

## Information Memorandum



### **A\$5,000,000,000 Australian Debt Issuance Programme**

Issuer

**Auckland Council**

Dealers

**Australia and New Zealand Banking Group Limited**

**Citigroup**

**Commonwealth Bank of Australia**

**HSBC**

**National Australia Bank Limited**

**UBS AG, Australia Branch**

**Westpac Banking Corporation**

The date of this Information Memorandum is 10 March 2025

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## Important Notice

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*This Information Memorandum replaces the Information Memorandum dated 28 November 2018 in its entirety.*

### Introduction

This Information Memorandum relates to a debt issuance programme (“**Programme**”) established by Auckland Council, a local government entity established pursuant to the *Local Government (Auckland Council) Act 2009* of New Zealand (“**Issuer**” or “**Council**”), under which medium term notes and other debt securities (collectively referred to as “**Notes**”) may, from time to time, be issued up to the Programme Amount (as defined in the section entitled “*Summary of the Programme*” below). This Information Memorandum summarises information regarding the Issuer, the Programme and the issue of Notes in registered uncertificated form in the Australian wholesale debt capital market.

*No obligation of the Issuer under or in respect of the Notes is guaranteed by His Majesty the King in right of New Zealand. The Notes are not obligations of the Australian Government and are not guaranteed by the Commonwealth of Australia.*

### Issuer’s responsibility

This Information Memorandum has been prepared by, and issued with the authority of, the Issuer.

The Issuer accepts responsibility for the information contained in this Information Memorandum other than information provided by the Dealers and the Agents (each as defined in the section entitled “*Summary of the Programme*” below) in relation to their respective descriptions in the section entitled “*Directory*” below.

### Place of issuance

Subject to applicable laws and directives, the Issuer may offer and issue Notes under the Programme in any country including Australia and countries in Europe and Asia but not in the United States of America unless such Notes are registered under the *Securities Act of 1933* of the United States of America (as amended) (“**Securities Act**”) or an exemption from the registration requirements under the Securities Act is available.

### Terms and conditions of issue

Notes will be issued in series (each a “**Series**”). Each Series may comprise one or more tranches (each a “**Tranche**”) having one or more issue dates and on conditions that are otherwise identical (other than, to the extent relevant, in respect of the issue price, the amount and date of the first payment of interest).

Each issue of Notes will be made pursuant to such documentation as the Issuer may determine. A pricing supplement and/or another supplement to this Information Memorandum (each a “**Pricing Supplement**”) will be issued for each Tranche or Series of Notes. A Pricing Supplement will contain details of the initial aggregate principal amount, issue price, issue date, maturity date, details of interest (if any) payable together with any other terms and conditions not set out in this Information Memorandum that may be applicable to that Tranche or Series of Notes. The terms and conditions (“**Conditions**”) applicable to the Notes are included in this Information Memorandum and may be supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Notes. The Issuer may also publish a supplement to this Information Memorandum (or additional information memoranda) which describes the issue of Notes (or particular classes of Notes) not otherwise described in this Information Memorandum. A Pricing Supplement or a supplement to this Information Memorandum may also supplement, amend, modify or replace any statement or information set out in this Information Memorandum, a Pricing Supplement or other supplement to this Information Memorandum or incorporated by reference in this Information Memorandum, a Pricing Supplement or a supplement to this Information Memorandum.

## Documents incorporated by reference

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated into it by reference as set out below. This Information Memorandum shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum. References to “**Information Memorandum**” are to this Information Memorandum and any other document incorporated by reference and to any of them individually.

The following documents (including any that are published or issued from time to time after the date of this Information Memorandum) are incorporated in, and taken to form part of, this Information Memorandum:

- the most recently published audited consolidated annual financial statements of the Issuer from time to time;
- the most recently published interim accounts (whether audited or unaudited) of the Issuer from time to time;
- all supplements or amendments to this Information Memorandum circulated by the Issuer from time to time;
- each Pricing Supplement and all documents stated therein to be incorporated in this Information Memorandum; and
- all other documents issued by the Issuer and stated to be incorporated in this Information Memorandum by reference.

Any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of this Information Memorandum, shall be modified, replaced or superseded in this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference into this Information Memorandum modifies, replaces or supersedes such statement (including whether expressly or by implication or in whole or in part).

Except as provided above, no other information, including any information on the internet site address of the Issuer or in any document incorporated by reference in any of the documents described above, is incorporated by reference into this Information Memorandum.

Copies of documents which are incorporated by reference in this Information Memorandum may be obtained from the office of the Issuer or from such other person specified in a Pricing Supplement.

Investors should review, amongst other things, this Information Memorandum as a whole, including the documents which are deemed to be incorporated by reference in this Information Memorandum, when deciding whether or not to subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.

The annual financial statements and interim accounts referred to above are prepared in accordance with the New Zealand Generally Accepted Accounting Practice (“**NZ GAAP**”). The Issuer has designated itself and its group (being the Auckland Council Group and comprising the Issuer, its subsidiaries, associates and joint ventures) as public benefit entities (“**PBEs**”) and applies New Zealand Tier 1 PBE Accounting Standards which are based on International Public Sector Accounting Standards, with amendments for the New Zealand environment.

## References to internet site addresses

Any internet site addresses provided in this Information Memorandum are for reference only and, unless expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Information Memorandum.

