

**BANK OF QUEENSLAND LIMITED**  
**ABN 32 009 656 740**  
**Head Office**  
**BOQ Village, 100 Skyring Terrace**  
**NEWSTEAD QLD 4006**

**BUSINESS TERM LOAN**

**GENERAL CONDITIONS**

**Details of the terms and conditions that apply to your facility**

There are two parts to this agreement. The first part is the Facility Details and Schedule of Fees and Charges. These are conditions that relate specifically to your facility. The second part is these General Conditions which sets out the standard terms applicable to our business term loans, including your facility.

Further terms and conditions which may be relevant to the use of your account may be found in the Business Lending Supplementary Terms and Conditions and the Business Banking Guide to Fees and Charges, each as amended from time to time. The most recent versions of these documents are available at [www.boq.com.au](http://www.boq.com.au) or may be requested from us.

Your use of any bank account or electronic banking service in connection with the facility will also be subject to the terms and conditions of that account or service.

You should also read the terms and conditions of the securities and any other finance documents.

**Code of Banking Practice**

The relevant provisions of the Code of Banking Practice may apply to this facility agreement. The Code of Banking Practice applies to banking services provided to customers who are individuals or small businesses, each as defined in it. We will comply with the Code of Banking Practice, where it applies to the banking services we provide to you.

**Other things you should know about what you must pay us in connection with the facility**

Details of interest rates referred to in either the Facility Details or these General Conditions are available on our website [www.boq.com.au](http://www.boq.com.au) or may be requested from us.

Even if you do not end up borrowing money under this facility, the application fee and any fees and charges that we have spent will be non-refundable.

You will only be refunded advance payments if we consent. We can consent or refuse for any reason.

Break costs may be payable if a break cost event is taken to have occurred on your fixed rate business term loan. These General Conditions (together with the Business Banking Guide to Fees and Charges) provide details of when break costs may be payable and how they are calculated). Please read them carefully as break costs can be many thousands of dollars.

**Note: Words in *italics* have special meanings - see Part 22**

**September 2016**



## PART 1. BEFORE WE LEND THE MONEY

### (a) Things that must happen before we lend

We will not lend you any *money* unless:

- you have given us all of the documents we ask you for and we are satisfied with them; and
- we have received the *securities* and are satisfied that they are properly completed, signed and legally enforceable and, where appropriate, in registrable form;
- we are satisfied that the insurances required in this agreement have been taken out and our interest as mortgagee noted on them where appropriate; and
- we are satisfied with our enquiries about you and the *property* and that all of our requirements have been met; and
- all of the things set out in the Facility Details have happened; and
- you have paid our expenses in connection with the *facility*; and
- if you are a company - you have given us copies of the following documents, certified by one of your directors, or by your secretary, that the document is complete, correct and up to date:
  - your certificate of incorporation; and
  - an extract of the minutes of your board of directors containing evidence of resolutions authorising you to execute this agreement and the *securities*

and to perform your obligations under this agreement and the *securities*, and containing the appointment of your authorised representatives; and

- if you are entering into this agreement as trustee of a trust, you have given us a copy of the trust deed certified by you that it is complete, correct and up to date; and
- you have paid the fees and charges set out in the Facility Details and these General Conditions.

### (b) When we will not lend

We will not lend you the *money* if:

- any *security* is not available; or
- any information given to us about the *facility* changes or is not correct; or
- there is an event of default or potential event of default under this agreement or any *security*.

### (c) Time limit for borrowing *money*

Subject to Part 3(b) (if it applies), you must borrow the first *money* within sixty (60) days of the date we signed this agreement. If you do not, we may still lend you the *money* but we may change the terms on which we do.

Even if we do not lend you the *money*, we may keep the application fee and any fees and charges that we have spent.

## PART 2. BORROWING THE MONEY

### (a) Notice

You must give us three clear *business days* warning before you want to borrow the *money*.

### (b) Use of the money

You must only use the *money* for the purpose set out in the Facility Details.

### (c) How you may borrow the *money*

Unless some or all of the *money* is to be used for construction purposes, you may only borrow the *money* in one sum.

### (d) Facility reviews

We may review your *facility* in accordance with any provision for review set out in the Facility Details (or, if no such provision is specified, annually) or at any time if there is or may be, in our opinion, a *change of credit*. If we ask you to, you must attend at an interview, and give us any documentation we ask you for.

## PART 3. MONEY FOR CONSTRUCTION PURPOSES

This part applies if any of the *money* is to be used for construction of or improvements to a building.

### (a) Things that must happen before we lend for construction purposes

As well as the things set out in Part 1, we will not lend you any *money* for construction purposes unless:

- you give us a copy of the plans approved by the local authority; and
- you give us a full set of the specifications signed by you and your builder, and we are satisfied with them; and
- you give us a copy of the building contract imprinted with the builder's card; and
- you give us evidence that the builder has contractors all risk insurance in an amount acceptable to us; and

- the *securities* are registered.

### (b) How you may borrow the *money* for construction purposes

You may borrow the *money* in more than one sum.

We will only pay an instalment of the *money* to your builder:

- if you ask us to in writing at least five *business days* before you want us to pay the instalment; and
- if we are satisfied with the inspection of the stage of construction; and
- in an amount determined by us taking into account our or our adviser's assessment of the degree of completion of the works and our assessment of the remaining cost to complete against available funds. If our determination is less than the amount you ask for, you must pay the difference to your builder yourself.

We will only pay the final instalment

- if we have been provided with evidence satisfactory to us that the building works have been completed; and
- if we are satisfied with the cost of the building work; and
- if you have paid to your builder any money owing to your builder which exceeds the balance of the *money*; and
- you tell us in writing that you are satisfied with the building work.

#### (c) Your obligations

You are responsible for any payments to your builder. We have no obligations to your builder. You must tell us in writing as soon as possible if you are not satisfied with the building work. If you do not tell us, you authorise us to make payments to your builder.

