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BUSINESS LENDING GENERAL TERMS

Effective 24 June 2019

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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

2.1 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.

2.2 Our commitment to good banking practices

Doing the right thing is important to us. That's why we've adopted the Banking Code which sets the standards of practice and service for banks. The Banking Code applies to our relationship with you if you are an individual or a small business as defined in the Banking 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 tax file number legislation; and
- a copy of the Banking Code.

To find out more about the Banking Code, visit nab.com.au and look up "Banking Code".

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;
- details of any nominated or linked transaction account required in connection with the Facility;
- 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). See clause 13 for details;
- with our "know-your-customer" checks;
- with title, security, insolvency and corporate searches concerning you, any 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. See clause 11 for more details.

4. Using your Facilities

4.1 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);
- each Security remains valid and enforceable and, in the case of a guarantee, no guarantor has ended or limited its obligations; and
- you are not in Default. See clause 11 for more details.

4.2 Facility Limits

The Facility Details specify a limit for use of the applicable 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.

4.3 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

5.1 Regular payments

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

On the Final Repayment Date you must pay all the Facility Amount Owing. We will give you at least 3 months 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.

5.2 What currency must you pay us in?

You must pay us in Australian dollars unless the Specific Conditions say otherwise.

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. Please contact us if you require information about converting currencies.

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

5.3 Payment rules

If and when you are required to make a payment under a Bank Document, that payment must be made in full without any set-off, counterclaim, withholding or deduction, except as required by law (for example, where a court order permits). If you do have a dispute about a payment, please contact us so we can seek to resolve this with you as soon as possible.

If a payment falls due on a non-Business Day, you can pay us on the next Business Day unless the 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.

5.4 Payments under other Bank Documents

In addition to your obligations under clause 5.1, you must pay us all amounts that you are required to pay us under any other Bank Document in relation to credit or financial accommodation that we provide to you, at the times set out in those other Bank Documents. However, we will only enforce this Agreement for your failure to repay an overdraft or on-demand facility in another Bank Document if we have complied with our obligations under clause 11.1 (and the Banking Code, if applicable).

6. Accounts

6.1 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 Facility.

We may also, at any time:

- open accounts with us in your name to record certain transactions relating to your Facilities; and
- debit any account held by you (or an account conducted by us in your name) with any Facility Amount Owing that is due and payable, or which we may become liable to pay in respect of a Facility, 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.

If you are in Default, we do not need to give you notice of this.

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.

6.2 Account statements

We will give you any statements for your Facilities and accounts with us as required by the Banking Code, and may do so electronically. Statements of account will be provided every 6 months, unless we agree a different frequency or the Specific Conditions say otherwise.

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.

7.1 Interest calculation and charging

Unless the 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.

7.2 Variable rates and floating rates

If a variable rate or a floating rate applies to your Facility (or any applicable component of your Facility), the rate will be made up of an "indicator rate" plus one or more margins, each 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 Facility.

7.3 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 Specific Conditions explain how the actual rate is determined and advised to you.

7.4 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

8.1 Fees

You agree to pay us each fee, charge, premium or other amount and at the times, specified in the Bank Documents. Unless otherwise stated, these amounts are not charged on a pro-rata basis and once paid, are not refundable.

8.2 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 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 us exercising or enforcing our rights (or reasonably considering or attempting to do so) under the Bank Documents; and
- the costs or remuneration of, or any amounts payable by us to any External Administrator appointed by us.

8.3 You indemnify us

You also indemnify us (and our officers, employees, contractors and agents), 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 payment and reimbursement obligations listed in clause 8.2; and
- us preserving or enforcing our rights (or reasonably considering or attempting to do so) under the Bank Documents.

You don't have to pay, reimburse or indemnify us:

- to the extent our fraud, negligence or misconduct (or the fraud, negligence or misconduct of our officers, employees, contractors and agents) contributed to the relevant loss, damage or Costs being incurred; and
- if you are a Small Business, to the extent any fraud, negligence or misconduct by an External Administrator appointed by us 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.

8.4 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.

