

ANZ COMMERCIAL BILL FACILITY®

SPECIFIC CONDITIONS OF USE
ANZ BUSINESS BANKING
10.2023



KEY TERMS OF YOUR COMMERCIAL BILL FACILITY

ABOUT THESE KEY TERMS

The aim of these key terms is to help you understand the key terms of your Commercial Bill Facility with us. It should be read in conjunction with the 'Key Terms of your Business Lending' document you will also receive. Please note it does not cover all of the terms and conditions of your arrangements.

Additionally, it is not a substitute for, and does not form part of, your Agreement with us. The Specific Conditions of Use that follow on from these key terms do form part of your Agreement.

Please read the Specific Conditions of Use for detailed information about the Commercial Bill Facility.

BEFORE YOU CAN USE THE COMMERCIAL BILL FACILITY

Before you can start using the facility, you will need to provide ANZ with a completed Deed of Authority, Indemnity and Power of Attorney.

DRAWING DOWN ON YOUR COMMERCIAL BILL FACILITY

To draw down on your Commercial Bill Facility, you need to provide us with certain information such as the type of bill you wish to draw, its face value and the desired period between rollover dates. Once you have drawn down on your Commercial Bill Facility, ANZ will pay to you the face value of the bill less a discount amount. The discount amount is similar to interest and is the difference between the face value of the bill and the amount you receive at drawdown.

REPAYING AMOUNTS AT EACH ROLLOVER AND END OF THE FACILITY TERM

During the term of your facility, you need to pay to ANZ the face value of each drawn bill when it matures – this is known as a 'maturity date'. Your **Agreement** will set out your facility limit and the term of your facility. If ANZ accepts and purchases a replacement bill on the same day that another bill

matures (each date being a 'rollover date') the proceeds of the replacement bill will be used towards repaying the maturing bill. You will also need to pay us the discount amount (similar to interest) that applies to the replacement bill. We will continue to do this until the maturity date for the final bill within a bill series when no further bills can be drawn and the face value of the final maturing bill must be repaid. If you do not wish to draw the next bill in a bill series, you must tell us first as required under the terms of the Specific Conditions of Use.

FEES, COSTS AND CHARGES

You need to pay the fees, costs and other charges associated with your Commercial Bill Facility. The fees and charges are set out in your Agreement and the ANZ Business Banking Finance Fees and Charges booklet. You can terminate your facility at any time if you no longer have any drawn bills.

If you do not wish to draw the next bill in a bill series for a non-variable rate bill, there may be additional costs. These costs could be significant. You must contact us to discuss the amount of these early repayment costs. You also agree to pay any early repayment costs if certain other things occur, such as a default.

MAINTAIN AN ANZ TRANSACTION ACCOUNT

You must have an ANZ transaction account for the full term of your commercial bill facility that contains enough funds for payment of any amount owing by you under your Agreement such as fees and other amounts, including any discount amount.

WHERE CAN YOU FIND OUT MORE?

Your Agreement has been provided to you and you should read it before you sign anything. Please ask your ANZ business banker or your accountant or lawyer about anything you do not understand.

ANZ COMMERCIAL BILL FACILITY® SPECIFIC CONDITIONS OF USE

This document contains important Specific Conditions of Use which apply to your Commercial Bill Facility. It should be read in conjunction with the ANZ Business Banking Finance Conditions of Use and your Letter of Offer. 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 Commercial Bill Facility.*

Also some words and expressions have special meanings in 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 or your Letter of Offer.

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1. USING YOUR COMMERCIAL BILL FACILITY

You may use your Facility once we tell you that the conditions below and in your Letter of Offer have been met.

Before you can use your Facility you must sign and return to us the Deed of Authority, Indemnity and Power of Attorney.

Your first drawing of a bill must be within three months of the date of your Letter of Offer unless ANZ otherwise agrees.

Any instructions given to ANZ must be given by you or by your Authorised Representative.

An instruction:

- (a) to request a variable rate bill series is irrevocable once the variable rate bill is drawn down (in the case of variable rate bills); and
- (b) to accept the quote for the relevant Bill Series is irrevocable once the instruction to accept the quote is given (in the case of fixed rate bills).