You must not make any changes to the plans and specifications or to your building contract without our consent.

You must ask for our consent in writing, and must pay our costs and expenses of those changes.

You must also:

- comply with our directions about the plans and specifications or about the building works; and
- start construction as soon as possible; and
- make sure that the building works are in accordance with the plans and specifications

#### (d) Inspections

We may require an inspection at any time. You must pay us the cost of any inspection.

We inspect the building works only to decide the amount of

any payment. We do not inspect the quality of the work done. This is your responsibility. We are not liable for the quality, or any delays in construction, of the building works.

#### (e) Additional Events of Default

As well as any of the things happening in Part 13(a), if:

- construction is not completed within four (4) months after the date we pay the first instalment (or any other time we agree to in writing); and
- we are not satisfied with the building work, taking into account any inspection of the stage of works, any receipts requested by us for materials and labour or the general quality, cost and timing of the works; and
- any of our reasonable directions regarding the quality, cost or timing of the works are not complied with,

then you are in default under this agreement.

#### (f) What happens if you default?

If you default under this agreement:

- as well as doing any of the things set out in Part 13(b), we may complete the building work in any way we consider appropriate. We do not have to. We may change the plans and specifications. We may employ any consultants or builders we consider appropriate; and
- you must pay us our costs in doing any of these things. If you do not, we may add those moneys to the *money owing*.

#### (g) Benefit of agreement

This agreement is between you and us only. It is not an agreement for the benefit of the builder or anyone else

#### (h) Claims against us

You agree that you cannot make any claim against us because we make payments to your builder in accordance with your instructions, (even if those instructions were general, non-specific or given earlier in time) or at any time you are in default.

### PART 4. REDRAW OF ADVANCE PAYMENTS

#### (a) You may ask to be repaid

If your loan has any *advance payments*, you may ask to be refunded part or all of those *advance payments*.

You will only be refunded *advance payments* if we consent. We can consent or refuse for any reason.

#### (b) Fees

You must pay an access fee each time you are refunded *advance payments*. If you request, we will provide you with details of the amount of this access fee.

#### (c) How we pay the *money*

You may be refunded *advance payments* under this Part in any of the following ways:

- having the *advance payments* paid into an account in your name with us - this may increase your *repayment*;
- having a period of time during which you do not have

to pay any *repayments* - this may increase your *repayment*; or

- reducing your *repayment* - this may reduce the amount of your *advance payments* over time.

#### (d) Multiple borrowers

If there is more than one borrower, any borrower can request a refund of part or all of any *advance payments*. If any borrower requests a refund, we may pay a refund at the request of that person without consulting the other borrowers.

#### (e) Ending the refunds

We will not refund *advance payments* if you are in default. We can end the refund facility at any time.

## PART 5. YOUR OBLIGATIONS

### (a) What you must pay

You must pay us:

- the *money owing*;
- interest on the *money owing*;
- fees and charges (see Part 8); and
- costs and expenses (see Part 16); and
- any money that you owe us under Part 5(b).

### (b) Other obligations

You must *keep to* the terms of this agreement and of any *security* that you have given us in connection with the

agreement.

If you do not:

- pay any money payable under this agreement or any *security*; or
- perform your obligations under this agreement or any *security*,

we may do so. If we do, then you must pay us those moneys and the cost of our doing so. If you do not pay us, we may add that amount to the *money owing*. We may also recover it from you.

You must also pay interest on any money that we add to the *money owing* under this agreement.

## PART 6. PAYMENTS

### (a) Repayments

You must pay us the *money owing* by making a *repayment* at least once a month on or before the *repayment date*.

During any *fixed interest period* you can make:

- your *repayments* or any *elected repayment*; plus
- extra payments of up to \$5,000 in any 12 month period.

You cannot make extra payments during any *fixed interest period* above the total of the *elected repayments* plus \$5,000 in any 12 month period.

### (b) Payments at end of term

At the end of the *term* (or if this agreement ends earlier) you must pay us the *money owing* in full.

### (c) How you make repayments

You may make *repayments* to us in any of the ways we tell you. If we do not tell you, you may make *repayments* at any of our branches.

During any *fixed interest period*, you must make *repayments* only by a periodic transfer from an account with us, nominated by you.

All payments must be in Australian dollars.

### (d) Changes to repayments

If you have a *variable business term loan*, the amount of your *repayments* will change when the *annual percentage rate* changes.

### (e) Repaying early

#### **Variable business term loan**

If you have a *variable business term loan*, you may repay early (without notifying us in advance) by:

- (a) paying one or more lump sums; or
- (b) increasing the amount of your *repayment*.

You may only redraw amounts you have repaid early in accordance with Part 4 (Redraw of Advanced Payments).

#### **Fixed business term loan**

If you have a *fixed business term loan*, you may only repay early:

- (a) at the end of the *fixed interest period*; or
- (b) any amount, provided the extra repayments (which are in addition to your *elected repayments*) are less than the *extra payment limit*.

If you repay early in any other circumstances *break costs* may apply (see Part 6 (f)).

Part 4 of these general conditions does not apply during the *fixed interest period*. You may not redraw any amounts repaid early during a *fixed interest period*.

You may, subject to Part 4, redraw any amounts that you have repaid early upon:

- (a) switching your *facility* to a *variable business term loan*; or
- (b) automatic conversion of your *facility* to a *variable business term loan* in accordance with Part 7 (c).

#### **Business First Lending Package**

If you hold a *variable business term loan* or *fixed business term loan* under the Business First Lending Package and you repay your loan within 3 years of establishment, you may be required to pay an early repayment fee.

## Effect of partial early repayment

If you repay part of a *facility limit* early, your *repayment* does not change, (unless we specifically agree to your request for a change) but it may mean you repay the *facility amount* before expiry of the *term*.