9.1 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 given to us by you and each Security Provider, or on your or a Security Provider's behalf, 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 benefit;
- you are not Insolvent;
- no Security Provider is Insolvent;
- you have told us about all Defaults 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 of Australia or elsewhere (including sanctions) or any agreement you have with someone else; or
  - any payment obligation you owe to anyone to become due earlier than scheduled;

- you have told us about any Security Interest granted by you or a Security Provider to anyone else;
- you, and each Security Provider, will not 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) unless we give our consent;
- you are currently complying with your obligations to us under this Agreement and any other Bank Document; and
- if you have a Specialised Facility or you are not a Small Business, any Financial Covenants are complied with.

9.2 Trustee promises

If you enter into a Bank Document as a trustee, your liability to us is supported by you personally, your own assets and the trust assets. You also 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.

9.3 Partnership promises

If you enter into a Bank Document as 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, or not 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 if you think one is reasonably likely to occur, or if anything happens which means that any of the promises in clause 9 becomes untrue.

10.1 Trustees

If you enter into 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.

10.2 Partnerships

If you enter into a Bank Document as a partner of a partnership, 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.

10.3 Self-managed superannuation funds

If you are a trustee of a self-managed superannuation fund regulated under the Superannuation Laws, you need to comply with those laws.

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

Our recourse to your fund will be limited in accordance with the terms of the Superannuation Deed. Please note that the terms of the Superannuation 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 must not redraw any amount you repay under a Facility. The reasons you must not redraw include that your superannuation fund may not comply with the Superannuation Laws if a redraw occurs and there may also be adverse tax consequences for your superannuation fund. We recommend you seek your own independent taxation, legal and financial advice.

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.

10.4 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.

10.5 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 Guarantor being able to make any payment due under a Bank Document; or
- our credit or security risk (or our ability to assess these) – for example, our ability to recover any Facility Amount Owing or the value of any Security; or
- our legal or reputation risk,

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 not a Small 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 Guarantor's ability to meet their respective obligations under a Bank Document, or which are outside our credit policies.

There are two types of Default, and each has different consequences and timeframes before we may become entitled to take Enforcement Action:

- a Payment Default – see clause 11.1; and
- specific events of non-monetary default (referred to as Adverse Events) – see clause 11.2.

If you have an overdraft or on-demand facility the applicable Facility Details or Specific Conditions may also provide that we can require repayment without notice, whether or not there is a Default.

11.1 Payment Defaults and consequences

What is a Payment Default?

A Payment Default occurs if you don't meet all your payment obligations under this Agreement, including those in clause 5.

What are the consequences of a Payment Default?

If a Payment Default occurs you are in Default, but we will give you a notice that a Payment Default has occurred allowing at least 30 days (or 7 days if you are not a Small Business) to remedy it.

However, we may give you a shorter notice period, or no notice period (or if you are not a Small Business, we do not need to give you any notice), if:

- based on our reasonable opinion, it is necessary for us to act to manage an immediate risk, for example, if we became aware that you were attempting to sell any assets or property secured under a Security contrary to the terms of a Bank Document;
- you are Insolvent, or enforcement action is taken against you by us or another credit provider;
- we believe, on reasonable grounds, that you or a Guarantor have not complied with the law or any requirement of a statutory authority; or
- we have already given you a period to remedy an Adverse Event under clause 11.2.
- We can immediately take any or all of the Enforcement Actions listed in clause 11.4 where:
- a Payment Default is not remedied within the required notice period set out in any notice given under this clause (or within any longer period we allow);
- we give a notice under this clause but are not required to give a notice period; or
- we are not required to give a notice.

11.2 Adverse Events and consequences

What is an Adverse Event?

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

- Insolvency:
  - you are Insolvent;
  - a Guarantor is Insolvent;
- Loss of capacity: you or any Guarantor no longer has legal capacity;
- Creditor enforcement: enforcement proceedings are taken against you or a Guarantor, or your or their assets, by another creditor;
- Cross default:
  - early repayment is required under a separate financing arrangement you or a Guarantor has with us, or default based action is taken against you or a Guarantor by us, due to an event of default which is of the same kind as an Adverse Event in this Agreement;
  - if you are not a Small Business, you are, or any Guarantor is, in default (however described) under any Security or other document, agreement or arrangement with us;
- Breach of law: we believe, on reasonable grounds, that you, your agent or a Guarantor have not complied with the law or any requirement of a statutory authority, or it becomes unlawful for you or us to continue with a Facility;
- Misrepresentation: you or a Guarantor gives us information or makes a representation or warranty to us (including any promise made under any Bank Documents) which is materially incorrect or misleading (including by omission);
- Improper use of Facility: you use a Facility for a purpose not approved by us;
- Improper dealings with assets: without our consent, your assets or a Guarantor's assets are dealt with, or attempted to be dealt with in breach of this Agreement, any Security or any other agreement with us;
- Failure to provide financial information: you or a Guarantor do not provide financial information required by any Bank Documents;
- Failure to maintain licence or permit: you or a Guarantor do not maintain a licence or permit necessary to conduct your respective businesses;
- Failure to maintain insurance: you or a Guarantor do not maintain insurance required by any Bank Documents. This includes, for example, where the insurance becomes unenforceable because of any action or inaction by you;
- Change of control: without our consent, there is a change in the legal or beneficial ownership, or management control of you or a Guarantor, or of your or a Guarantor's business;