## **No representation or independent verification**

The only role of the Dealers and the Agents in the preparation of this Information Memorandum has been to confirm to the Issuer that their respective details, Australian Business Number (“**ABN**”) and Australian financial services licence (“**AFSL**”) numbers (where applicable) in the sections entitled “*Summary of the Programme*” and “*Directory*” below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Dealers or the Agents has independently verified any information contained in this Information Memorandum, and each such person disclaims any responsibility, and disclaims all and any liability whether arising in tort or contract or otherwise, for such information. Accordingly, no representation, warranty or undertaking, express or implied, is made and to the fullest extent permitted by law, no responsibility or liability is accepted, by any of them, in relation to the authenticity, origin, validity, accuracy or completeness of this Information Memorandum, any Pricing Supplement or offering material relating to the Programme or any Notes, or any further information supplied by the Issuer in connection with the Programme or any Notes.

The Dealers and the Agents expressly do not undertake to review the financial condition or affairs of the Issuer or any of its affiliates at any time or to advise any holder of a Note, any potential investor in Notes or any other person of any information coming to their attention with respect to the Issuer, the Programme or the Notes and make no representations as to the ability of the Issuer to comply with their obligations with respect to the Notes. None of the Dealers or the Agents make any representation as to the performance of the Issuer, the maintenance of capital or any particular rate of return, nor does any Dealer or Agent guarantee the payment of capital or any particular rate of capital or income return, in each case, on any Notes.

## **No authorisation**

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with the Issuer, the Programme or the issue or sale of the Notes and, if given or made, such information or representation must not be relied on as having been authorised by the Issuer, the Dealers or any of the Agents.

## **Intending purchasers to make independent investment decision and obtain professional advice**

This Information Memorandum contains only summary information concerning the Issuer, the Programme and the Notes. Neither the information contained in this Information Memorandum nor any other information supplied in connection with the Programme or the issue of any Notes is (1) intended to provide the basis of any credit or other evaluation in respect of the Issuer or any Notes and should not be considered or relied on as a recommendation or a statement of opinion (or a report of either of those things) by any of the Issuer, the Dealers or any Agent that any recipient of this Information Memorandum or any other information supplied in connection with the Programme or the issue of any Notes should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes or (2) describes the risks of an investment in any Notes. Furthermore, this Information Memorandum contains only general information and does not take into account the objectives, financial situation or needs of any potential investor.

Each investor contemplating subscribing for, purchasing or otherwise dealing in any Notes or any rights in respect of any Notes should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the Conditions of the Notes, the rights and obligations attaching to the Notes and the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer and the risks of an investment in any Notes;
- determine for themselves the sufficiency and relevance of the information contained in this Information Memorandum (including all information incorporated by reference and forming part of this Information Memorandum) and any other information supplied in connection with the Programme or the issue of any Notes, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and

- consult their own financial, legal, tax or other professional advisers concerning the risks associated with an investment in any Notes, the suitability of investing in the Notes and the application of any tax laws applicable to their particular situation.

No accounting, regulatory, investment, legal, tax or other professional advice is given in respect of the legal or taxation treatment of investors or purchasers in connection with an investment in any Notes or rights in respect of them and each investor is advised to consult its own professional adviser.

In particular, if any financial product advice is, in fact, held to have been given by the Issuer in relation to Notes issued in connection with this Information Memorandum, it is general advice only. The Issuer does not hold an AFSL and is not licensed to provide financial product advice in relation to Notes. No cooling-off regime applies to investors of Notes.

### **No offer**

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, the Dealers or the Agents to any person in any jurisdiction to subscribe for, purchase or otherwise deal in any Notes.

### **Selling restrictions and no disclosure**

The distribution and use of this Information Memorandum, including any Pricing Supplement or other offering material relating to any Notes, and the offer or sale of Notes may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about them and observe any such restrictions.

In particular:

- this Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act 2001 of Australia ("**Corporations Act**"). Neither this Information Memorandum nor any other disclosure document in relation to the Notes has been, or will be, lodged with the Australian Securities and Investments Commission ("**ASIC**") or with any other regulatory authority; and
- no action has been taken by the Issuer or any Dealer which would permit a public offering of any Notes or distribution of this Information Memorandum, any Pricing Supplement or other offering material relating to any Notes in any jurisdiction where action for that purpose is required (including circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act).

For a description of certain restrictions on offers, sales and deliveries of the Notes, and on distribution of this Information Memorandum, any Pricing Supplement or other offering material relating to the Notes, see the section entitled "*Selling Restrictions*" below.

None of the Issuer, the Dealers or any Agent represents that any Notes may be lawfully offered for subscription or purchase or otherwise dealt with in compliance with any applicable registration or other requirements in any jurisdiction outside Australia, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such offering or other dealing.

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Notes, nor distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Notes except if the offer or invitation, or distribution or publication, complies with all applicable laws and directives.

### **No registration in the United States**

The Notes have not been, and will not be, registered under the Securities Act. The Notes may not be offered, sold, delivered or transferred, at any time, within the United States of America, its territories or possessions or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the

Securities Act (“**Regulation S**”)) except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.

### **Agency and distribution arrangements**

Each Dealer and Agent is acting solely as an arm’s length contractual counterparty and not as an adviser or fiduciary. Further, neither the receipt of this Information Memorandum or any offering material relating to any Notes by any person nor any other matter shall be deemed to create or give rise to an advisory or fiduciary duty or relationship between a Dealer or an Agent and that person.

