

RANGE COMMERCIAL BILL FACILITY

SPECIFIC CONDITIONS OF USE
ANZ BUSINESS BANKING 11.16



SPECIFIC CONDITIONS OF USE RANGE COMMERCIAL BILL FACILITY

This document contains important Specific Conditions of Use that apply to your Range Commercial Bill Facility only. ANZ recommends 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 Range Commercial Bill Facility. This document contains the relevant Specific Conditions of Use for your Range Commercial Bill Facility and should be read in conjunction with the ANZ Business Banking Finance Conditions of Use and letter of offer provided to you.*

Also some words and expressions have special meanings in these Specific Conditions of Use. The meaning of those words is set out below and some of them are further explained or defined 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.

MEANING OF TERMS

For the purpose of these Specific Conditions of Use:

- (i) **'BBSY'** for a period means the rate expressed as a yield percent per annum (rounded up or down if necessary to 2 decimal places) that is the average bid rate for Australian dollar Bills having a Rollover Period of the designated maturity which appears on Reuters Screen BBSY page (or any page that replaces that page) at approximately 10:10am (Sydney time) on the first day of that period or if no average rate is published the bid rate available to ANZ at approximately 10:10am (Sydney time) on the first day of that period as conclusively determined in good faith by ANZ for Bank accepted Bills that have a Rollover Period described above;
- (ii) **'Bills Contract'** means each financing arrangement you enter into with ANZ under your Range Commercial Bill Facility comprising of the initial Bill drawn by you and all subsequent replacement Bills drawn by ANZ on your behalf within the Bills Contract Term, with each Bill having a Yield Rate fixed for its Rollover Period, determined in accordance with Specific Condition 3. The details of your Bills Contract will be set out in a Confirmation;
- (iii) **'Bills Contract Term'** means that period of time agreed by you and ANZ for each Bills Contract, over which you must (subject to Specific Condition 6) rollover a series of Bills, with each Bill having a Yield Rate fixed for its Rollover Period that is determined in accordance with Specific Condition 3. The Bills Contract Term starts on the Drawdown Date;
- (iv) **'Commitment Fee'** means the percent per annum identified as the 'Commitment Fee' (if any) in your letter of offer;
- (v) **'Confirmation'** means a document issued by ANZ providing details:
 - A. At or about the time of your acceptance of the Terms of each Bills Contract and detailing the Terms of each Bills Contract (confirming the details of what was quoted by ANZ and accepted by you); and
 - B. At or about the time of the Drawdown Date and each Rollover Date and detailing the specific Bill(s) for that Rollover Period;

- (vi) **'Discounted Proceeds'** of any Bill means the amount calculated with reference to the Yield Rate for the relevant Rollover Period (as determined under Specific Condition 3) and the Face Value of the relevant Bill using the following formula:

$$\text{Discounted Proceeds} = \frac{\text{Face Value} \times (365 \times 100)}{(\text{Yield Rate} \times \text{No. of days in a Rollover Period}) + (365 \times 100)}$$

- (vii) **'Drawdown Date'** is the date identified in the Confirmation as the 'Start Date', being the date on which an amount is first paid to you by ANZ in accordance with Specific Condition 4 in respect of a Bills Contract;
- (viii) **'Face Value'** is the Australian dollar monetary value of the relevant Bill prior to discounting;
- (ix) **'Facility Limit'** is the Australian dollar limit for your Range Commercial Bill Facility, set out in your letter of offer;
- (x) **'Forward Start Contract'** means a Bills Contract for which the Terms of the Bills Contract are accepted by you more than two clear Business Days before the Drawdown Date;
- (xi) **'Maximum Rate'** is the rate identified as the 'Maximum Rate' in a Confirmation for a Bills Contract, being the agreed higher fixed Yield Rate that will be payable for that Bill and its relevant Rollover Period (excluding any Premium payable). The Maximum Rate remains fixed for the Bills Contract Term;
- (xii) **'Minimum Rate'** is the rate identified as the 'Minimum Rate' in a Confirmation for a Bills Contract, being the agreed lower fixed Yield Rate that will be payable for that Bill and its relevant Rollover Period (excluding any Premium payable). The Minimum Rate remains fixed for the Bills Contract Term;
- (xiii) **'Net Discount'** means the Face Value less the Discounted Proceeds;
- (xiv) **'Premium'** means, in respect of a Bills Contract, either:
- A. a lump sum dollar amount agreed to by you and ANZ, identified as the 'Premium Amount' in a Confirmation; or