2. REQUESTING BILLS

Requesting a variable rate bill:

You must call or write to us if you want to request a Bill Series of variable rate bills. We must receive your request before 4pm Sydney time two Business Days before the date you want ANZ to accept and discount the first variable rate bill in the Bill Series.

When you call or write to us you must provide us with certain information. This will include, for example, the face value, the final Maturity Date and the Rollover Period frequency of the bills in the Bill Series. You may select a Rollover Period frequency of one, two, three, four, five or six months or such other period as may be agreed between you and ANZ.

A Bill Series Term must be one, two, three, four or five years, unless ANZ otherwise agrees. The Maturity Date for the final bill in a Bill Series must also be within the term of your Facility.

Requesting a fixed rate bill:

You must call us if you want to request a Bill Series of fixed rate bills. We must receive your request before 4pm Sydney time two Business Days before the date you want ANZ to accept and discount the first bill in the relevant Bill Series.

When you call us you must provide us with certain information. This will include, for example, the face value, the final Maturity

Date and the Rollover Period frequency of the bills in the Bill Series. You may select a Rollover Period frequency of one, two, three, four, five or six months or such other period as may be agreed between you and ANZ.

A Bill Series Term must be for a term of one, two, three, four or five years, unless otherwise agreed with ANZ. The Maturity Date for the final bill in the Bill Series must also be within the term of your Facility.

Once you have given us all required information we will give you a fixed rate pricing quote for the Bill Series.

If you wish to proceed with the quote, then you must confirm your acceptance immediately, either on the phone after we give it to you, or by another reasonable method specified by ANZ. On your acceptance, the details that we have agreed with you (including the information that you provided us) will form part of your Agreement with us.

We will send you a Confirmation setting out details that we have agreed with you. You must check the details in the Confirmation and contact us as soon as reasonably practicable if you have any concerns.

3. BUSINESS DAY RULES

If an amount payable by you would be due on a non-Business Day, the date for payment will generally be the next Business Day unless that day falls in the next calendar month. If it does then the amount will generally be due on the Business Day before the non-Business Day.

If a Bill Series Term or Rollover Period would end on a non-Business Day, we will generally treat it as ending on the next Business Day unless that day falls in the next calendar month. If it does then the period will generally end on the Business Day before the non-Business Day.

4. AMOUNT PAYABLE BY ANZ WHEN ACCEPTING AND DISCOUNTING BILLS

Subject to the other terms of your Agreement, on each Drawdown Date or Rollover Date (as applicable) for a bill ANZ shall accept the bill drawn on it and discount that bill. ANZ shall also pay to you an amount equal to the face value of the bill less the sum of:

- the Net Discount; and

- any stamp duty and other taxes payable in respect of the bill.

5. AUTOMATIC ROLLOVER

Subject to the other terms of your Agreement, unless you contact us two Business Days before the Rollover Date for a bill to notify us that you do not wish to draw the next bill in that Bill Series, then when a bill matures ANZ will automatically draw a replacement bill on your behalf on that Rollover Date.

The replacement bill will have:

- in the case of a variable rate bill, a variable rate (reasonably determined by ANZ based on BBSY); and
- in the case of a fixed rate bill, a fixed rate that is determined in the same way as for the maturing bill.

The replacement bill will have the same face value as the maturing bill unless:

- your Letter of Offer specifies that your Facility Limit will reduce. Where the face value is to reduce, ANZ may draw a replacement bill on your behalf with the appropriate reduced face value; or
- subject to the other terms of your Agreement, you contact us at least two Business Days before the Rollover Date for a bill and request to change the face value of the next bill in the Bill Series. In that case, ANZ will draw a replacement bill on your behalf with the face value that you requested, if the change would not result in the maximum aggregate face value of all outstanding Bills drawn exceeding the Facility Limit. If you request a change in the face value of fixed rate bills in a Bill Series, you may be required to pay early repayment costs. The early repayment costs can be significant and are not the same for every Bill or every type of change in face value. For further details on these costs see section 6.