You must continue to make any *reductions* or *special reductions* on the *reduction date* or *special reduction date* (as appropriate), despite any payment made in accordance with this Part 6.

### (f) Break costs

#### Break cost event

A *break cost event* is taken to have occurred if:

- (a) you have a *fixed business term loan* and you break your *fixed interest period* by:
  - (i) paying the *facility amount* in full;
  - (ii) paying more than your *elected repayments* plus the *extra payment limit* in any 12 month period;
  - (iii) changing your *repayment type*; or
  - (iv) changing your *facility type* to a *variable business term loan*;
- (b) you are required to make *reductions* or *special reductions* and a payment to be made in accordance with those *reductions* or *special reductions* is not made during a *fixed interest period* or is changed at your request during a *fixed interest period*; or
- (c) you default on a *facility* during a *fixed interest period*, in which case all of the *money owing* becomes immediately due for payment.

#### Calculation of Break Costs

We generally arrange our own funding position on the understanding that a *break cost event* will not occur. As a result, that funding position will change and we may make a loss from re-arranging our own funding if a *break cost event* occurs. The estimated amount of that loss will be passed on to you as *break costs*.

If we calculate whether *break costs* apply as a result of a *break cost event*, you may be charged a break cost administration fee in addition to the *break costs* (if any).

We will use a formula to determine whether you need to pay us *break costs*. This formula is an estimate of our loss as a result of the *break cost event*. The calculation does not necessarily reflect the actual transactions that we may enter into at the time the *break cost event* occurs. We manage our funding position on a portfolio basis and there may not be a specific transaction referable to your *facility*.

In general terms you will need to pay us a cost if our current wholesale interest rate for the remaining *fixed interest period* is lower than the original wholesale interest rate.

The wholesale interest rate is the rate at which we determine we can get fixed rate funds from the money market on the relevant day. The wholesale interest rate does not include any margin.

Among other things, the formula takes into account:

- (a) the wholesale interest rate that applied on the first day of the *fixed interest period* in which the *break cost event* occurs (the original wholesale interest rate);
- (b) the wholesale interest rate for the remaining part of the *fixed interest period*, using rates which apply at the time the *break cost event* occurs (the current wholesale interest rate);
- (c) the amount of principal that was paid during your *fixed interest period* or the amount of principal outstanding at the time the *break cost event* occurs;
- (d) the *extra payment limit* (if any) we allow you to prepay before we impose *break costs*;
- (e) the amount of any unpaid interest, fees and charges and any default interest which was debited to your accounts in respect of the *facility*;
- (f) the timing, dollar amount and frequency of any *repayments*, *reductions* or *special reductions* required under the *facility*; and
- (g) the remaining *fixed interest period*.

The formula compares the value of the foregone payments at the original wholesale interest rate and at the current wholesale interest rate. The difference between these two values is adjusted to account for the time value of money.

When using this formula, we may assume the wholesale interest rate which applies on the date of calculation is the current rate on the date the *break cost event* occurs.

We will notify you of the amount of *break costs* calculated by us in accordance with the formula. The amount notified will constitute the *break costs* for the relevant *break cost event*. You will need to pay us the *break cost* administration fee and the *break costs* (if any) when the *break cost event* occurs. If you do not pay these costs we may debit them to your account or any other account held in your name with us.

We will not pay you a benefit if the wholesale interest rate for the remaining *fixed interest period* is higher than the original wholesale interest rate.

You can find out the amount of any *break costs* before causing a *break cost event* to occur by contacting us. You will not be charged a break cost administration fee for this unless a *break cost event* occurs.

### (g) When are payments credited?

We will credit all payments under this agreement to your account as soon as practicable after we receive them.

### (h) Payments in cash

You will not be credited for any amount paid until we actually receive it in cash and do not have to refund it.



## PART 7. INTEREST

### (a) Charging interest

You must pay us interest on the *money owing* until it is repaid.

Interest is payable by you daily but debited to your account on the first *repayment date* and then monthly on each *repayment date*. It will also be debited on the last day of the *facility*.

If any of the *money* is to be used for construction of or improvements to a building, interest is also debited on the date the final instalment of the *money* is paid to your builder.

We calculate interest by applying the *daily percentage rate* to the *unpaid daily balance* of your account at the end of each day from (and including) the day the *money* is first paid to you until (and excluding) the day the *money owing* is repaid.

### (b) Default fee and interest on unpaid amounts

If you do not pay us any part of the *money owing* when it is due to be paid you must also pay us a default fee.

The default fee is applied only when there is an amount which is overdue for payment and only for as long as it remains overdue.

In addition to any default fee which may be payable, if you do not pay us any part of the *money owing* when it is due to be paid (an *outstanding amount*) you must pay us interest on that *outstanding amount* from the date it becomes due for payment until it is paid.

Interest on any *outstanding amount* is payable by you daily but may be added by us to the outstanding amount at intervals determined by us (for example, we may add the interest to the *outstanding amount* daily).

The interest rate to be applied to any *outstanding amount* is the *annual percentage rate* plus 3% a year.

You agree to pay us on demand the interest payable in respect of any *outstanding amount*.

You must pay interest on the amount of any judgment we obtain against you at the interest rate which is payable in respect of any *outstanding amount*. Interest must be paid from the day the judgment is obtained until the money is paid in full.

### (c) Fixed business term loan

If you have a *fixed business term loan* the *annual percentage rate* applying to your *facility* is fixed for an agreed period. The *annual percentage rate* applying to your *facility* will remain fixed during the *fixed interest period* even if our other rates rise and fall.

If you choose to fix the rate at the start of the *term*, the *fixed interest period* begins on the *date of first advance*.

The *annual percentage rate* that applies for the *fixed interest period* is stipulated in the Facility Details.

