

# **FIXED RATE BILL FACILITY – FINANCING COSTS IN ADVANCE**

**SPECIFIC CONDITIONS OF USE  
ANZ BUSINESS BANKING 12.17**



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*This document contains important Specific Conditions of Use which apply to your Fixed Rate Bill Facility – Financing Costs in Advance. ANZ recommends that you study it in detail and then keep it in a safe place for future reference.*

*If you have received Specific Conditions of Use in respect of other Commercial Bill Facilities offered to you by ANZ, please do not refer to them for the purposes of your Fixed Rate Bill Facility – Financing Costs in Advance. This document contains the relevant Specific Conditions of Use for your Fixed Rate Bill Facility – Financing Costs in Advance and should be read in conjunction with the ANZ Business Banking Finance Conditions of Use and Letter of Offer provided to you.*

*In these Specific Conditions of Use, some words or phrases have special meanings. The meaning of those words and phrases with special meanings is defined and set out at the end of these Specific Conditions of Use. To the extent a word or phrase is not set out under the heading 'Meaning of Terms', it has the meaning given to it in the ANZ Business Banking Finance Conditions of Use. When you are reading these Specific Conditions of Use you should also refer to the ANZ Business Banking Finance Conditions of Use.*

## 1. DRAWDOWN NOTICE

You cannot make a drawing under the Fixed Rate Bill Facility – Financing Costs in Advance until ANZ receives a Deed of Authority, Indemnity and Attorney properly executed to ANZ's satisfaction.

## 2. INSTRUCTIONS

- 2.1 Any instruction given under the standard document a Deed of Authority, Indemnity and Attorney must be given by you or by your Authorised Representative.
- 2.2 You may not instruct ANZ to accept but not to discount any Bill drawn under the Fixed Rate Commercial Bill Facility – Financing Costs in Advance.
- 2.3 An instruction which requests ANZ to accept and purchase Bills at Face Value is irrevocable when you accept the Terms of a Bills Contract under Specific Condition 3.
- 2.4 You may draw multiple Bill Contracts under the Fixed Rate Bill Facility – Financing Costs in Advance. However, the maximum aggregate Face Value of all outstanding Bills drawn under the Fixed Rate Bill Facility – Financing Costs in Advance must not exceed the Facility Limit.
- 2.5 The date of the first drawing under your Fixed Rate Bill Facility – Financing Costs in Advance must occur within three months of the date you accept your Letter of Offer, unless otherwise agreed by ANZ in writing.

## 3. DRAWDOWN ARRANGEMENTS AND TERMS FOR BILL CONTRACTS

- 3.1 If you want ANZ to accept and purchase Bills, you may at any time prior to 4:00 pm Sydney time on the Business Day before the Drawdown Date, ask ANZ (at its discretion) to provide a quotation for the Terms of a Bills Contract.
- 3.2 You may only ask for a quotation for a minimum Bill Contract Term of six months and a maximum Bill Contract Term as agreed by ANZ. However, you cannot ask ANZ to quote for a Bill Contract Term which has a Maturity Date after the last day of the term of the Facility.

- 3.3 To accept a quotation from ANZ for the Terms of a Bills Contract, you must accept the quotation immediately upon ANZ giving you that quotation. You agree that your acceptance of that quotation will be communicated to ANZ verbally, either in person or over the telephone.
- 3.4 Upon receipt of your acceptance, ANZ will send you a Confirmation confirming the accepted Terms of the Bill Contract. However, until the Limit Approval Fee specified in your Letter of Offer (if any) (and any other fees which your Letter of Offer specifies are due for payment prior to the first drawing of Bills under your Fixed Rate Bill – Financing Costs in Advance) are paid by you, ANZ has no obligation to accept and purchase Bills notwithstanding the issue of a Confirmation.
- 3.5 You must hold and maintain an ANZ transaction account for the full term of your Facility. You must also deposit into your account enough funds to cover payment of any amount owing by you under your Facility. Examples of such amounts are fees and other charges payable by you.

#### **4. AMOUNT PAYABLE BY ANZ AND BY YOU ON PURCHASE AT FACE VALUE OF BILLS**

- 4.1 Subject to Specific Condition 10 and to the provisions of the agreement, on a Drawdown Date (including a Rollover Date) for a Bill drawn under this Facility (each of which must be purchased by ANZ), ANZ shall pay to you the Face Value of the Bill.
- 4.2 You shall pay to ANZ, or ANZ may debit your ANZ account with:
  - (a) the Financing Cost in Advance Payment;
  - (b) the Usage Line Fee for the Bill specified in your Letter of Offer and any outstanding Commitment Fee (if any);
  - (c) the Handling Fee specified in your Letter of Offer (if any); and
  - (d) any applicable stamp duty and other taxes payable in respect of the Bill.