The Issuer has agreed to pay fees to the Agents for undertaking their respective roles and reimburse them for certain of their expenses incurred in connection with the Programme and the offer and sale of Notes.

The Issuer may also pay each Dealer or any other person a fee in respect of the Notes subscribed by it, may agree to reimburse the Dealers for certain expenses incurred in connection with this Programme and may indemnify the Dealers against certain liabilities in connection with the offer and sale of Notes.

The Dealers and the Agents, and their respective related entities, directors, officers and employees or any funds which they manage or advise or the funds within which they may have direct or indirect interest, may, from time to time, have long or short positions in, or buy and sell (on a principal basis or otherwise) or have pecuniary or other interests in the Notes, or act as a market maker in the Notes or securities, derivatives, commodities, futures or options identical or related to the Notes. The Dealers and the Agent may receive fees, brokerage, commissions and other compensation and may act as a principal in dealing in any Notes.

### **References to credit ratings**

There are references to credit ratings in this Information Memorandum. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant assigning organisation. Each credit rating should be evaluated independently of any other credit rating.

*Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a person in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.*

### **Currencies**

In this Information Memorandum, references to “**A\$**” or “**Australian dollars**” are to the lawful currency of the Commonwealth of Australia and references to “**NZ\$**” or “**New Zealand dollars**” are to the lawful currency of New Zealand.

### **Currency of information**

The information contained in this Information Memorandum is prepared as of its Preparation Date. Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection with this Information Memorandum at any time implies that the information contained in it is correct, that any other information supplied in connection with the Programme or the issue of Notes is correct or that there has not been any change (adverse or otherwise) in the financial conditions or affairs of the Issuer at any time subsequent to the Preparation Date. In particular, the Issuer is not under any obligation to any person to update this Information Memorandum at any time after an issue of Notes.

In this Information Memorandum, “**Preparation Date**” means:

- in relation to this Information Memorandum, the date indicated on its face or, if this Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement;
- in relation to annual reports and any financial statements incorporated in this Information Memorandum, the date up to, or as at, the date on which such annual reports and financial statements relate; and
- in relation to any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release or effectiveness.

#### **Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore**

Unless otherwise stated in the Pricing Supplement in respect of any Notes, the Issuer has determined and hereby notifies all relevant persons (as defined in Section 309A(1) of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the “**SFA**”)) that the Notes issued or to be issued under the Programme shall be “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and “Excluded Investment Products” (as defined in the Monetary Authority Singapore (“**MAS**”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

#### **PRIIPs / IMPORTANT – EEA RETAIL INVESTORS**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EC (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

#### **UK PRIIPs / IMPORTANT – UK RETAIL INVESTORS**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (“**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of the domestic law of the UK by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of the domestic law of the UK by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.



## **MiFID II Product Governance / UK MiFIR Product Governance / Target Market**

The applicable Pricing Supplement in respect of any Notes may include a legend entitled “MiFID II Product Governance” and/or “UK MiFIR Product Governance”, as applicable, which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to “MiFID II” and/or the FCA Handbook Product Intervention and Product Governance Sourcebook (“**UK MiFIR Product Governance Rules**”), as applicable, is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance Rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”) and/or the UK MiFIR Product Governance Rules, as applicable, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Dealers nor any of their respective affiliates, will be a manufacturer for the purpose of the MiFID Product Governance Rules and/or the UK MiFIR Product Governance Rules, as applicable.

## Summary of the Programme

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*The following is a brief summary of the Programme only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Notes, the applicable Conditions and any relevant Pricing Supplement. A term used below but not otherwise defined has the meaning given to it in the Conditions. A reference to a "Pricing Supplement" does not limit the provisions or features of this Programme which may be supplemented, amended, modified or replaced by a Pricing Supplement in relation to a particular Tranche or Series of Notes.*

Issuer:	Auckland Council (" <b>Issuer</b> ").
Programme description:	<p>A non-underwritten debt issuance programme under which, subject to applicable laws and directives, the Issuer may elect to issue medium term notes and other debt securities (collectively referred to as "<b>Notes</b>") in the Australian domestic capital market in registered uncertificated form up to the Programme Amount.</p> <p>Subject to all applicable laws and directives, the Issuer may issue Notes in any country including Australia and countries in Europe and Asia but not in the United States of America unless such Notes are registered under the Securities Act or an exemption from the registration requirements is available.</p> <p><i>No obligation of the Issuer under or in respect of the Notes is guaranteed by His Majesty the King in right of New Zealand. The Notes are not obligations of the Australian Government and are not guaranteed by the Commonwealth of Australia.</i></p>
Programme Amount:	A\$5,000,000,000 (or its equivalent in other currencies and as that amount may be increased from time to time).
Dealers:	<p>Australia and New Zealand Banking Group Limited Citigroup Global Markets New Zealand Limited Commonwealth Bank of Australia The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch National Australia Bank Limited UBS AG, Australia Branch Westpac Banking Corporation</p> <p>Contact details and particulars of the ABN and AFSL (where relevant) for each of the above named Dealers are set out in the section entitled "<i>Directory</i>" below.</p> <p>Additional Dealers may be appointed by the Issuer from time to time for a specific Tranche or Series of Notes only (details of such appointment will be set out in the relevant Pricing Supplement) or to the Programme generally.</p>
Security Trustee and Security:	<p>Trustees Executors Limited ("<b>Security Trustee</b>")</p> <p>The Security Trustee has been appointed pursuant to the Debenture Trust Deed between the Issuer and the Security Trustee dated 2 December 2010 (as amended, restated or supplemented from time to time) (the "<b>Debenture</b>").</p> <p>The obligations of the Issuer under the Notes are secured pursuant to the Debenture.</p> <p>See the section entitled "<i>Description of the Security</i>" for further information in relation to the security arrangements.</p>