At the end of the *fixed interest period*, you may elect a further *fixed interest period* by providing us 7 business days notice in writing before the end of the current *fixed interest period*.

You may only enter into a further *fixed interest period* if:

- (a) we are offering a further *fixed interest period* at the time you request it; and
- (b) we agree at our absolute discretion to your request.

The *annual percentage rate* of any further *fixed interest period* may be higher or lower than or the same as the rate which applied for any previous *fixed interest period* and is effective from the first day of the new *fixed interest period*. A change in the *annual percentage rate* may be reflected in a change to the amount of your *repayments*. We will notify you of your new *repayments* as a result of any change to your *annual percentage rate*.

Any further *fixed interest period* is separately agreed between us and you as a change to the terms of this contract.

If you do not provide us with notice in writing, or we do not agree to your request, at the end of the *fixed interest period*, your *facility type* will automatically convert from a *fixed business term loan* to a *variable business term loan*. The *annual percentage rate* applying to your loan will be the *base rate* current at that time plus or minus the margin (if any) stipulated in the Facility Details.

### (d) Variable business term loan

If you have a *variable business term loan*:

- (a) we can change the *annual percentage rate* applying to your *facility* at any time;
- (b) the *annual percentage rate* stipulated in the Facility Details is only a guide. The actual *annual percentage rate* applying to your *facility* may change before or after the *date of first advance*;
- (c) we will tell you of a change in the *annual percentage rate* applying to your *facility* in accordance with this contract;
- (d) a change in the *annual percentage rate* may be reflected in a change to the amount of your *repayments*. We will notify you of your new *repayments* as a result of any change to your *annual percentage rate*.

### (e) Switching from a variable business term loan to a fixed business term loan

You may ask us to change your *facility type* from a *variable business term loan* to a *fixed business term loan* by providing us with notice in writing.

You may only change your *facility type* to a *fixed business term loan* if:

- (a) we are offering the *fixed interest period* you request at the time of your request; and
- (b) we agree at our absolute discretion to your request to change your *facility type*.

If we agree to change your *facility type* from a *variable business term loan* to a *fixed business term loan* you may be required to pay a switching fee.

The *fixed interest period* commences on the day that has been agreed between you and us.

Any change from a *variable business term loan* to a *fixed business term loan* is separately agreed between us and you as a change to the terms of this contract.

The *annual percentage rate* which applies for the *fixed interest period* is the fixed rate that we notify you of at the start of the *fixed interest period*.

**(f) Switching from a fixed business term loan to a variable business term loan**

You may break your *fixed interest period* to switch your *facility type* from a *fixed business term loan* to a *variable business term loan* by providing us with notice in writing. However, you may have to pay *break costs* in accordance with Part 6 (f).

If we agree to change your *facility type* from a *fixed business term loan* to a *variable business term loan* you may be required to pay a switching fee and/or *break costs* in accordance with

Part 6(f).

The *variable interest period* commences on the day that has been agreed between you and us.

Any change from a *fixed business term loan* to a *variable business term loan* is separately agreed between us and you as a change to the terms of this contract.

The *annual percentage rate* which applies for the *variable interest period* is the *base rate* current at that time plus the margin (if any) we notify you of at the start of the *variable interest period*. A change in the *annual percentage rate* may be reflected in a change to the amount of your *repayments*. We will notify you of your new *repayments* as a result of any change to your *annual percentage rate*.

**(g) How to find out our rates**

You can find out our variable and fixed interest rates, and the rate currently applying to your *facility* at any time by asking us for it.

## PART 8. FEES AND CHARGES

**(a) Current fees and charges**

You must pay us the fees and other charges set out in the Facility Details.

You must also pay us any other fees and charges applicable to your *facility*.

**(b) Changes to fees and charges**

We may change fees and charges or add new fees and charges without your consent at any time.

**(c) Notification of changes to fees and charges**

Where we make a change pursuant to Part 8(b) we will notify you in writing in to the last address recorded by us. Where you have provided us with an email or other electronic address, we may notify you by email or other electronic communication.

We may alternatively notify you of a change pursuant to Part 8(b) where that change is not a new fee or charge or will not materially increase your liability under this agreement by publishing an advertisement of the change in a major Australian newspaper or newspapers or by placing a notice on or with statements of account or other material we send to you or on any online portal page which you may use to access your account.

## PART 9. BUSINESS FIRST LENDING PACKAGE

**(a) Package eligibility criteria**

If your loan is part of the Business First Lending Package, to receive the benefits advertised or notified to you from time to time, you must meet the following eligibility criteria:

- at all times you maintain a Business Term Loan or Business Line of Credit with us; and
- at all times you maintain an eligible business transaction account or a Business Overdraft facility linked to an eligible business transaction account; and
- you pay the annual package fee when due.

In addition, to be eligible for the 1 year discounted variable Business Term Loan offer, you must take up or hold a minimum of two (2) eligible products or services.

The discounted variable Business Term Loan offer is only available on new lending.

**(b) Package benefits**

If you hold a Business First Lending Package you will receive the following benefits

- No monthly account maintenance fee on a maximum of two (2) eligible business transaction accounts;
- No monthly loan service fee on your Business Term Loan or Business Line of Credit;

- 50% discount on your agreed credit advance fee on your Business Overdraft facility;
- 0.15% interest rate discount on your eligible variable rate Business Term Loan, Business Line of Credit or Business Overdraft facility; and
- 0.15% interest rate discount on your eligible fixed rate Business Term Loan.
- If you are eligible, you will also receive an additional 0.85% interest rate discount in the first year on your variable rate Business Term Loan.

**(c) Notification**

We may change the eligibility criteria or benefits of the Business First Lending Package at any time without your consent. If we do so, we will notify you in accordance with this agreement.