- Change of status, capacity or composition: without our consent, there is a change in the status, capacity or composition of you or a Guarantor; and
- Specialised Facilities and Financial Covenants: if you have a Specialised Facility, or you are not a Small Business:
  - any 'Financial Covenant' specified in this Agreement is not complied with; or
  - an event or circumstance specified in this Agreement as an 'Adverse Event' occurs.

If you are not a Small Business, then references to "Guarantor" above are read as references to "Security Provider".

What are the consequences of an Adverse Event?
If an Adverse Event occurs, then you are in Default.

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

If an Adverse Event has occurred which by its nature is material, or we reasonably consider has had, or is likely to have a significant negative impact on:

- you or a Guarantor being able to make any payment due to us under any Bank Document;
- our credit or security risk (or our ability to assess these) – for example, our ability to recover any Facility Amount Owing or the value of any Security; or
- our legal or reputation risk where the Adverse Event is one described above under 'Breach of law', 'Misrepresentation' or 'Improper use of a Facility',

then we may issue 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. However, we may give you shorter notice periods than those described above or no notice periods (or if you are not a Small Business, no notices), in relation to an Adverse Event where, based on our reasonable opinion, it is necessary for us to act to manage an immediate risk, for example, if we became aware that you were attempting to sell any assets or property secured under a Security contrary to the terms of a Bank Document.

We can immediately take any or all of the Enforcement Actions listed in clause 11.4 where:

- an Adverse Event is not remedied within the required notice period set out in any notice given under this clause (or within any longer period we allow); or
- we give a notice under this clause but we are not required to give a notice period; or
- where we are not required to give a notice.

If an Adverse Event is not material or does not have the impact as described above, then we may ask for further information, but we will not take any further action.

11.3 What if another Default occurs during the remedy period?

Even if you remedy a Default during the applicable remedy period specified in a notice, we may still take Enforcement Action if another Default of the same type has arisen during that period.

11.4 Enforcement Actions

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

- 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 we have entered into in relation to a Facility (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.

11.5 Concurrent notices

We, or an External Administrator, may give you any other notice that is required by law in connection with enforcing a Security Interest at the same time as we give you a notice under this clause 11.

11.6 Appointment of consultants

We may appoint a consultant at any time to investigate and report to us on your or a Guarantor's business, and on compliance of any party with the Bank Documents.

If, based on what we know or suspect, we think a Default exists or is likely to exist in future you will, if we ask, pay our reasonable Costs in relation to the consultant, or appoint a consultant we nominate or approve on terms acceptable to us. We can charge all related Costs that you have to pay to any of your accounts.

You will help us and the consultant as soon as you are asked to.

Where you have paid the Costs of the consultant, we will (unless the consultant is a lawyer) give you a copy of our instructions to the consultant and extracts of their report in accordance with 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.

11.7 Set-off and combining your accounts

We may at any time:

- 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
- do anything reasonably necessary to enable us to do this, such as converting currency using our exchange rate.

However, if you are a Small Business, we will not exercise these rights unless either we give you notice or there is a Default. Otherwise, we will notify you after exercising these rights.

12. Change in law, anti-money laundering, counter-terrorism financing and sanctions

12.1 Consequences of a 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.

12.2 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 that amount.

12.3 Anti-money laundering, counter-terrorism financing and sanctions

You must comply, and must ensure each Security Provider complies, with all applicable requirements relating to anti-money laundering, counter-terrorism financing or sanctions.