Registrar:	Computershare Investor Services Pty Limited (ABN 48 078 279 277) and/or any other person appointed by the Issuer to perform registry functions and establish and maintain a Register (as defined below) in or outside Australia on the Issuer's behalf from time to time (" <b>Registrar</b> "). Details of additional appointments in respect of a Tranche or Series will be notified in the relevant Pricing Supplement.
Issue and Paying Agent:	Computershare Investor Services Pty Limited (ABN 48 078 279 277) and/or any other person appointed by the Issuer to act as issuing agent or paying agent on the Issuer's behalf from time to time in Australia in respect of a Tranche or Series (" <b>Issue and Paying Agent</b> ") as will be notified in the relevant Pricing Supplement.
Calculation Agents:	If a Calculation Agent is required for the purpose of calculating any amount or making any determination under a Note, such appointment will be notified in the relevant Pricing Supplement. The Issuer may terminate the appointment of the Calculation Agent, appoint additional or other Calculation Agents or elect to have no Calculation Agent. Where no Calculation Agent is appointed, the calculation of interest, principal and other payments in respect of the relevant Notes will be made by the Issuer.
Agents:	Each Registrar, Issue and Paying Agent, Calculation Agent and any other person appointed by the Issuer to perform other agency functions with respect to any Tranche or Series of Notes (details of such appointment may be set out in the relevant Pricing Supplement).
Form of Notes:	Notes will be issued in registered uncertificated form and will be debt obligations of the Issuer which are constituted by, and owing under, the Note Deed Poll dated 26 March 2013, as amended or supplemented from time to time, or such other deed poll executed by the Issuer as may be specified in an applicable Pricing Supplement (each a " <b>Deed Poll</b> ").  Notes take the form of entries in a register (" <b>Register</b> ") maintained by the Registrar.
Status and ranking:	The Notes will constitute secured obligations of the Issuer and will rank pari passu without any preference amongst themselves.
Negative pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 5 ("Negative pledge").
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches having one or more issue dates and on conditions that are otherwise identical (other than, to the extent relevant, in respect of the issue price and the first payment of interest). The Notes of each Tranche of a Series are intended to be fungible with the other Tranches of Notes of that Series to the extent permitted by law or directive.
Maturities:	Subject to all applicable laws and directives, Notes may have any maturity as may be specified in the applicable Pricing Supplement or as may be agreed between the Issuer and the relevant purchasing Dealer.
Currencies:	Subject to all applicable laws and directives, Notes will be denominated in Australian dollars or such other freely tradeable currency or currencies as may be specified in the relevant Pricing Supplement.
Issue Price:	Notes may be issued at any price on a fully or partly paid basis, as specified in the relevant Pricing Supplement.

Interest:	Notes may or may not bear interest. Interest (if any) may be at a fixed, floating or other variable rate and may vary during the lifetime of the relevant Series.
Denominations:	Subject to all applicable laws and directives, Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement.
Clearing Systems:	<p>Notes may be transacted either within or outside any Clearing System (as defined below).</p> <p>The Issuer intends to apply to Austraclear Ltd (ABN 94 002 060 773) ("<b>Austraclear</b>") for approval for Notes to be traded on the clearing and settlement system operated by it ("<b>Austraclear System</b>"). Upon approval by Austraclear, those Notes will be traded through Austraclear in accordance with the rules and regulations of the Austraclear System.</p> <p>Such approval by Austraclear is not a recommendation or endorsement by Austraclear of such Notes. The rights of a holder of interests in a Note through the Austraclear System are subject to the rules and regulations of the Austraclear System.</p> <p>Interests in Notes may also be traded on the settlement system operated by Euroclear Bank SA/NV ("<b>Euroclear</b>"), the settlement system operated by Clearstream Banking, S.A. ("<b>Clearstream, Luxembourg</b>") or any other clearing system outside Australia specified in the relevant Pricing Supplement (the Austraclear System, Euroclear, Clearstream, Luxembourg and any other clearing system so specified, each a "<b>Clearing System</b>").</p> <p>Interests in the Notes traded in the Austraclear System may be held for the benefit of Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in Notes in Euroclear would be held in the Austraclear System by a nominee of Euroclear (currently HSBC Custody Nominees (Australia) Limited) while entitlements in respect of holdings of interests in Notes in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of Clearstream, Luxembourg (currently BNP Paribas, Australia Branch).</p> <p>The rights of a holder of interests in a Note held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominee and the rules and regulations of the Austraclear System. In addition, any transfer of interests in a Note, which is held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the requirements for minimum consideration as set out in the Conditions.</p> <p>The Issuer will not be responsible for the operation of the clearing arrangements which is a matter for the clearing institutions, their nominees, their participants and the investors.</p>
Title:	<p>Entry of the name of the person in the Register in respect of a Note in registered form constitutes the obtaining or passing of title and is conclusive evidence that the person so entered is the registered holder of that Note subject to correction for fraud or proven error.</p> <p>Title to Notes which are held in a Clearing System will be determined in accordance with the rules and regulations of the relevant Clearing System.</p> <p>Notes which are held in the Austraclear System will be registered in the name of Austraclear.</p>

No certificates in respect of any Notes will be issued unless the Issuer determines that certificates should be available or it is required to do so pursuant to any applicable law or directive.

