

Bank Guarantee - Business

1 About the Bank Guarantee

A Bank Guarantee is an undertaking given in writing by the Bank to a third party, where the Bank agrees to pay a specified amount to that third party (the beneficiary) upon demand.

The Bank Guarantee is provided by the Bank at the request of the customer which in turn indemnifies the Bank should the beneficiary demand payment under the Bank Guarantee.

The Bank does not have any involvement with the underlying contractual arrangement between the beneficiary and the customer.

Some common examples where a Bank Guarantee is used are:

- in building contracts where the guarantee is given in lieu of retention moneys (also known as performance bond)
- to secure progress payments for construction or large scale plant and equipment
- to secure payment of future accounts to a third party (eg. to Western Power, Water Authority etc)
- to secure a tenant's obligations to a landlord under a lease agreement

1.1 Benefits of a Bank Guarantee

The Bank Guarantee is a flexible product which offers you a number of benefits:

- Competitively priced to assist growth in your business
- Provides an assurance that payment will be honoured upon demand
- Allows you to use your capital for other purposes

2 Facility Restrictions

- No minimum amount
- No maximum amount
- The Bank Guarantee is not transferable
- Cancellation of the Facility requires return of the Bank Guarantee to the Bank

3 Features

This facility offers the following features: The option of an expiry date Repayment is required if demand is made on the Bank under the Bank Guarantee. If this occurs, the following may apply:

- You will need to be establish a loan facility with the Bank and make repayments (subject to the Bank's usual lending criteria)
- The Bank may call upon security provided by you or on your behalf to satisfy the demand (e.g. term deposits)

4 Fees and Charges

4.1 Establishment Fee

Notified on application

4.2 Search Fees

Before providing a Bank Guarantee Facility in a business or company name, the Bank will require satisfactory evidence of the registration of the business or company name. If you are able to provide us with the appropriate documentation we will not charge you any Search Fees. However, if we need to conduct either a Business Name Registration or Company Search then you will be charged. These Search Fees are listed in our "Your Guide to Banking Fees" brochure.

4.3 Government Charges

Government charges that may be applicable to this product will be outlined in the Business Offer Letter provided to you during the application process.

4.4 Other Fees

Additional fees, such as legal costs, may be incurred dependent on the form of security taken by the Bank to secure the Facility.

Other fees which the Bank charges for its services, including services not specific to this Facility but for which you may be charged are listed in our "Your Guide to Banking Fees" brochure.

4.5 Issuance Fee

Issuance fee is calculated per annum on the face value of the Bank Guarantee issued (subject to a minimum of \$50.00 per guarantee per sixth months). The fee is payable in semi annual instalments in advance, with the first payment due on the date of issue of the Bank Guarantee.

5 Variation in Product Details

The above benefits, features, fees, charges and restrictions are subject to change from time to time. If you have any questions about these benefits, features, rates, fees, charges or restrictions, or would like further details about any of our accounts and services, please contact your Business Manager, or call the Bankwest Business Support Team on 13 7000, or visit www.bankwest.com.au.

6 General

This product information sheet does not constitute an offer for the loan facility. Lending criteria apply. Terms and conditions are available on request. Bank of Western Australia Ltd ABN 22 050 494 454 (AFSL 236872) is the issuer of the Product. Bankwest is a division of Commonwealth Bank of Australia ABN 48 123 123 124 AFSL/Australian credit licence 234945.