6. EARLY CANCELLATION OR PREPAYMENT OF A BILL

If you have a variable rate bill:

You may partially or fully Prepay a variable rate bill on a Maturity Date only (unless ANZ otherwise agrees). You must contact us no later than two Business Days before the proposed Prepayment date to tell us that you wish to Prepay it.

If you have entered into an agreement with ANZ in respect of a variable rate bill in accordance with section 2, and you would like to cancel that agreement, you must contact us before the proposed Drawdown Date to tell us that you wish to cancel that agreement.

If you have a fixed rate bill:

How can you Prepay a fixed rate bill?

You may partially or fully Prepay a fixed rate bill on a Maturity Date only (unless ANZ otherwise agrees).

You must contact us if you want to Prepay a fixed rate bill so that we can tell you the amount of the early repayment costs associated with doing so. You must contact us no later than two Business Days before the proposed Prepayment date, which must be a Maturity Date (unless ANZ otherwise agrees).

If you do make a Prepayment then you may be required to pay early repayment costs. The early repayment costs can be significant and are not the same for every bill.

If you would like to proceed with the Prepayment, you must confirm your acceptance of the early repayment costs either on or before the proposed Prepayment date. You must confirm your acceptance immediately, either by calling us, or by another reasonable method of contact that we ask you to use.

When we tell you the amount of the early repayment costs, that is the amount that will apply if you accept it at the time we tell you. If you do not accept that amount at that time, then a different amount may apply if you later choose to make a Prepayment.

How can you Cancel a fixed rate bill?

You must contact us if you want to Cancel a fixed rate bill so that we can tell you the amount of the early repayment costs associated with doing so.

If you Cancel a fixed rate bill then you may be required to pay early repayment costs. These costs can be significant and are not the same for every fixed rate bill.

If you would like to proceed with the Cancellation, you must confirm your acceptance of the early repayment costs before the proposed Drawdown Date. You must confirm your acceptance immediately, either by calling us, or by another reasonable method of contact that we ask you to use.

When we tell you the amount of the early repayment costs, that is the amount that will apply if you accept it at the time we tell you. If you do not accept that amount at that time, then a different amount may apply if you later choose to proceed with the Cancellation.

In addition to the events described in this section 6 above, early repayment costs may also be payable if any of the following events (together with the events in this section 6 above, referred to as the **Bill Early Repayment Events**) occur:

- ANZ requires you to make a Prepayment of all or part of a fixed rate bill during its Bill Series Term or cancels your Facility (for example, in exercise of our Default Rights); or
- ANZ agrees to make certain other changes to a Bill Series of fixed rate bills before the end of its Bill Series Term.

The next subsection titled 'Early repayment costs' explains how we calculate that amount.

Early repayment costs

***Warning:** Early repayment costs can be significant. You must contact us so that we can notify you of the amount of these early repayment costs or if you have any questions before you Prepay or Cancel a fixed rate bill.*

When we provide or agree to provide a Bill Series of fixed rate bills to you we generally assume that there will be no changes to the Bill Series during its Bill Series Term. We also generally arrange our own funding position (which may include hedging to manage our interest rate risk) based on this assumption. This involves the allocation of funding costs from our treasury function, and the establishment of internal interest rate risk management transactions. We pool these transactions with those from various facilities and transactions provided to our other customers, and manage them on a portfolio basis in the wholesale financial markets. If a Bill Early Repayment Event occurs then our funding position will change and we may incur a loss as a result of the event occurring.

The early repayment costs payable by you are a reasonable estimate of that loss. Our estimate may not always reflect actual transactions we entered into when we provided the relevant Bill Series to you. This is because we manage our risk associated with various facilities and transactions on a portfolio basis.

You must pay the early repayment costs in addition to the face value amounts, fees, charges and any other amounts payable by you.

The amount of any early repayment costs that you must pay will vary according to a number of factors including:

- the remaining Bill Series Term;
- how much you have Prepaid; and
- changes in market interest rates.

Some information about how we calculate early repayment costs is set out below.

Early repayment costs

Why do certain Bill Early Repayment Events attract early repayment costs?

When ANZ agrees to provide you with a Bill Series of fixed rate bills, it gives both ANZ and you increased certainty about the timing and quantity of the amounts payable by you to us over the Bill Series Term.