## 5. ROLLOVERS

Subject to Specific Condition 6, you irrevocably request ANZ to roll each Bill, on each Rollover Date, and to draw, accept and purchase at Face Value a new Bill in its place, with a Rollover Period ending on the next Rollover Date or the last day of the Bill Contract Term (whichever is earlier).

## 6. TERMINATION/PREPAYMENT

At any time after the Trade Date, you may prevent the draw or roll of a Fixed Rate Bill – Financing Costs in Advance if:

- (a) you have given written notice to ANZ at least five clear Business Days before the Drawdown Date or Rollover Date, that you do not wish to draw or roll the Bill;
- (b) you have paid to ANZ the amount which ANZ determines is required to compensate ANZ for all Costs or losses which ANZ has reasonably incurred or suffered or will reasonably incur or suffer, because the Bill is not drawn or rolled and the Bill Contract is terminated and/or prepaid except to the extent that such Costs or losses were caused by the negligence, fraud or wilful default of ANZ or its officers, employees, contractors or agents or any receiver appointed by ANZ; and

**Warning:** *If you instruct ANZ that you do not wish to draw or roll a Fixed Rate Bill – Financing Costs in Advance, the amount that you will need to pay ANZ for its Costs or losses may be significant. ANZ may incur Costs or losses on replacing the Bill in the market place at a fixed rate different from that on which the Financing Cost in Advance Payment was calculated.*

*Accordingly, before you instruct ANZ that you do not want to draw or roll a Fixed Rate Bill – Financing Costs in Advance, you should first talk to ANZ and ask it to calculate the Costs or losses that you would have to pay if you instruct ANZ that you do not wish to draw or roll the Bill. This will help you to decide whether you want to go ahead and give an instruction that you do not wish to draw or roll the Bill.*

**Note:** *When calculating any Costs or losses suffered by ANZ as a result of a prepayment, ANZ will make an allowance for any benefit that it will get because the Bill is not drawn or rolled.*

- (c) you have paid to ANZ all amounts actually or contingently owing or to become owing by you under or in connection with the Bill.

## **7. ANZ MAY PREPARE BILLS**

You irrevocably request ANZ to draw, sign and present on your behalf Bills during the Bill Contract Term, so that each Bill:

- (a) is drawn by you or on your behalf with the name of the payee to be completed by ANZ;
- (b) names ANZ as drawee and acceptor; and
- (c) is for a Face Value amount determined by ANZ.

## **8. YOUR LIABILITY IN RESPECT OF BILLS PURCHASED**

- 8.1 As between you and ANZ, you are primarily liable in respect of each Bill drawn by you or on your behalf under the agreement. Accordingly, your liability with respect to each such Bill will not be discharged because ANZ becomes the holder of the Bill on or after its maturity. ANZ and you agree that section 66 of the Bills of Exchange Act 1909 does not apply as between you and ANZ.
- 8.2 Subject to Specific Condition 10, on or before 11:00 am Sydney time on the Maturity Date for the relevant Bill, or on the last day of the Rollover Period for each Bill, you must pay to ANZ an amount equal to the Face Value of that Bill.

## **9. FINANCING COST IN ADVANCE PAYMENT**

You will pay the Financing Cost in Advance Payment on the Drawdown Date of each Bill Contract under the Facility and each anniversary thereof during the Bill Contract Term.

## **10. NET PAYMENT ON MATURITY DATES FOR BILLS**

Unless otherwise agreed between you and ANZ, if on the Maturity Date or Rollover Date for a Bill, ANZ is obliged to purchase one or more replacement Bills, ANZ or you (as the case requires) are only obliged to pay the difference between:

- (a) the amount equal to the Face Value of the maturing Bill payable by you to ANZ on that date; and
- (b) the amount payable by ANZ to you under Specific Condition 4, on purchasing the replacement Bill or Bills.

## **11. COSTS AND LOSSES**

You agree to pay or reimburse ANZ, on demand, for all Costs or losses which ANZ reasonably incurs or suffers as acceptor of each Bill except to the extent that such Costs or losses were caused by the negligence, fraud or wilful default of ANZ or its officers, employees, contractors or agents or any receiver appointed by ANZ.