- B. amortised over the Bills Contract Term, charged to you by adding the applicable rate to the Maximum Rate, Minimum Rate or Variable Rate (as the case may be), for the purposes of determining the Yield Rate identified as the 'Premium Rate' in a Confirmation;
- (xv) **'Rollover Date'** is each date identified in the Confirmation as a 'Rollover Date', being the first day of each Rollover Period other than the Drawdown Date;
- (xvi) **'Rollover Period'** means the number of days identified as the 'Roll Days' in a Confirmation, relevant for each Bill within a Bills Contract. 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 Bills Contract Term (whichever is the earlier);
- (xvii) **'Term of Facility'** has the same meaning given to this term in the ANZ Business Banking Finance Conditions of Use;
- (xviii) **'Terms of each Bills Contract'** means:
- A. a Maximum Rate;
 - B. a Minimum Rate;
 - C. a Bills Contract Term;
 - D. Rollover Periods;
 - E. a Premium and the method of paying that Premium; and
 - F. a Face Value for each Bill;
- (xix) **'Usage Line Fee'** means the percent per annum identified as the 'Usage Line Fee' (if any) in your letter of offer;
- (xx) **'Variable Rate'** means the rate determined by ANZ by reference to BBSY;
- (xxi) **'Yield Rate'** is the rate determined in accordance with Specific Condition 3 (fixed for the relevant Rollover Period). It will be identified in a Confirmation as the 'Yield Rate'.

1. DRAWDOWN AND OTHER DOCUMENTS

- (a) You cannot draw a Bill under your Range Yield Rate Commercial Bill Facility until ANZ receives a Deed of Authority, Indemnity and Attorney properly executed to ANZ's satisfaction.
- (b) Any instruction given under a Deed of Commercial Bill Authority, Indemnity and Attorney must be given by you or by Your Authorised Representative.
- (c) An instruction that requests ANZ to accept and discount Bills is irrevocable when you accept the Terms of each Bills Contract.
- (d) You may not instruct ANZ to accept Bills without discounting them.
- (e) You may draw multiple Bills Contracts under your Range Commercial Bill Facility. The aggregate Face Value of all Bills drawn under all Bills Contracts must not exceed the Facility Limit.
- (f) The date of the first Drawing for all Bills Contracts must occur within 3 months of the date you accept ANZ's Offer, unless otherwise agreed by ANZ in writing.

2.1 QUOTATIONS FOR TERMS OF EACH BILLS CONTRACT

- (a) You must, before 4:00 pm (Sydney time) at least two Business Days before the Drawdown Date, ask ANZ (at ANZ's discretion) to quote the Terms of each Bills Contract.
- (b) You may only ask for quotations:
 - (i) for a specified Bills Contract Term agreed to by ANZ; and
 - (ii) for Bills Contracts with Rollover Periods of approximately 30, 90 and 180 days or such other number of days as agreed with ANZ, and Rollover Dates to be specified by ANZ in ANZ's quotations.
- (c) However, you cannot ask ANZ to quote for a Bills Contract Term where the last day of the Bills Contract Term will be after the last day of the Term of the Facility.

Note: The 'Term of the Facility' is a defined term in the ANZ Business Banking Finance Conditions of Use.

- (d) To accept a quote for a Bills Contract (including a Forward Start Contract) you must agree to the Terms for each Bills Contract being terms that are consistent with ANZ's quote immediately upon ANZ giving you that quote. You agree that your acceptance will be communicated to ANZ verbally either in person or over the telephone.
- (e) Upon receipt of your acceptance, ANZ will send you a Confirmation confirming the Terms of each Bills Contract. Until the Limit Approval Fee (and any other Costs which the letter of offer specifies are due for payment prior to the first Drawing) are paid by you, ANZ has no obligations under the Bills Contract notwithstanding the issue of the Confirmation.