We take these agreed arrangements into account when managing our risk associated with commercial bill facilities and may enter into hedging transactions to manage that risk.

If:

- you partially or fully Prepay your fixed rate bill;
- you Cancel your fixed rate bill; or
- another Bill Early Repayment Event occurs,

our risk associated with commercial bill facilities changes and we may need to change the arrangements we have made to manage that risk.

The early repayment costs help us recover our reasonable estimate of the costs that would be incurred in changing those arrangements.

How do we calculate the amount of the early repayment costs for a fixed rate bill?

The early repayment costs are determined using current market data by calculating:

- the present value of the Net Discount which we should have received for the period from the date of the Bill Early Repayment Event to the final Maturity Date for the Bill Series; less
- the present value of the cashflows which we reasonably estimate that we would be able to receive if we were to hedge a fixed rate bill for the Prepaid, Cancelled or other Bill Early Repayment Event amount at the current wholesale mid-market price for the remainder of the period ending on the final Maturity Date for the Bill Series.

We will then add to the calculated amount a further amount reasonably determined by us as recompense for the transactional and operational costs and risks that we would expect to incur if executing the transaction in the market to determine the early repayment costs.

If the calculations above for the early repayment costs show that the Bill Early Repayment Event results in a benefit rather than a cost, we will pay the amount of the benefit (as calculated by us) to you.

If any early repayment costs are payable by you, you must pay the costs together with any other outstanding fees or charges on the date of your Prepayment or Cancellation. If any of the Bill Early Repayment Events in this section 6 occur then you must pay the early repayment costs on the date specified by ANZ.

If you partially Prepay the face value of a maturing bill, the face value of any replacement bill drawn by ANZ on your behalf will be reduced by the amount of the Prepayment.

If you Prepay or Cancel a bill, ANZ will no longer accept and discount any replacement bill (in accordance with section 5) in respect of that Bill Series.

7. ANZ MAY PREPARE BILLS

You request ANZ to draw, sign and present on your behalf the bills which you have requested ANZ to accept and discount, so that each bill:

- is dated with the relevant Drawdown Date or Rollover Date;
- is drawn by you or on your behalf with the name of the payee to be completed by ANZ;

- names ANZ as drawee and acceptor; and
- is for a face value amount and Rollover Period determined by you and agreed by ANZ.

8. YOUR LIABILITY IN RESPECT OF BILLS DISCOUNTED

You must pay to ANZ an amount equal to the face value of a bill on the Maturity Date for that bill.

You must pay any usage line fee, commitment fee or handling fee as specified in your Letter of Offer. You agree that ANZ may debit any of these fees from your nominated transaction account or we may deduct the fee from the face value of the relevant bill (or in the case of the commitment fee any bill).

Your obligations in relation to a bill drawn, accepted and discounted by ANZ under the Facility continue despite the fact that ANZ is or becomes the holder of the bill in ANZ's own right on or after the bill's Maturity Date.

You must repay the Outstanding Money in full at the end of the term of your Facility.

ANZ and you agree that section 66 of the *Bills of Exchange Act 1909* does not apply as between you and ANZ.

9. NET PAYMENT ON MATURITY DATES FOR BILLS

Unless otherwise agreed between you and ANZ, where replacement bills are to be drawn and accepted by ANZ on the Maturity Date of maturing bills, only the net amount as between the amounts payable on that date:

- by you to, or for the account of, ANZ in respect of the maturing bills; and
- by ANZ to, or for the account of, you in respect of the replacement bills,

need be paid.

10. YOU MUST MAINTAIN AN ANZ TRANSACTION ACCOUNT

You must hold and maintain an ANZ transaction account for the full term of your Facility. You must also maintain enough funds in your account to cover payment of any amount owing

by you under your Facility. Examples of such amounts are fees and other charges payable by you. This account will be a 'nominated account' for the purposes of section 4.6 of the Finance Conditions of Use.

For the purposes of the 'failure to pay' Event of Default in the Finance Conditions of Use, an amount owed to ANZ in connection with the ANZ transaction account referred to in this section 10 (such as any informal overdraft on that account) will be treated as an amount owed to ANZ under the Facility.