If we decrease the interest rate discount applied to your Business Term Loan or change the eligibility criteria such that you no longer qualify for the discount on your Business Term Loan you will be entitled to terminate your Business Term Loan by providing us with 14 days written notice, and will not be required to pay *break costs* or any Early Repayment Fee or Break Cost Administration Fee.

If we ask, you will provide us with evidence that is satisfactory to us of your compliance with any one or more of the eligibility criteria for the package.

You must tell us immediately if you become aware that you no longer satisfy the eligibility criteria for the Business First Lending Package. If we become aware that you no longer satisfy the eligibility criteria for the Business First Lending Package we will notify you.



In either case, we will remove the benefits of the Business First Lending Package and notify you that we are doing this. We will also notify you of any changes to your annual percentage rate or repayments on your eligible products as a result of the removal of the package.

If you wish to discontinue the benefits of your Business First Lending Package at any time, you must give us at least 14 days written notice. At the end of this period, we will remove

the benefits of the Business First Lending Package. We may charge you a fee in respect of this change.

If you become ineligible for the Business First Lending Package or notify us that you wish to discontinue the package then you will no longer be required to pay the annual package fee.

## PART 10. BUSINESS PRIVILEGES PACKAGE

### (a) Package eligibility criteria

If your loan is part of the Business Privileges Package, to receive the benefits advertised or notified to you from time to time, you must meet the following eligibility criteria:

- at all times you maintain a Business Term Loan or Business Line of Credit with us and the total borrowings must not exceed \$1,000,000; and
- at all times you maintain an eligible business transaction account or a Business Overdraft facility linked to an eligible business transaction account; and
- you pay the annual package fee when due.

### (b) Package benefits

If you hold a Business Privileges Package you will receive the following benefits

- No monthly account maintenance fee on your currently eligible business transaction account;
- No monthly loan service fee on your Business Term Loan or Business Line of Credit;
- No quarterly agreed credit advance fee on your Business Overdraft facility;
- 0.15% interest rate discount on your eligible variable rate Business Term Loan or Business Line of Credit; and

- 0.15% interest rate discount on your eligible fixed rate Business Term Loan.

### (c) Notification

We may change the eligibility criteria or benefits of the Business Privileges Package at any time without your consent. If we do so, we will notify you in accordance with this agreement.

If we ask, you will provide us with evidence that is satisfactory to us of your compliance with any one or more of the eligibility criteria for the package.

You must tell us immediately if you become aware that you no longer satisfy the eligibility criteria for the Business Privileges Package. If we become aware that you no longer satisfy the eligibility criteria for the Business Privileges Package we will notify you.

In either case, we will remove the benefits of the Business Privileges Package and notify you that we are doing this. We will also notify you of any changes to your annual percentage rate or repayments on your eligible products as a result of the removal of the package.

If you wish to discontinue the benefits of your Business Privileges Package at any time, you must give us at least 14 days written notice. At the end of this period, we will remove the benefits of the Business Privileges Package. We may charge you a fee in respect of this change.

If you become ineligible for the Business Privileges Package or notify us that you wish to discontinue the package then you will no longer be required to pay the annual package fee.

## PART 11. YOUR PROMISES, INFORMATION, AUTHORITIES

### (a) Promises you make to us

By signing the Facility Details, you state and promise to us that:

- you are not in default under any other agreement, *security interest* or document with us or with anyone else; and
- this agreement is binding on you and enforceable by us; and
- you are not acting as trustee of any trust that you have not told us about in writing; and
- there are no interests affecting any of your *property* that you have not told us about in writing; and
- there is no litigation, arbitration or administrative proceeding which may have an effect on your business, assets or financial condition that you have not told us about in writing; and

- you have told us about all material matters which affect or may affect your business, assets or financial condition.

### (b) Information

You agree that, if we ask you to, you will provide us with any financial or other information by the time specified by us.

### (c) Authorities

You authorise us or our solicitors to:

- make any changes to this agreement so that it can be stamped and, if necessary, registered (but only if the changes do not change its meaning); and
- fill in any blanks in this agreement; and
- date this agreement.

## PART 12. IF YOU ARE A TRUSTEE

If you are a trustee of any trust, you agree that you are liable under this agreement both personally and as trustee.

Unless we agree otherwise in writing, you must not:

- stop being trustee of the trust or allow anyone else to be appointed trustee; or
- deal with any property of the trust; or
- change the terms of the trust; or
- end the trust or do anything which could lead to it being ended before the time stated in the trust deed; or
- distribute any capital of the trust; or
- distribute any income of the trust if doing so affects your ability to repay the *money owing*; or
- do anything else in connection with the trust which adversely affects your ability to repay the *money owing*.

## PART 13. DEFAULT

### (a) Events of default

If:

- any *money* that you owe us is not paid to us when it is due to be paid; or
- you fail to *keep* to the terms of any agreement with us; or
- you fail to *keep* to any terms of any *security* given to us for payment of the *money owing*; or
- you are unable to pay your debts when they are due to be paid or you are no longer in charge of your own affairs; or
- any promise you made to us, or information you gave to us, is untrue or is misleading; or
- any *money* that you owe anyone else is not paid when it is due to be paid; or
- any *money* that you owe anyone else becomes payable before its maturity date; or
- this agreement or any *security* does not have effect, or stops having effect, in accordance with its terms, or becomes unenforceable for any reason; or
- some or all of your property is seized by or on behalf of a creditor or under legal process; or
- you stop, or threaten to stop, carrying on all or a material part of your business; or
- you use the *money* for a different purpose from the purpose stated in the Facility Details; or
- you are a company and ownership of any of your shares is transferred without our written consent; or
- you are a partner in a partnership and there is a change in the members of the partnership or the partnership is dissolved, without our written consent; or
- you are a trustee of a trust and:
  - the trust is not properly constituted; or
  - the trust is terminated or the beneficiaries of the trust resolve to terminate it; or
  - you stop being trustee of the trust; or
  - you cease holding the trust in your name; or
  - you commit a breach of trust; or
- anything happens which in our reasonable opinion affects your ability to pay us the *money owing* or to *keep* to any agreement or *security*, or our rights under any *security* or our ability to recover the *money owing*,

then you are in default under this agreement.