2.2 PREMIUM

- (a) A Premium may be payable by you to ANZ as a result of you entering into a Bills Contract. ANZ will advise you if a premium is payable at the time you obtain a quote from ANZ in accordance with Specific Condition 2.1.
- (b) You will agree to the amount of the Premium (if any) and the method of paying that Premium at the same time you accept a quote for a Bills Contract in accordance with Specific Condition 2.1.
- (c) You must pay the Premium to ANZ in one of two ways:
 - (i) upfront, as a lump sum dollar amount in respect of the Bills Contract Term. If you choose this method, you must pay the Premium to ANZ by 4:00pm (Sydney time), two Business Days after the Terms of the Bills Contract are accepted by you; or
 - (ii) amortised over the Bills Contract Term, charged to you by adding the applicable rate to the Maximum Rate, Minimum Rate or Variable Rate (as the case may be), for the purposes of determining the Yield Rate. If you choose this method, you must pay the Premium on each Drawdown Date and each Rollover Date, upon discount of the relevant Bill in accordance with Specific Condition 4.
- (d) You agree and acknowledge that any Premium paid by you to ANZ is non-refundable, even where you exercise your rights to terminate/ prepay the Bills Contract in accordance with Specific Condition 6.

3. YIELD RATE FOR ROLLOVER PERIOD

If on the relevant Drawdown Date or Rollover Date (as the case may be), the Variable Rate is:

- (a) greater than or equal to the Maximum Rate, the Yield Rate fixed for the relevant Rollover Period is the Maximum Rate on that Drawdown Date or Rollover Date (as the case may be) plus the Premium (where the Premium is payable on the discount of each Bill);
- (b) less than the Maximum Rate but greater than the Minimum Rate, the Yield Rate fixed for the relevant Rollover Period is the Variable Rate on that Drawdown Date or Rollover Date (as the case may be) plus the Premium (where the Premium is payable on the discount of each Bill); or
- (c) less than or equal to the Minimum Rate, the Yield Rate fixed for the relevant Rollover Period is the Minimum Rate on that Drawdown Date or Rollover Date (as the case may be) plus the Premium (where the Premium is payable on the discount of each Bill).

The Yield Rate determined in accordance with this Specific Condition 3 is exclusive of the Usage Line Fee or Commitment Fee. Unless ANZ advises you in writing that your Usage Line Fee or Commitment Fee will be added onto the Yield Rate determined in accordance with Specific Condition 3 for the purposes of calculating the amount of the discount in Specific Condition 4(a), ANZ will charge the Usage Line Fee or Commitment Fee to you separately.

4. AMOUNT PAYABLE BY ANZ ON DISCOUNT OF BILLS

- (a) Subject to Specific Condition 9, on the Drawdown Date and each Rollover Date for a Bill accepted by ANZ to be discounted by ANZ, ANZ shall pay to you the Face Value of the Bill less:
 - (i) the Net Discount; and
 - (ii) stamp duty and other taxes.

- (b) You acknowledge:
- (i) you are responsible for the payment of ANZ's Costs identified in ANZ's letter of offer and/or the ANZ Business Banking Finance Conditions of Use and/or the ANZ Business Banking Finance Fees and Charges and unless ANZ agrees otherwise in writing that those Costs in respect to the Range Commercial Bill Facility will not be deducted from the Face Value of the Bill when ANZ is determining how much it will pay you in accordance with this Specific Condition 4. Instead you will pay those bank Costs separately to ANZ on the dates specified in the letter of offer; and
 - (ii) that ANZ's obligation to pay to you the Face Value of the Bill less the amounts specified in Specific Condition 4(a) on a Rollover Date may be satisfied by a net payment in accordance with Specific Condition 9. Any such net payment will be confirmed to you in a Confirmation.

5. ROLLOVER

Subject to Specific Condition 6, on each Rollover Date, you irrevocably request ANZ to draw, accept and discount a new Bill in replacement of the maturing Bill, with a Yield Rate fixed for that Rollover Period determined under Specific Condition 3.

