

National Australia Bank



16 October 2017

## **WE'RE MAKING BUSINESS LENDING SIMPLER FOR SMALL AND MEDIUM BUSINESS CUSTOMERS**

Here at NAB, we know red tape and a lack of time and resources are some of the biggest challenges facing Australian businesses. We're listening and responding so from today we're introducing a new, simpler Business Letter of Offer.

It starts with a focus on plain English and simpler clauses, making it easier to understand.

It's also a much shorter document overall. As part of our commitment to greater transparency and certainty for business, we've removed one third of existing terms and conditions.

Most importantly, the redesign plainly sets out our commitments to you – including the promise to act fairly and responsibly, and to communicate simply and clearly.

### **Our existing business customers can also benefit from these changes**

Customers with current business letters of offer will be able to benefit from the new business letter of offer when their facilities are renewed.

In the meantime, you'll be able to immediately benefit from the most important changes. These will apply regardless of your existing terms and conditions.

Whether you're an existing customer, or a new one, you can find out more about these changes on the reverse of this letter.

### **Taking care of your business**

Right across NAB, we're focused on addressing the challenges and opportunities facing Australian businesses. And we're doing it by putting you first.

We know your priority is your business, and we want to help you focus on just that.

Regards,

**Angela Mentis**  
Chief Customer Officer  
Business & Private Banking

## **Key changes to existing contracts**

### **A breach of your contract's financial indicator covenant won't automatically lead to a default**

If you have aggregated business lending facilities with us up to \$3 million, a breach of any financial indicator covenant in your Business Letter of Offer won't automatically result in you being in default, unless you have a Specialised Facility with us.

### **If a particular event means you're in default on your loan, we'll give you time to fix it up**

If you're in default of your loan due to a particular event, you'll be given time to fix it up. For many defaults, we'll only take action if we think it is reasonably likely to have a significant negative impact.

### **We'll give you more notice of contract changes**

If we change one of the terms of the contract, we'll give you more notice than previously if we think it's going to have a materially adverse impact on you.

### **We're applying these changes across our standard business lending contracts**

We will treat these changes as applying, where applicable, to other standard business lending contracts, including security documents. Additionally we have some other changes which we have made to our contracts entered into or renewed from 12 November 2016, which will benefit you. These are:

- our amended indemnity in the new Business Letter of Offer will now apply to any equivalent indemnity in other NAB documents you have signed
- we will not rely on or enforce:
  - any clause that says you are in default as a result of a material adverse change; and
  - any clause which says that the document represents the entire agreement between you and NAB.

You can find out more about these changes at [nab.com.au](http://nab.com.au).