### (b) What happens if you default?

If you default under this agreement, we may:

- require that you repay all of the *money owing* to us immediately;
- enforce this agreement or any *security*;
- make good any default and recover from you our reasonable costs of doing so. This includes paying any *money* that you owe us under this agreement and recovering that *money* from you;
- exercise any other powers we are given at law because you default.

Before we exercise any powers, we will give any notice that we are required, by law, to give you.

A default under one agreement with us is also a default under all other agreements with us.

### (c) Our rights are not affected

We may exercise our rights under this agreement even though:

- we could have done so before but did not or were slow in doing so; or
- we have tried to exercise the rights before (in whole or in part); or
- we could have exercised those or other rights before but didn't; or
- we have exercised other rights before; or
- we hold other *securities* for payment of the *money owing*.

## PART 14. OTHER CHANGES

We may, without your consent, amend this agreement if:

- expressly permitted by a provision of this agreement;
- the amendment is required by or to comply with law; or
- the amendment does not materially prejudice your rights or obligations under this agreement.

The notice period and manner of notification for any changes to this agreement must be in accordance with the law and any code to which we subscribe and which applies to this agreement.

Except as specified above, a term of this agreement, or right or obligation created under it, may not be waived or varied except in writing signed by the party or parties to be bound.

## PART 15. GENERAL MATTERS

### (a) You must pay in full

You must pay all money that you owe us in full.

You must not deduct anything from any payment. In particular, you must not deduct anything that you claim that we owe, or could in the future, owe you.

We may set off any money we owe you against money you owe us.

### (b) Other law

Your obligations, rights and promises and our powers are

governed by this agreement. You agree that, so far as lawfully possible, any laws which change those obligations, rights or powers do not apply to this agreement.

### (c) Which law governs this agreement?

This agreement is governed by the laws of Queensland. You agree that the Courts of Queensland have the non-exclusive right to decide any disputes.

You agree that any document in any action may be served on you in the way set out in Part 17 as well as any other way.

## PART 16. COSTS

You must pay our reasonable costs and expenses:

- of preparing, stamping and registering this agreement or any *security* or any variation to this agreement or any *security*; and
- of any approval required from us under this agreement or any *security*; and
- of lending you the *money*; and
- of receiving or paying any *money* under this agreement; and

- of enforcing this agreement or any *security*; and
- of releasing any *security*; and
- of any legal proceedings that we become involved in because of the *facility* or to protect our rights under this agreement or any *security*; and
- payable under any *security*.

"Costs and expenses" include taxes (except our income tax), duties, fees, charges and legal fees.

## PART 17. NOTICES

### (a) How are *notices* given under this agreement?

We may give you any *notice* by:

- delivering it to you personally; or
- leaving it at the last home or business address we have for you; or
- leaving it at the address you have given us to send *notices* to; or
- sending it by post, telex or facsimile transmission to any of those addresses; or
- sending it by email or other electronic communication to your email or other electronic address last known to us; or
- where permitted by law, advertising a *notice* in a national newspaper or newspapers circulating in a State or Territory in which you ordinarily reside.

We may also give you a *notice* in any other way authorised by law.

### (b) When are documents served?

A *notice* is taken to be given to you (whether or not you actually receive it):

- if the *notice* is given personally, on the date on it or the date you receive it, whichever is the later; or
- if the notice is sent by post, on the date on it or the date it would ordinarily have been delivered by post, whichever is the later; or
- if the notice is sent by electronic transmission (including

facsimile transmission) on the date it bears, or, if delivery is outside business hours, 9am on the next *business day*, provided the sender does not receive a non-delivery communication within 2 hours after sending

- if the *notice* is given by newspaper advertisement -the date it is first published.

### (c) Who may sign *notices*?

A *notice* may be signed by any person authorised by us to sign documents for us. A *notice* given electronically is properly signed if it appears to have been signed by any authorised officer or our name appears at the beginning or end of the transmission.

### (d) Changes of address

If you change your address, you must promptly tell us in writing.

### (e) Notices to us

Communications to us must be:

- given personally to one of our employees at our registered office and no other place;
- sent by prepaid post to our registered office and no other place; or
- given by any other means permitted by law.

Your local branch may be able to provide details of how your notice can be sent to us (including an email or other electronic address) but your local branch may not be authorised to receive the notice on our behalf. To ensure it is dealt with correctly, any notice should always be addressed to our registered office.

## PART 18. CONFIDENTIAL INFORMATION

### (a) Disclosure by us

You consent to us disclosing as much information as we think appropriate about you or your accounts to any person:

- who is considering entering into contractual relations with us about the *facility* or any *security*; or
- who has given us a *security* for the *facility*; or
- if, in our opinion, the disclosure is necessary to protect our position concerning the *facility* or any *security*; or
- if we must, by law, make that disclosure; or
- if there is a duty to the public to disclose; or
- if you agree to that disclosure (either expressly or impliedly).

Otherwise we will not, without your consent, disclose information concerning you to another person except:

- to a Related Entity, (see section 9 of the Corporations Act), information necessary to enable an assessment to be made of your total liabilities (present and prospective) to us and the Related Entity; and
- to a Related Entity of us which provides financial services which are related or ancillary to those provided by us, unless you instruct us not to.

You consent to us providing to any *guarantor*:

- a copy or summary of this agreement; and
- a copy of all *securities* given in connection with your *facility*; and
- a copy of any formal demand that is sent to you; and
- at the *guarantor's* request, a copy of the latest relevant statements of account provided to you, if any; and
- any other financial information about you the *guarantor* asks for.