Title to other Notes which are not lodged in a Clearing System will depend on the form of those Notes as specified in the relevant Pricing Supplement.

**Other Notes:** The Issuer may from time to time issue Notes in a form not specifically contemplated in this Information Memorandum. Terms applicable to any other type of Note that the Issuer and any relevant Dealer(s) or other investor(s) may agree to issue under this Programme will be set out in the relevant Pricing Supplement or another supplement to this Information Memorandum.

**Payments and Record Date:** Payments to persons who hold Notes through a Clearing System will be made in accordance with the rules and regulations of the relevant Clearing System.

The Record Date for payments of interest is 5.00 pm in the place where the Register is maintained on the eighth calendar day before a payment date or such other period specified in the relevant Pricing Supplement.

**Redemption:** Notes may be redeemed prior to scheduled maturity as more fully set out in the Conditions and the relevant Pricing Supplement.

Notes entered in a Clearing System will be redeemed through that Clearing System in a manner that is consistent with the rules and regulations of that Clearing System.

**Selling restrictions:** The offer, sale and delivery of Notes and the distribution of this Information Memorandum and other offering material in relation to any Notes are subject to such restrictions as may apply in any jurisdiction in connection with the offer and sale of a particular Tranche or Series of Notes. In particular, restrictions on the offer, sale or delivery of Notes in Australia, New Zealand, the UK, the United States of America, Hong Kong, Japan, Singapore and a prohibition of sales to EEA and UK retail investors are set out in the section entitled "*Selling Restrictions*" below.

Restrictions on the offer, sale and/or distribution of Notes may also be set out in the relevant Pricing Supplement.

**Transfer procedure:** Notes may only be transferred in whole and in accordance with the Conditions.

Restrictions on the transfer of Notes may also be set out in the relevant Pricing Supplement.

**Stamp duty:** As at the date of this Information Memorandum, no *ad valorem* stamp duty is payable in any Australian State or Territory on the issue, transfer or redemption of the Notes. However, investors are advised to seek independent advice regarding any stamp duty or other taxes imposed upon the issue, transfer or redemption of Notes, or interests in Notes, in any jurisdiction.

**Taxes, withholdings and deductions:** All payments in respect of the Notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future Taxes, unless such withholding or deduction is required by law or directive. In the event that any withholding or deduction is made in respect of a Tax imposed by a Tax Jurisdiction, the Issuer will, save in certain limited circumstances provided in Condition 13 ("Taxation"), be required to pay additional amounts on the Notes as will result in receipt by Noteholders of such amounts (after all such withholding or deduction, including on any additional amounts) as would have been received had no such withholding or deduction been required.

A brief overview of the Australian and New Zealand taxation treatment of payments of interest on Notes and of the United States Foreign Account Tax Compliance Act and the OECD Common Reporting Standard is set out in the

sections entitled “Taxation” and “United States Foreign Account Tax Compliance Act and the OECD Common Reporting Standard” below. However, investors should obtain their own taxation advice regarding the taxation status of investing in any Notes.

Noteholders will be required to make certain representations in relation to their residency and for joint holding of the Notes for the purposes of the *Income Tax Act 2007* of New Zealand as set out in Condition 13.4 (“New Zealand Noteholders”).

Listing: It is not currently intended that the Notes will be listed on any stock or securities exchange.

An application may be made for the Issuer to be admitted to the official list of, and/or Notes of a particular Series to be quoted on, the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691) (“ASX”) or on any other stock or securities exchange (in accordance with applicable laws and directives).

Any Notes which are quoted on the ASX will not be transferred through, or registered on, the Clearing House Electronic Sub-Register System (“CHESS”) operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and will not be “Approved Financial Products” for the purposes of that system. Interests in the Notes will instead be held in, and transferable through, the Austraclear System.

The applicable Pricing Supplement in respect of the issue of any Tranche of Notes will specify whether or not such Notes will be quoted on any stock or securities exchange.

Governing law: The Notes and all related documentation will be governed by the laws of New South Wales, Australia.

Use of proceeds: The net proceeds from each issue of Notes will be used for the general corporate purposes of the Issuer.

Credit rating: Notes to be issued under the Programme may be rated by one or more rating agencies. The credit rating of an individual Tranche or Series of Notes will be specified in the relevant Pricing Supplement for those Notes (or another supplement to this Information Memorandum).