6. TERMINATION/PREPAYMENT

You may terminate and prepay a Bills Contract on the next Rollover Date if:

- (a) you have given written notice to ANZ at least two clear Business Days before the next Rollover Date, that you wish to terminate and prepay a Bills Contract;
- (b) you have paid to ANZ the amount which ANZ determines is required to compensate ANZ for all costs or losses which ANZ may incur, directly or indirectly, because that Bills Contract is terminated and prepaid;

Warning – If you terminate/prepay a Bills Contract, the amount of costs or losses may be significant. When calculating any costs or losses suffered by ANZ as a result of a termination and prepayment, ANZ will value the Bills Contract on a mark to market basis which involves ANZ making a genuine attempt to estimate

the economic loss or reduction of return and costs it might incur taking into account movement in rates in the Australian market. ANZ will make allowance for any benefit that ANZ will get as a result of the termination and prepayment.

If you wish to make a termination/prepayment, you should discuss it with ANZ first and ANZ can calculate the costs or losses that you would have to pay if you made the termination/prepayment. This will help you to decide whether you want to go ahead with the termination/prepayment.

- (c) you have paid to ANZ that part of the Premium payable on all future Rollover Dates within the Bills Contract Term (including the Rollover Date upon which you terminate/prepay the Bills Contract) where you have chosen to pay a Premium upon the discount of each Bill; and
- (d) you have paid to ANZ all amounts actually or contingently owing or to become owing by you under or in connection with the Bills Contract including, without limitation any unpaid Premium.

A notice given under this clause cannot be withdrawn by you without ANZ's written consent and any reduction in the Face Value of the Bills Contract following any such termination or prepayment cannot be subsequently reinstated without ANZ's written consent.

7. ANZ MAY PREPARE BILLS

On or before a Drawdown Date and each Rollover Date you irrevocably request ANZ to, draw, sign and present the Bills which you have requested ANZ to accept and discount at the Yield Rate determined in accordance with Specific Condition 3 on the relevant Drawdown Date or Rollover Date, so that each Bill:

- (a) is dated with the relevant Drawdown Date or Rollover Date;
- (b) is drawn by or on your behalf with the name of the payee to be completed by ANZ;
- (c) names ANZ as drawee and acceptor; and
- (d) is for a Face Value amount determined by you and agreed by ANZ and specified in a Confirmation.

8. YOUR LIABILITY IN RESPECT OF BILLS DISCOUNTED

- (a) As between you and ANZ, you are primarily liable in respect of each Bill drawn by you or on your behalf under the Bills Contract. Accordingly, your liability with respect to each 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.
- (b) Subject to Specific Condition 9, at or before 11:00 am (Sydney time) on the last day of the relevant Rollover Period for each Bill, you must pay to ANZ an amount equal to the Face Value of that Bill.

9. NET PAYMENTS ON ROLLOVER DATES FOR BILLS

Unless otherwise agreed between you and ANZ, if on the Rollover Date for a Bill, ANZ is obliged to discount one or more replacement Bills, ANZ or you (as the case may be) are only obliged to pay the net amount as between:

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

10. YOU INDEMNIFY ANZ

You indemnify ANZ against all loss and liability that ANZ may incur as acceptor of each Bill except to the extent that such loss or liability was caused by ANZ's fraud, negligence or willful misconduct. Your obligations under this indemnity are absolute and unconditional. Your obligations are not at any time affected by set-off, deduction, counter claim or defence or anything that, but for this provision, might operate to relieve you from any of these obligations.

11. ACKNOWLEDGMENT

You acknowledge that:

- (a) it is difficult to predict with any certainty the future movements in interest rates;
- (b) the Yield Rate Costs of a Bills Contract may exceed those that would apply for a variable rate 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) in accepting the Terms of each Bills Contract you rely on your own assessment of future movements in interest rates;
- (e) for the purposes of the ANZ Business Banking Finance Conditions of Use provided to you, these Specific Conditions of Use are part of your agreement with ANZ and should be read in conjunction with those conditions and the letter of offer;
- (f) 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 the letter of offer; and
- (g) if there is an inconsistency between a Confirmation and any of these Specific Conditions of Use, the ANZ Business Banking Finance Conditions of Use and the letter of offer, the Confirmation prevails.

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