### (b) Disclosure by you or us

We and you agree not to disclose any information of the kind referred to in section 275(1) of the *PPSA* that is not publicly available. You agree not to authorise the disclosure of any information as contemplated under section 275(7)(c) of the *PPSA*.

This Part 18(b) does not prevent disclosure of any information by us:

- (a) permitted under Part 18(a) or under any *security*; or
- (b) where required under section 275 of the *PPSA* because of the operation of section 275(7) of the *PPSA*.

## PART 19. MISCELLANEOUS

### (a) Application of money

We may use money received by us under this agreement in any order that we choose. We may pay the earlier debts first. If we are obliged by law to pay the money in a particular way, then we will do so.

### (b) Multiple accounts

We may use any money in any of your accounts with us to pay the *money owing*.

If you have more than one account with us (either alone or with someone else) we may treat your accounts as one account. We do not have to do so. We also do not have to tell you before we do. However, we will provide you with details of such amounts or any combination of accounts upon request from you.

### (c) Indemnity

You indemnify us against any loss we suffer because you default under this agreement. This means that if we suffer any loss or have to pay any money (whether or not we have actually paid any money) because you default under this agreement you must pay us that amount. Your obligation to do so continues even after the *money owing* has been repaid.

### (d) Consents

Any authority, consent, approval or other thing to be given, made or exercised by us under this agreement will (except to the extent this agreement otherwise expressly provides) be done, given or made by us acting reasonably and on such terms and conditions as we reasonably consider appropriate. You must comply with all conditions and requirements in any consent or approval we give.

Our consent or approval will not be effective unless it is in writing. We may charge a fee for giving our consent or approval.

### (e) If any part of the agreement is unenforceable

If a court decides that any clause or part of a clause of this agreement is illegal, void, or unenforceable, that clause or part clause is varied to the extent the court may determine is necessary to render the clause no longer illegal or void, or is if necessary omitted.

To the extent that the Code of Banking Practice, other code or legislation applies to this agreement, if:

- that legislation or code would otherwise make a provision of this agreement illegal, void or unenforceable; or
- a provision of this agreement would otherwise contravene a requirement of that legislation or code or impose an obligation or liability which is prohibited by that legislation or code,

this agreement is to be read as if that provision were varied to the extent necessary to comply with that legislation or code or, if necessary, omitted.

To the extent that the Code of Banking Practice, other code or legislation applies to this agreement:

- our rights to demand any amounts from you and to exercise our rights and remedies against you are subject to the limitations on enforcement of this agreement imposed by the legislation or code; and
- our rights and remedies under this agreement are in addition to those given to a credit provider under the legislation or code.

### (f) Can this agreement be transferred?

We may transfer, encumber or deal with our interest in the benefit of this agreement without your consent. If we do this, we do not need to tell you but any such assignment or dealing may not in our reasonable opinion materially prejudice your rights or obligations under this agreement.

You may not transfer any of your rights or obligations under this agreement without our prior written consent.



**(g) Other security interests**

If you are in default under this agreement and there is a *security interest* before our *security* on any property, we may pay out that *security interest* and add the cost of doing that to the *money owing*.

**(h) Manager**

We may appoint a manager to manage the *facility* for us. If we do, the manager may exercise all of our rights and powers under this agreement and the *securities*. If we appoint a manager then you must deal with the manager in relation to all matters arising in connection with this agreement and the *securities* until we tell you otherwise.

**PART 20. GROSS UP PROVISION**

If any supply made :

- (a) under or in connection with this Business Term Loan; or
- (b) by us in the course of exercising or attempting to exercise rights given under this Business Term Loan or by law,

is subject to GST, you must pay us in respect of that supply an amount sufficient to ensure that we retain, after payment of GST, the amount that we would have received had GST not been payable.

You must pay any amount payable under this clause on the same date as payment must be made for the supply giving rise to the GST or on such other date that we demand payment from you.

Any expression used in this clause which is defined in A New Tax System (Goods and Services Tax) Act 1999 (Cth) has the same meaning as so defined

**PART 21. PPSA law**

You must promptly upon our request:

- (a) do anything (including obtaining consents or executing a new document) for the purpose of:
  - (i) ensuring that, any *security interest* created under, or provided for, by any document contemplated by this agreement or any *security* or any variation to this agreement or any *security*:
    - (A) attaches to the collateral that is intended to be covered by that *security interest*; and
    - (B) is enforceable, perfected and otherwise effective; and
    - (C) has the priority required by us; or
  - (ii) enabling us to prepare and register a financing statement or financing change statement; or
- (iii) enabling us to exercise any of our rights or powers in connection with any such *security interest*; and
- (b) provide any information requested by us in connection with this agreement or any *security* to enable us to exercise any of our rights or powers or perform any of our obligations under the *PPSA law*.

You must take any action necessary to register, perfect, preserve and maintain any *security interest* which you hold, or have the benefit of, under and in accordance with the *PPSA law*.

Anything that you are required by us to do under this clause shall be done by you at your own expense. You agree to reimburse on demand our costs in connection with any action taken by us under or in connection with this Part 21.