We may take, or avoid taking, any action (for example, we may delay, block or refuse to process any payment or other transaction) if in our reasonable opinion to do otherwise may:

- breach any law of Australia or elsewhere (including any sanctions); or
- result in a fine being imposed on, or any other regulatory action being taken against, us, any of our subsidiaries, any body corporate that is directly or indirectly related to us, or any entity with whom we have entered into arrangements in connection with any services provided under the Facilities.

12.4 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 the application of anti-money laundering or counter-terrorism financing laws or sanctions, changes in law or prudential standards, policies or requirements applying to us, or by the actions of a regulatory authority.

If you are affected by, or suffer a loss due to a regulatory event, we, our subsidiaries and related bodies corporate 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 to the extent that we are able to and are allowed to by law.

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

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

13. Our security

13.1 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. A valuation may be obtained in order to assess:

- the value of assets the subject of a Security or proposed Security;
- our credit and security position for existing or prospective Facilities; or
- compliance with Financial Covenants (where applicable) or any other conditions in this Agreement,

or for any other purpose we tell you about.

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.

Unless we have commenced enforcement proceedings (as defined in the Banking Code), where you have paid (or reimbursed us) for a valuation of commercial or agricultural real property, we will provide you with a copy of that valuation and the instruction to our valuer. We may require you to acknowledge in writing that you accept our reasonable limitations on your use of the valuation before we provide it to you. We will also give you the benefit of any additional rights you have under the Banking Code to receive valuation information from us.

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

13.2 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 by:

- 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.

13.3 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.

13.4 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.

13.5 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.

13.6 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. We may make some changes without your consent, some changes occur automatically and some changes require your agreement. We promise to act reasonably when we make any changes.

14.1 Types of changes we may make

We may make the following types of changes without your consent:

- 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, or by changing, adding or removing a margin (including by making a margin positive or negative);
- change your repayment obligations, including the amount of or timing for any repayment, or your repayment type;
- change the frequency with which interest is debited or credited; and
- make necessary changes due to a change in law, to comply with or our prudential obligations as a bank, or as required by the Banking Code.

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

14.2 When we will notify you of changes we make

We will give you at least 30 days' notice of a change we make, except as follows:

- If we change an interest rate, including any indicator rate, we will comply with the notice requirements in the Banking Code and tell you no later than the date of the change – unless we are not able to because the interest rate is calculated according to a money market or other external reference rate, or a rate otherwise designated as a variable or floating rate.
- If we reasonably consider a change (other than a change to interest rates) will be unfavourable 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 (however, we may give you a shorter notice period, if we believe doing so is necessary for us to avoid, or to reduce, a material increase in our credit risk.
- If there is a change to, or introduction of a government charge that you pay under your Facility, we will tell you about it reasonably promptly (however, we do not have to notify you if it is publicised by the government).
- If there is a change that reduces your obligations (for example, a reduction in a rate or fee), we may give you a shorter notice period, or no notice period, if not inconsistent with the Banking Code. However, we will give particulars of any such change as soon as reasonably possible, even if this is after the change takes effect.
- If repayment amounts have changed as a result of a change in a variable rate (for example a Business Options Loan where a variable rate applies), we may not provide notice of the change in repayment amount. A change in repayment amounts as a result of a change in a variable rate may not happen immediately, but will generally occur up to 12 months after a variable rate change. In cases where a variable rate has changed but the repayment amount has yet to be re-calculated to reflect the rate change, the portion of your repayment amount allocated to paying down your principal may change until such time the repayment amount has been re-calculated. For example:
  - If the variable rate goes up, your repayment amount will generally go up in the 12 month period after the rate changes. Until that happens, your total repayment amount will not change, but the breakdown of your interest and principal repayments will – the portion of your repayment amount allocated to paying down your principal will go down (and you will pay more interest).
  - If the variable rate goes down, your repayment amount will generally go down in the 12 month period after the rate changes. Until that happens, your total repayment amount will not change, but the breakdown of your interest and principal repayments will – the portion of your repayment amount allocated to paying down your principal will go up (and you will pay less interest).

If you require more information about your repayments, or want to change your total repayment amount (for example, if you want to increase your repayment amount so that you are paying the same amount of principal when interest rates go up), please contact us.

14.3 How we will tell you about changes we make

We will notify you of changes we make by either writing to you or putting an advertisement in national or local media.

14.4 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 Owing. 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 becomes payable or is 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 Economic Costs to us, or whether there is a benefit to you of any net amount of returns and gains obtained by us, including because of any changes in rates applicable to a Facility (all other things being equal).