***A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.***

***Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a person in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.***

Investors to obtain independent advice with respect to investment and other risks: An investment in Notes issued under the Programme involves certain risks. This Information Memorandum does not describe the risks of an investment in any Notes. Prospective investors should consult their own financial, legal, tax and other professional advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

## Description of the Issuer

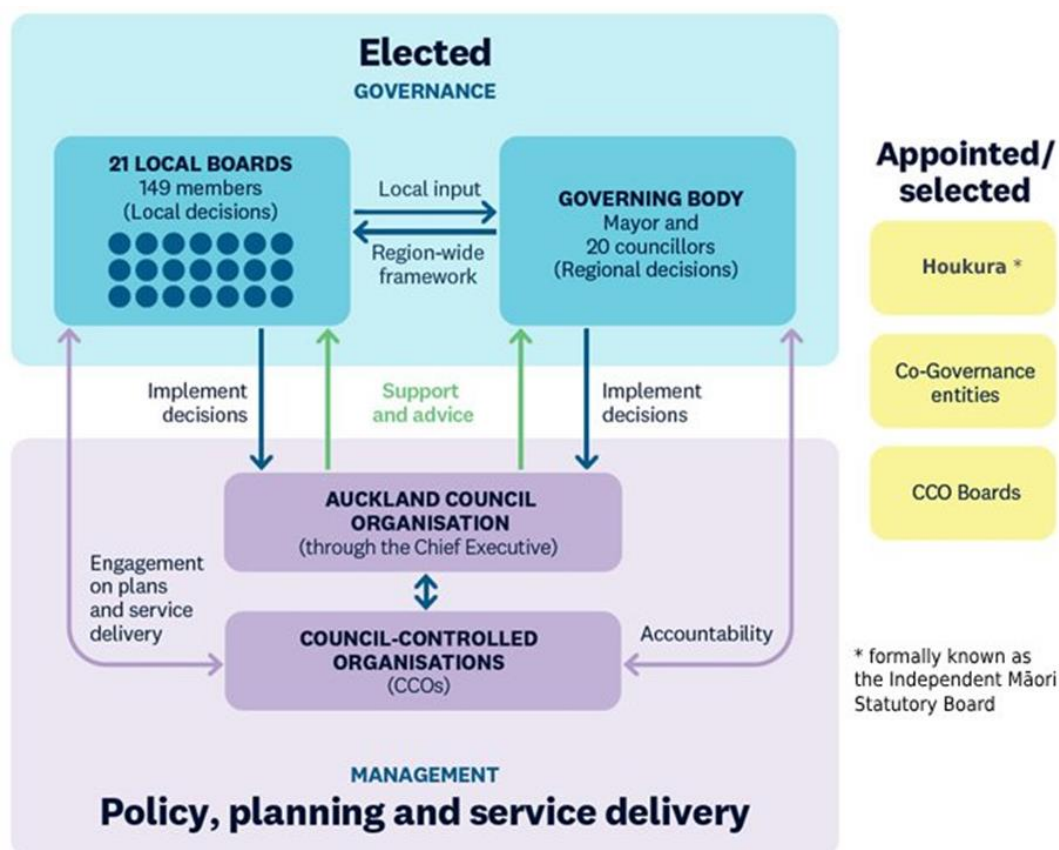
The Issuer was established on 1 November 2010 under the *Local Government (Auckland Council) Act 2009* of New Zealand by the amalgamation of a number of predecessor councils. The Issuer is the local government authority for the Auckland region of New Zealand and, as such, is responsible for, and has a range of mandatory and discretionary functions relating to the regulation, management, and direction of the Auckland region. It also has the responsibilities, duties and powers of a regional council of New Zealand and is also subject to *the Local Government Act 1974* of New Zealand and the *Local Government Act 2002* of New Zealand (“LGA”), which apply to all New Zealand local authorities.

The Issuer has responsibility for a wide range of activities, including regulatory functions such as the issuance of permits and consents for building activity within the Auckland region, and the enforcement of legislation governing licensing and the environment. The Issuer, together with its council-controlled organisations (“CCOs”), provides and maintains infrastructure such as transport networks and essential public services such as water supply, wastewater and storm water, refuse collections and street lighting. The Issuer also operates libraries and community facilities and provides and maintains parks, reserves and sports fields.

### Governance structure

The Issuer has two complementary and non-hierarchical decision-making parts: the governing body and 21 local boards. The Mayor of Auckland is a member of the governing body and has a statutory role to articulate and promote a vision for Auckland, and provide leadership in order to achieve objectives that contribute to that vision. The Mayor, the 20 members of the governing body and the 149 local board members are elected triennially.

The diagram below shows the mechanics of how different parts of the governance structure are designed to interact and the relationships between them.



The Chief Executive is appointed by the governing body and is responsible for implementing the decisions of the governing body and local boards, and effectively and efficiently managing the activities of the Issuer within the budgetary constraints established by the governing body.

A CCO is defined under the “LGA” as an organisation in which the Issuer solely or jointly with other local authorities or persons, controls 50 per cent or more of the votes or has the right to appoint 50 per cent or more of the directors or trustees. CCOs are governed by their directors or trustees, and operate at arms’ length to the Issuer. CCOs are, however, accountable to the Issuer, which determines the objectives for each CCO and monitors their performance. In particular, the Issuer is required to have a policy on the accountability of its substantive CCOs. A substantive CCO is either responsible for the delivery of a significant service or activity on behalf of the Issuer, or owns or manages assets with a value of more than NZ\$10 million.

### **Plans and reporting**

The Issuer is required to consult publicly on important decisions as set out in its Significance and Engagement Policy, and to prepare a number of planning documents which include:

- (a) the Auckland Plan (a 30-year vision for Auckland’s development);
- (b) the Long-term Plan (a 10-year plan and budget focusing on implementing objectives of the Auckland Plan);
- (c) an Annual Plan (plan and budget for each financial year); and
- (d) other specific plans relating to land use and regulatory matters, including the Unitary Plan.