**PART 22. UNDERSTANDING THIS AGREEMENT****(a) Definitions**

In this agreement, unless the context otherwise requires:

“*advance payments*” means amounts owing under this agreement that are repaid early. For example, if you have made unscheduled one-off lump sum repayments, repayments more frequently than required or regular repayments of an amount greater than your *repayments* or *elected repayments*;

“*annual percentage rate*” means the interest rate set out in the Facility Details as changed from time to time;

“*base rate*” means a base rate we set from time to time as a reference rate for our business term loan product. The *base rate* applying to your *facility* is stipulated in the Facility Details;

“*break cost event*” has the meaning described in Part 6 (f);

“*break costs*” are described in Part 6(f);

“*change of credit*” means a change in the financial position of you or any person who has given a *guarantee* of your obligations under this agreement or an adverse change in the value of the *property* which we determine would, if it had occurred at the time we approved the facility, have materially affected our decision to provide the facility on the terms set out in this agreement;

“*date of the first advance*” means the first date on which we pay you any of the *money*;

“*daily percentage rate*” means the *annual percentage rate* divided by 365;

“*elected repayments*” means the higher of your *repayment* or any other *repayment* amount we may agree with you from time to time;

“*extra payment limit*” for a *fixed business term loan*, is the amount which is \$5,000 more than your *elected repayments* in any 12 month period;

“*facility*” means the Business Term Loan Facility we agree to provide you under this facility agreement;

“*facility amount*” means the amount set out in the Facility Details;

‘Facility Details’ means the details that form part of this agreement;



“*facility type*” means either a *variable business term loan* or *fixed business term loan* as stipulated in the Facility Details and varied from time to time in accordance with this facility agreement;

“*fixed business term loan*” means a business term loan where the *annual percentage rate* is fixed

“*fixed interest period*” means any period for which the *annual percentage rate* is fixed

“*facility limit*” means the facility limit stipulated in the Facility Details and as varied from time to time by us in accordance with this facility agreement and any new or replacement limit as you and we agree;

“*guarantee*” means a guarantee of your obligations under this agreement;

“*guarantor*” means a person who gives a guarantee to us;

“*keep to*” means that you will keep all of your promises and perform all of your obligations under a specified agreement;

“*money*” means the *facility amount*;

“*money owing*” means at any time the amount that you owe us under this agreement at that time;

“*notices*” means any notice, letter, demand or other document;

“*outstanding amount*” means any amount due and payable by you, but unpaid;

“*property*” means the property subject to a *security*;

“*PPSA*” means the Personal Property Securities Act 2009 (Cth);

“*PPSA law*” means:

- (a) the *PPSA*;
- (b) any regulation made pursuant to the *PPSA*; and
- (c) any other legislation or regulation made to implement, or contemplated by, any *PPSA law* referred to in paragraph (a) or (b);

“*reduction*” means a reduction in the *facility limit* due in the manner described in the Facility Details and an equivalent payment;

“*reduction date*” means the dates upon which reductions are due as stipulated in the Facility Details;

“*repayment*” means the amount set out in the Facility Details as changed from time to time;

“*repayment date*” means the same date in each month as the day when the loan settles or if there is no such date the last day of the month. In either case, if that day is not a *business day*, the *repayment date* is on the next *business day*;

“*repayment type*” means any of

- (a) interest only;
- (b) principal; or
- (c) principal and interest,

as stipulated in the Facility Details and varied from time to time in accordance with this facility agreement;

“*security*” means each *security interest* stipulated in the Facility Details and any substituted or additional *security interest* given in connection with this agreement or which otherwise secures your liabilities in connection with this agreement;

“*security interest*” means:

- (a) any security for the payment of money or performance of obligations including a mortgage, charge, lien, pledge, trust or power or title retention arrangement, guarantee or guarantee and indemnity;
- (b) a “security interest” as defined in the *PPSA*; or
- (c) any document to grant or create anything referred to in either paragraphs (a) or (b) of this definition and any other thing which gives a creditor priority to any other creditor with respect to any asset or an interest in any asset;

“*special reduction*” means a special reduction of the *facility limit* due in the manner described in the Facility Details;

“*special reduction date*” means the date upon which a *special reduction* is due as stipulated in the Facility Details;

“*term*” means the period within which you must pay all *money owing* to us. It is set out in the Facility Details;

“*unpaid daily balance*” means for any day the difference between all amounts credited and all amounts debited to your account under this agreement at the end of that day;

“*variable business term loan*” means a business term loan where the *annual percentage rate* is not fixed

“*variable interest period*” means any period for which the *annual percentage rate* or other interest rate applying to your *facility* (if any) is not fixed

## (b) Interpretation

The following rules apply to the interpretation of this agreement:

A day ends at midnight for all purposes under this agreement.

References to:

- a person include the person’s successors and assigns; and
- a thing include all or part of that thing; and
- a document include that document as changed or replaced from time to time; and
- a statute include that statute as amended, repealed or replaced from time to time; and
- individuals include corporations and the other way around; and
- a gender include all other genders; and
- currencies are to Australian dollars; and
- this agreement are references to this agreement (as varied from time to time) between you and us consisting of the Facility Details and the General Conditions; and

- clauses are references to clauses in the General Conditions; and
- Parts are references to parts in the General Conditions; and
- you/your are references to the borrowers; and
- we/our/us are references to the Bank of Queensland Limited.

Headings for clauses and parts are included for guidance only and must not be used for interpretation.

The use of the word “may” about a power indicates that the power may be exercised or not exercised, at discretion.

A reference to “includes” is given by way of example and is not intended to limit the term it applies to.

Words or phrases which are derived from words or phrases which are defined have a similar meaning to the defined term.

The singular includes the plural and the other way around.

If you agree not to do something, you will also not attempt to or permit or cause that thing to be done.

If two or more people are the borrower:

- references to “you/your” or to the borrower are references to each of them individually and as well refer to any two or more of them together; and
- their promises in this agreement bind all of them together and as well bind each of them individually; and
- the fact that one person is released from their promises does not mean that any of the others are also released.

The parties say that it is their intention that, in the interpretation of this agreement:

- if possible, words which have an ordinary meaning are given that meaning; and
- this agreement is to be interpreted broadly; and
- if a general term is used it must be given a broad meaning; and
- general terms must not be limited because of any legal rules of interpretation.

Unless defined in this agreement, a term or expression which is used in this agreement and which is defined in the *PPSA* has the meaning given to that term or expression in, or in the context of, the *PPSA*.