## **12. ACKNOWLEDGMENT**

You acknowledge that:

- (a) it is difficult to predict with any certainty the future movements in interest rates;
- (b) the costs of a Fixed Rate Bill Facility – Financing Cost in Advance may exceed those that would apply for a Variable Rate Bill Facility;
- (c) you are responsible for any Costs or losses that you may suffer or incur in connection with future movements of interest rates in the market;
- (d) you should consider whether you need your own independent professional advice in relation to any possible taxation consequences of making a Drawing under the Fixed Rate Bill Facility – Financing Costs in Advance;
- (e) in accepting the terms quoted by ANZ for a Bill Contract, you rely on your own assessment of future movements in interest rates;
- (f) these Specific Conditions of Use are part of your Agreement with ANZ and should be read in conjunction with the ANZ Business Banking Finance Conditions of Use provided to you and your Letter of Offer;
- (g) words and expressions not defined in these Specific Conditions of Use have the meanings given to them in



the ANZ Business Banking Finance Conditions of Use or your Letter of Offer; and

- (h) if there is any inconsistency between a Confirmation and any of these Specific Conditions of Use, the ANZ Business Banking Finance Conditions of Use and your Letter of Offer, the Confirmation prevails.

### 13. MEANING OF TERMS

**Bill** means a bill of exchange;

**Bill Contract** means each financing arrangement you enter into with ANZ under your Fixed Rate Bill Facility – Financing Costs in Advance comprising the initial Bill drawn by you and all subsequent Bills drawn by ANZ on your behalf within the Bill Contract Term;

**Bill Contract Term** means the period commencing on the Drawdown Date and ending on the Maturity Date identified in a Confirmation;

**Business Day** means a day on which commercial banks are open for business in Sydney, but not including a Saturday, Sunday or public holiday in Sydney;

**Commitment Fee** means the fee, if any, described as such in your Letter of Offer as being applicable to your Fixed Rate Bill Facility – Financing Costs in Advance;

**Confirmation** means a document that is called a 'Confirmation' and is issued to you by ANZ at or about the time that you accept the Terms of a Bills Contract, which confirms the terms accepted by you under Special Condition 3;

**Discount Rate** means the fixed rate quoted to you by ANZ in accordance with Specific Condition 3 and identified in a Confirmation as the 'Discount Rate';

**Drawdown Date** means that date identified in a Confirmation as the 'Start Date';

**Face Value** means the Australian dollar monetary value of the relevant Bill identified in the Confirmation issued to you in accordance with Specific Condition 3;

**Facility** means your Fixed Rate Commercial Bill Facility – Financing Costs in Advance;

**Facility Limit** is the Australian dollar limit for your Fixed Rate Commercial Bill Facility – Financing Costs in Advance, set out in your Letter of Offer;

**Financing Cost in Advance Payment** of any Bill means the amount calculated with reference to the Discount Rate for the Rollover Period and the Face Value of the relevant Bill calculated by multiplying the Face Value and the Discount Rate and identified in a Confirmation as the 'Interest Amount';

**Handling Fee** means the fee, if any, described as such in your Letter of Offer as being applicable to your Fixed Rate Bill Facility – Financing Costs in Advance;

**Maturity Date** is the date identified as such in a Confirmation, being the last day of the Bill Contract Term;

**Rollover Date** for a Bill drawn under the Fixed Rate Commercial Bill Facility – Financing Costs in Advance is each date identified in a Confirmation as a 'Rollover Date', being the first day of each Rollover Period other than the Drawdown Date;

**Rollover Period** is the number of days identified as the 'Roll Days' in a Confirmation and being the number of days within which each Bill will mature. The Rollover Period will commence on the relevant Drawdown Date or Rollover Date and end on the next Rollover Date or the last day of the Bill Contract Term, whichever is the first to occur;

**Terms of a Bills Contract** means:

- (a) the Face Value;
- (b) the Fixed Rate Bill Contract Term;
- (c) the Discount Rate;
- (d) the Financing Cost in Advance Payment;
- (e) the Rollover Periods;
- (f) the Start Date; and
- (g) the Maturity Date;

**Trade Date** is the date on which you agree and accept Terms of a Bills Contract in accordance with Specific Condition 3; and

**Usage Line Fee** means the fee, if any, described as such in your Letter of Offer as being applicable to your Fixed Rate Bill Facility – Financing Costs in Advance.

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