The Auckland Unitary Plan is a combined plan for Auckland and meets the requirements of a regional policy statement, a regional plan, including a regional coastal plan and a district plan. The purpose of the regional policy statement is to achieve the purpose of the *Resource Management Act 1991* of New Zealand by providing an overview of the resource management issues of the region and policies and methods to achieve integrated management of the natural and physical resources of the whole region. The purpose of the regional and district plans is to assist the Issuer (as regional council and territorial authority) to carry out its functions in order to achieve the purpose of the *Resource Management Act 1991* of New Zealand. The Auckland Unitary Plan includes objectives, policies, methods and rules to promote the sustainable management of the Auckland region’s natural and physical resources. The Unitary Plan provisions guide the Issuer’s regulatory decision making when considering applications for resource consents (planning consents) to undertake work in the region.

### **Sources of revenue**

Rates are the primary source of revenue for the Issuer. However, the Issuer has various other sources of revenue from the provision of certain services (e.g. water and wastewater user charges, and parking fees), development contributions, consents and licensing fees, grants and subsidies, port operations, rental income, facility hire charges and dividend income from equity investments.

The power of local authorities (including the Issuer) to rate is found in the *Local Government (Rating) Act 2002* of New Zealand (“**Rating Act**”). The Rating Act allows a local authority to set and assess a general rate for all rateable land in its district or region. The Rating Act also empowers local authorities to set a uniform annual general charge, and targeted rates in certain circumstances. Rates are principally assessed on a rateable property’s rateable value, but there are also various powers to set and assess rates based on a variety of factors. The Issuer sets rates for each financial year in accordance with its funding impact statement for the relevant financial year. Currently, rates within the Auckland region are assessed on a differential basis according to the type or location of the property based on the capital value (comprising land value plus improvements).

All rates assessed in respect of a rating unit constitute a charge against that unit (section 59 of the Rating Act). Although the ratepayer (as recorded in the rates records) is primarily liable for the rates,



local authorities also have the statutory power to recover the rates outstanding from the owner (if different from the ratepayer) or from persons with an interest in the property, including any first mortgagee. If necessary, a local authority has the power to apply to the Registrar of the New Zealand High Court to have a judgment for rates enforced by the sale or lease of the property (section 67 of the Rating Act).

The Issuer has created a charge over all of its rates and rates revenue and certain proceeds of such assets and the Noteholders have the benefit of such security. Further information regarding the security, the charged assets and the ability of creditors to enforce against the Issuer is set out in the section entitled "*Description of the Security*" below.

### **Water services reform**

As part of the Government's ongoing water infrastructure reform, the New Zealand Government and the Issuer have agreed a new model for Auckland water service operations and assets, where the Issuer will be prohibited from providing financial support to Watercare Services Limited from 1 July 2025. Following the implementation of this reform, Watercare Services Limited will remain a subsidiary of the Issuer and will continue to be fully consolidated. Moving forward, Watercare Services Limited will be able to borrow money in its own name for long-term investment in water infrastructure.

### **Further information**

More information on the Issuer including its latest financial statements can be found at <https://www.aucklandcouncil.govt.nz>.

## Conditions of the Notes

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*The following are the Conditions of the Notes which, as supplemented, amended, modified or replaced by an applicable Pricing Supplement, apply to each Note constituted by the Deed Poll (“**Conditions**”). References to the “Pricing Supplement” in these conditions do not limit the provisions which may be supplemented, amended, modified or replaced by the Pricing Supplement in relation to a particular Series of Notes. Each Noteholder, and each person claiming through or under each such Noteholder, is bound by and is deemed to have notice of, the Information Memorandum, the provisions of the Deed Poll and these Conditions (including any applicable Pricing Supplement).*

*No obligation of the Issuer under or in respect of the Notes is guaranteed by His Majesty the King in right of New Zealand. The Notes are not obligations of the Australian Government and are not guaranteed by the Commonwealth of Australia.*

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### 1 Interpretation

#### 1.1 Definitions

In these Conditions the following expressions have the following meanings:

**Additional Amount** means an additional amount payable by the Issuer under Condition 13.2 (“Withholding tax”);

**Agency Agreement** means:

- (a) the agreement entitled “Agency and Registry Services Agreement” dated 26 March 2013 between the Issuer and Computershare Investor Services Pty Limited (ABN 48 078 279 277);
- (b) any other agreement between the Issuer and a Registrar in relation to the establishment and maintenance of a Register (and/or the performance of any payment or other duties) for any issue of Notes; and/or
- (c) any other agency agreement between the Issuer and an Agent in connection with any issue of Notes;

**Agent** means each of the Registrar, the Issue and Paying Agent, the Calculation Agent and any additional agent appointed under an Agency Agreement, or any of them as the context requires;

**Amortised Face Amount** means, in respect of a Zero Coupon Note, an amount equal to the sum of:

- (a) the Reference Price specified in the Pricing Supplement; and
- (b) the amount resulting from the application of the Accrual Yield specified in the Pricing Supplement (compounded annually) to the Reference Price from (and including) the Issue Date to (but excluding) the later of:
  - (i) the date fixed for redemption or (as the case may be) the earlier date the Note becomes due and repayable; and
  - (ii) the date on which payment is made to the Noteholder under Condition 11.9 (“Late payment”),

as further adjusted, if applicable, in the manner specified in the Pricing Supplement;