11. ACKNOWLEDGEMENT

You acknowledge that:

- it is difficult to predict with any certainty the future movements in interest rates;
- the fixed rate on a fixed rate bill may be higher than the variable rate on a variable rate bill;
- 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;
- you should consider whether you need your own independent professional advice in relation to any possible taxation consequences of making a drawing under the Facility;
- in accepting the terms quoted by ANZ for a Bill Series, you should make your own assessment of future movements in interest rates; and
- words and expressions not defined in this document have the meanings given to them in the Finance Conditions of Use or your Letter of Offer.

12. RECORDING

You (i) consent to the recording of telephone conversations between the trading, marketing and other relevant personnel of you and us in connection with the Facility; (ii) agree to obtain any necessary consent of, and give any necessary notice of such recording to, your relevant personnel; and (iii) agree, to the extent permitted by applicable law, that recordings may be submitted in evidence in any proceedings.

13. MEANING OF TERMS

The words and phrases below have the following special meanings in this document.

BBSY means:

- (a) the Australian Bank Bill Swap Reference Rates (Bid) administered by ASX Benchmarks Pty Limited (or any other person which takes over the administration of that benchmark rate) for relevant period(s) obtained by ANZ from Thomson Reuters;
- (b) if rates are not available under paragraph (a), equivalent rates as reasonably determined by ANZ; or
- (c) zero, if BBSY under paragraph (a) or (b) would (but for this paragraph) be below zero.

Bill Series means each financing arrangement you enter into with ANZ under your Facility for the drawing of a single bill, or for the drawing of a series of more than one of the same type of bill.

Bill Series Term, for a Bill Series, means the period commencing on the Drawdown Date and ending on the final Maturity Date for the Bill Series.

Business Day means a day that is not a Saturday, a Sunday or an Australian national public holiday. We also generally exclude New South Wales public holidays and may, in certain circumstances, exclude other State or Territory public holidays.

Cancel, in relation to a fixed rate bill, means cancelling an agreement for the drawing of that bill that you have made with ANZ in accordance with section 2 before the bill is drawn.

Confirmation means a 'confirmation' document issued to you by ANZ in connection with your Facility and includes:

- (a) in respect of a Bill Series of fixed rate bills, a 'confirmation' issued to you under section 2; and
- (b) in respect of all bills, a 'confirmation' issued to you on or after a Drawdown Date or a Rollover Date.

Discounted Proceeds, in respect of a bill, means the amount calculated using the following formula:

$$\text{Discounted Proceeds} = \frac{\text{Face value of the bill} \times (365 \times 100)}{(\text{Yield Rate} \times \text{No. of days in the Bill Term}) + (365 \times 100)}$$

where:

- (a) **Yield Rate** means:
- i. for a variable rate bill, the rate reasonably determined by ANZ based on BBSY; and
 - ii. for a fixed rate bill, the rate quoted and acceptance in accordance with section 2; and
- (b) **Bill Term** means the period from the Drawdown Date or Rollover Date (as applicable) to the Maturity Date for the bill.

Drawdown Date means the first day of the Rollover Period for the first bill in a Bill Series and is the date on which funding is or is to be provided under the Facility.

Facility means the ANZ Commercial Bill Facility.

Facility Limit is the Australian dollar limit for the Facility, as set out in your Letter of Offer.

Finance Conditions of Use means the ANZ Business Banking Finance Conditions of Use.

Maturity Date, for a bill, means the last day of the Rollover Period for that bill and, in the case of the final bill in a Bill Series, the date agreed between you and ANZ as being the final maturity date for the Bill Series.

Net Discount means the face value of a bill less the Discounted Proceeds.

Prepay, in respect of a bill, includes:

- (a) where you fully or partially pay the face value of a bill before the final Maturity Date of that Bill Series; and
- (b) where you no longer require ANZ to automatically roll the bill in accordance with section 5.

Rollover Date, for a bill, means the first day of a Rollover Period, except in the case of the first bill in a Bill Series.

Rollover Period, for a bill, means a period commencing either on the Drawdown Date for that Bill Series or on a Rollover Date and ending on the next Rollover Date or the final Maturity Date for the relevant Bill Series, whichever is the first to occur.

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