

ANZ INDEMNITY GUARANTEE FACILITY SPECIFIC CONDITIONS OF USE

ANZ BUSINESS BANKING 12.2017

1 What you need to know about these terms and conditions of use

This document contains terms for your ANZ indemnity guarantee facility as described in your Letter of Offer. Indemnity guarantees are also known as bank guarantees. You should read this document with the other documents that are part of your Agreement with us.

Capitalised words and phrases in this document have special meanings. You can find their meanings in section 11 below.

2 How to contact us

See the 'Contact Details' section at the end of this document.

3 Using your indemnity guarantee facility and requesting a bank guarantee

You may use your Facility once we tell you that the relevant terms in your Letter of Offer have been met.

To request a bank guarantee under your Facility, you must complete and sign an 'Indemnity And Application for Guarantee' form and give it to us. You must give us the form at least three Business Days' before we issue the bank guarantee.

We will issue all bank guarantees in our standard form unless we agree otherwise. If you would like another form please tell us when you make the request. Please also give us the proposed form.

Your first request for a bank guarantee must be within six months of the date of your Letter of Offer.

4 Indemnity guarantee fees

You must pay the fees in sections 4.1 and 4.2 in advance at the frequency (for example, quarterly) specified in your Letter of Offer. We will not refund or rebate either fee. We also do not make pro rata calculation of fees paid in advance for a period. For example, we do not reduce fees for a period if:

- the term of your Facility ends during the period;
- you cancel a bank guarantee or your Facility during the period; or
- we terminate a bank guarantee during the period.

4.1 Indemnity guarantee facility fee

The first payment of your indemnity guarantee facility fee is due when you sign and accept your Letter of Offer. You will then pay the indemnity guarantee facility fee periodically. The periodic amount that you will pay is based on the number of payment periods in a year.

The example below shows you how we calculate this.

Example

Company ABC has an indemnity guarantee facility with a Facility Limit of \$60,000. The annual indemnity guarantee facility fee is \$600, being 1% per annum of the Facility Limit.

The table sets out the fee that Company ABC must pay for each payment frequency.

Indemnity guarantee facility fee	Payment frequency	Periodic indemnity guarantee facility fee payable
\$600	Annually	\$600
\$600	Half-yearly	\$300
\$600	Quarterly	\$150
\$600	Monthly	\$50

4.2 Indemnity guarantee fee

The first payment of your indemnity guarantee fee for each bank guarantee is due when ANZ issues the bank guarantee. You will then pay the indemnity guarantee fee periodically. We will calculate the periodic amount that you must pay in the same way as the indemnity guarantee facility fee in section 4.1 above.

5 How do you cancel a bank guarantee or your indemnity guarantee facility?

You may cancel a bank guarantee at any time by returning the original bank guarantee to us. You may also cancel your Facility in full at any time by returning all original bank guarantees issued under it to us.

If you do, you must pay all fees and other amounts owing in relation to the cancelled bank guarantee or your cancelled Facility.

6 What happens if a favouree makes a demand on a bank guarantee issued by ANZ?

If a named favouree makes a demand on a bank guarantee you must immediately pay ANZ the amount claimed. At the same time, you must also pay all fees and other amounts owing in relation to the bank guarantee. The details on what you must pay and how you must pay are set out in your 'Indemnity And Application for Guarantee' form.

A demand made on a bank guarantee will also constitute a Review Event and the consequences of a Review Event will apply. Please refer to the Finance Conditions of Use for more information.

7 What happens if ANZ terminates a bank guarantee that it has issued?

When you complete an 'Indemnity And Application for Guarantee' form you agree that ANZ may unconditionally terminate a bank guarantee. ANZ may do this by paying the named favouree an amount equal to the amount that they could claim from ANZ. You must immediately pay ANZ the amount paid out. At the same time, you must also pay all fees and other amounts owing in relation to the bank guarantee.

8 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 deposit into your account enough funds to cover payment of any amount owing by you under your Facility. Examples of such amounts are:

- fees and other charges payable by you; or
- an amount equal to the amount paid out by ANZ under a bank guarantee.

9 What happens at the end of your term?

If the term of your Facility ends you must immediately:

- return all original outstanding bank guarantees; or
- provide enough cash to cover all outstanding bank guarantees on the terms specified in section 10.

If the term of your Facility has ended because of an Event of Default, then the other consequences of an Event of Default will also apply. Please refer to the Finance Conditions of Use for more information.

10 What happens if you need to provide cash to cover all outstanding bank guarantees?

The following terms apply if section 9 requires you to provide cash to cover all outstanding bank guarantees.

- **Deposit funds** - You must deposit funds into an ANZ transaction account opened in your name only. The amount you deposit must be at least equal to the total face value of all outstanding bank guarantees.
- **Account signatories** - If we ask, you must ensure that the ANZ transaction account always has at least two signatories. Those signatories must comprise one or more persons nominated by ANZ and an equal number of persons nominated by you.
- **Account withdrawals** - Unless we agree otherwise, you may not make any withdrawals from the account except to pay ANZ an amount owing by you under your Facility.
- **Credit interest** - ANZ will credit the transaction account with interest at the rate and in the same way that ANZ determines for deposits at call of a similar amount under ANZ's normal procedures.
- **Granting security** - If we ask, you will execute a security document granting us a first ranking security interest over the transaction account. The document must be in the form we reasonably specify. You must also do anything else that we reasonably ask to ensure that our interest in the security is enforceable, perfected and first ranking.
- **Right of set-off** - If an Event of Default occurs then you authorise us to apply the funds in the account towards payment of any liability that we have or may have under the outstanding bank guarantees. The same applies if a favouree makes a demand on a bank guarantee. We may do this without telling you first or getting your consent.
- **Closing the account** - We will only close your transaction account when the last remaining bank guarantee issued under your Facility expires, is called upon or is returned to ANZ. If any balance remains in the account after payment of the amounts owing under your Facility, we will pay it to you.

11 Definitions

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

Agreement has the meaning given in your Letter of Offer.

Customer, you or **your** means each person named as a borrower or customer for each Facility in a Letter of Offer. When more than one person is named as a borrower or customer, it means each person individually and any two or more of those people. It also includes each person's executors, administrators or permitted assigns or transferees.

Event of Default means each event in section 7.1 of the Finance Conditions of Use and any other event that you and we agree in a Finance Document (as defined in the Finance Conditions of Use) is a default event.

Facility means the indemnity and guarantee facility that we make available to you under your Agreement.

Facility Limit for a Facility, means the amount specified in your Letter of Offer as the facility limit.

Finance Conditions of Use means the ANZ booklet titled 'finance conditions of use'.

Letter of Offer means the letter titled 'letter of offer' between a Customer and ANZ.

Review Event means each event in section 6.1 of the Finance Conditions of Use and any other event that you and we agree in a Finance Document (as defined in the Finance Conditions of Use) is a review event.

Contact Details

ANZ may change the contact details below from time to time. If we do, we will not notify you of the change (unless required by law or industry code) but these details will be published on our website anz.com.

ANZ Business Banking

1800 801 485

8am – 8pm (AEST), Weekdays

ANZ Agribusiness Banking

Speak to your ANZ Agribusiness Manager or call 1800 462 474

8am - 8pm (AEST), Weekdays

ANZ Internet Banking for Business

1800 269 242

+61 3 8699 6906 (International customers)

8am - 8pm (AEST), Weekdays

Lost or Stolen Cards, Suspected Unauthorised Transactions or Divulged Passwords

1800 033 844

+61 3 9683 7047 (International customers)

24 hours, 7 days a week