You must pay us the amount of any advised Economic Costs, 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 Economic Costs you may need to pay following an Economic Event can be significant, and will increase the Facility Amount Owing.

16. Communications

16.1 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 notices. 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 7 Business 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.

16.2 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).

16.3 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.

16.4 Contacting us for further information

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

17. Interpretation, assignment and confidentiality

17.1 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.

17.2 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.

17.3 Assignment

We may assign or otherwise deal with our rights under the Bank Documents in any way we consider appropriate (subject to the Banking Code if you are a small business). If we do so, you agree to help us including by signing any document or providing consent. We may disclose any information or document to do so. You cannot assign your rights under the Bank Documents without our prior written consent.

17.4 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 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 the rules of any relevant financial market or if allowed or required by law; or
- if there is a regulatory event (as described in clause 12).

We may also disclose that information:

- if we are assigning or otherwise dealing with our interest under any of the Bank Documents or proposing to do so;
- to register or maintain our Security;
- to enforce our rights under any of the Bank Documents; 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.

17.5 Law and legislation

Unless the context requires otherwise, a reference in the Bank Documents to legislation or other law or a provision of them includes regulations and other instruments under them, and any consolidation, amendment, re-enactment or replacement.

18. Meaning of words

The meanings of some words used in your Business Letter of Offer and these Business Lending General Terms are set out below, or may otherwise be explained in your Business Letter of Offer.

Adverse Event has the meaning given in clause 11.

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

Bank Documents means:

- your Business Letter of Offer;
- the documents listed at the start of that letter (including this Agreement, these Business Lending General Terms, Specific Conditions and 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 Code means:

- if the parties enter into this Agreement prior to 1 July 2019, the Code of Banking Practice (2013); or
- if the parties enter into this Agreement on or after 1 July 2019, the Banking Code of Practice (2019).

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.

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 has the meaning in clause 11.

Default Interest Rate means, in respect of a Facility or an overdrawn account as described in clause 6, the rate specified in the Facility Details, and if no rate is specified the default rate (however described) applicable to the nominated or linked account required in connection with the Facility.

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.

Economic Event has the meaning given in clause 15.

Enforcement Action has the meaning in clause 11.4.

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 Owing 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 means the details 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 Facility Details.

Financial Covenant means a covenant specified in this Agreement which requires you to comply with, or report on, specified financial parameters, typically measured against your financial results in your financial statements. If you are:

- a Small Business, you may need to report on Financial Covenants to help us monitor our credit and security position, as set out in your Business Letter of Offer; and
- not a Small Business or you have a Specialised Facility, you must comply with a Financial Covenant specified in this Agreement, as noted in clause 9.1.

Final Repayment Date means, in respect of a Facility, the earlier of:

- the Facility Expiry Date (if any) specified in the Facility Details, or a later date as notified by us to you in writing;
- 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)*.

Guarantor means any person who provides a guarantee to us.

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.

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 Defaults are described in clause 11.

PPS Law means the *Personal Property Securities Act 2009 (Cth)*.

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 Owing.

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 a Guarantor and any other person who provides a Security to us.

You are a **Small Business**, when the total of our business finance credit exposures to you and your related entities (that are businesses) is less than $5,000,000. This includes the total of all your existing debt to us, any undrawn amounts in relation to that debt, and any other credit or financial accommodation provided or being applied for. Your 'related entities' are those which fall within the definition of 'related entity' under section 9 of the Corporations Act and could include, for example, those entities which we reasonably determine are under common ownership control or management control with you or by you. We may make any such determinations under our aggregate risk exposure policies.

Specialised Facility means a Facility:

- used to fund property development; or
- used to fund a specialised lending transaction, which because of its nature, requires additional covenants to help us manage our risks, including margin lending, loans to self-managed superannuation funds, bailment, invoice discounting, construction finance, foreign currency loans and tailored cash flow lending.

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

Superannuation Deed means a superannuation acquisition financing deed or superannuation financing deed (see clause 10.3).

Superannuation Laws means the *Superannuation Industry (Supervision) Act 1993 (Cth)*.

You means each person identified as "you" in this Agreement and, if there is more than one person, means each person separately and every two or more jointly. It also includes your successors, and if you are a partnership, it includes the partnership as reconstituted from time to time (for example after admission, retirement, death or incapacity of a partner).

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**

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

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