Facility is terminated or otherwise ends,

or if that day is not a Business Day, the next Business Day (unless otherwise stated in the Specific Conditions for that Facility or unless otherwise agreed).

**GST** means Goods and Services Tax as imposed under the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

A person is **Insolvent** if:

- they are (or state they are) insolvent or an insolvent under administration (each as defined in the Corporations Act);
- they have an External Administrator appointed to them or any of their assets, are in liquidation, in provisional liquidation, under administration or being wound up;
- execution, distress, or any other process is attempted or imposed regarding any of their undertaking, property or assets;
- a compromise, arrangement, assignment, moratorium or composition is proposed with, or becomes effective in relation to, their creditors or any class of their creditors (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by us);
- 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 each case in connection with them, which is preparatory to or could result in any of the things referred to above;



- they are taken (under section 459F of the Corporations Act) to have failed to comply with a statutory demand;
- they are the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act;
- they are a natural person who commits an act of bankruptcy within the meaning of the Bankruptcy Act 1966 (Cth);
- they are otherwise unable to pay their debts when they fall due; or
- something having a substantially similar effect to any of the things referred to above happens in connection with them under any law.

You are a **Medium-Sized Business** if the total of our business finance credit exposures to you and your related entities is at least \$3,000,000. This includes the total of all your Facility Limits. Your 'related entities' are those who we reasonably determine are under common ownership control or management control with you or by you. We make any such determinations under our aggregate risk exposure policies.

**Our, We and Us** means National Australia Bank Limited ABN 12 004 044 937 and its successors and assigns. Sometimes we refer to ourselves as NAB.

**Payment Failures** are described in clause 11.

**PPS Law** means the Personal Property Securities Act 2009 (Cth), any regulation made under it and any amendment made to an Act as a result of it.

**Security** means the 'Security' specified in your Business Letter of Offer or any Facility Details, and any other Security Interest granted to or held by us from time to time in connection with a Facility or any Facility Amount Owed.

**Security Interest** means a document or act creating a security for the payment of money or performance of an obligation. This includes a 'security interest' as defined in the PPS Law, and any general security, specific security, mortgage, charge, lien, pledge, guarantee, title retention, right of set-off, assignment of income, garnishee order or monetary claim and flawed deposit arrangements.

**Security Provider** means any person who provides a Security to us.

**Specialised Facility** means a Facility:

- used to fund construction or other property development;
- used to buy securities on margin;
- used by the trustee of a self-managed superannuation fund to acquire an asset under a limited recourse borrowing arrangement;
- used to fund bailment arrangements;
- used to fund unfinished goods pending their sale;
- used to provide funding against the value of invoices;
- denominated in a foreign currency; or
- which we agree with you is a Specialised Facility.

**Specific Conditions** are set out for each Facility in your Business Letter of Offer.

## 19. Meanings of some words used in some specific conditions

The meanings of some words used in the specific conditions for the Farmer's Choice Package, Global Trade Finance Facilities or Property Facilities are set out below:

This **Agreement** means the agreement between you and us in relation to the Facilities, as set out in the applicable Bank Documents.

**Balance Owed** means the outstanding loan balance or debit account balance for a Facility.

**Beneficiary** means a person to whom we issue a bank guarantee or Letter of Credit pursuant to a Facility.

**Change in Law** means any change in any law (including the introduction of a new law), or any change in the interpretation or administration of any law.

**Daily Interest Rate** means, for a rate applicable to a Facility or an account, the daily rate as calculated under the relevant Specific Conditions or in clause 7.

**Drawing** means the use of a Facility.

**Event of Default** means an event or circumstance where you are in Default.

**Financial Accommodation** means any form of funding or fund raising including but not limited to loans of money, the acceptance, discounting and endorsement of Bills or the issue of letters of credit or bank guarantees and the assignment of debts

**General Conditions** means these Business Lending General Terms.

**Letter of Credit** means a documentary letter of credit or a standby letter of credit issued by us pursuant to a Facility.

**Related Entity** means any entity which is related to the first within the meaning of section 50 of the Corporations Act or any economic entity (as defined in any approved accounting standard) which describes the first.

For more information call

**13 10 12**

7 days a week

8am – 8pm AEST, Monday – Friday  
9am – 6pm AEST, Saturday – Sunday  
or visit [nab.com.au](http://nab.com.au)



Hearing impaired customers  
with telephone typewriters  
can contact us on **1300 363 647**