If the calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year must be made on the basis of the Day Count Fraction specified in the Pricing Supplement;

**Austraclear** means Austraclear Ltd (ABN 94 002 060 773);

**Austraclear Regulations** means the regulations known as the “Austraclear Regulations”, together with any instructions or directions (as amended or replaced from time to time) established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system;

**Austraclear System** means the clearing and settlement system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between participants of that system;

**Business Day** means:

- (a) a day on which banks are open for general banking business in Sydney, Auckland and in each (if any) Relevant Financial Centre specified in the Pricing Supplement (not being a Saturday, Sunday or public holiday in that place); and
- (b) if a Note to be held in a Clearing System is to be issued or a payment is to be made in respect of a Note held in any Clearing System on that day, a day on which each applicable Clearing System in which the relevant Note is lodged is operating;

**Business Day Convention** means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following conventions, where specified in the Pricing Supplement in relation to any date applicable to any Note, have the following meanings:

- (a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
  - (i) that date is brought forward to the first preceding day that is a Business Day; and
  - (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Pricing Supplement after the preceding applicable Interest Payment Date occurred;
- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (c) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that the date is postponed to the first following day that is a **Business Day** unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;
- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a **Business Day**; and
- (e) **No Adjustment** means that the relevant date must not be adjusted in accordance with any **Business Day Convention**.

If no convention is specified in the Pricing Supplement, the Following Business Day Convention applies. Different conventions may be specified in relation to, or apply to, different dates;

**Calculation Agent** means, in respect of a Note, any person appointed by the Issuer under an Agency Agreement and specified in the Pricing Supplement as the party responsible for

calculating the Interest Rate and other amounts required to be calculated under these Conditions;

**Charged Assets** means the charged assets subject of the charge under the Debenture and has the meaning given in the Debenture;

**Clearing System** means:

- (a) the Austraclear System; or
- (b) any other clearing system outside Australia specified in the Pricing Supplement;

**Conditions** means, in relation to a Note, these terms and conditions as amended, supplemented, modified or replaced by the Pricing Supplement applicable to such Note and references to a particular numbered Condition shall be construed accordingly;

**Day Count Fraction** means, in respect of the calculation of interest on a Note for any period of time ("**Calculation Period**"), the day count fraction specified in the Pricing Supplement and:

- (a) if "**Actual/Actual (ICMA)**" is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period, and (y) the number of Determination Periods normally ending in any year; and
  - (ii) where the Calculation Period is longer than the Determination Period during which it falls, the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year, where:

**"Determination Period"** means the period from and including a Determination Date in any year but excluding the next Determination Date; and

**"Determination Date"** means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s);
- (b) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
  - (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y^2 - Y^1)] + [30 \times (M^2 - M^1)] + (D^2 - D^1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (f) if “**30E/360**” or “**Eurobond basis**” is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29 in which case D<sub>2</sub> will be 30;

- (g) if “**30E/360 (ISDA)**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and
- “**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30; and
- (h) if “**RBA Bond Basis**” or “**Australian Bond Basis**” is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
- (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

**Debenture** means the Debenture Trust Deed between the Issuer and the Security Trustee dated 2 December 2010 (as amended, restated or supplemented from time to time);

**Deed Poll** means:

- (a) the deed poll entitled “Note Deed Poll” dated 26 March 2013; and
- (b) such other deed poll that supplements, amends, restates, modifies or replaces the deed poll referred to above, or which is otherwise acknowledged in writing to be a deed poll for the purposes of the Programme,

in each case, executed by the Issuer;

**Default Rate** means the rate specified as such in the Pricing Supplement;

**Denomination** means the notional face value of a Note specified in the Pricing Supplement;

**Early Redemption Amount** means the early redemption amount specified in, or determined in accordance with, the Pricing Supplement;

**Event of Default** means an event so described in Condition 15 (“Events of Default”);

**Extraordinary Resolution** has the meaning given in the Meetings Provisions;

**FATCA** means:

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction;

**Fixed Rate Note** means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on any other dates as specified in the Pricing Supplement;

**Floating Rate Note** means a Note on which interest is calculated at a floating rate payable monthly or 2, 3, 6, or 12 monthly or in respect of any other period or on any other date specified in the Pricing Supplement;

**Index Linked Note** means a Note in respect of which the amount payable in respect of interest is calculated by reference to an index or a formula (other than any index or formula relating to equity securities) or both as specified in the Pricing Supplement;

**Information Memorandum** means, in respect of a Note, the information memorandum or other offering document referred to in the Pricing Supplement, prepared by, or on behalf of, and approved in writing by, the Issuer in connection with the issue of that Note and all documents incorporated by reference in it, including any applicable Pricing Supplement and any other applicable amendments or supplements to it;

**Instalment Amounts** has the meaning given in the Pricing Supplement;

**Instalment Date** has the meaning given in the Pricing Supplement;

**Instalment Note** means a Note which is redeemable in one or more instalments, as specified in the Pricing Supplement;

**Interest Commencement Date** means, in respect of a Note, the Issue Date of the Note or any other date so specified in the Pricing Supplement;

**Interest Determination Date** means each date so specified in, or determined in accordance with, the Pricing Supplement;

**Interest Payment Date** means each date so specified in, or determined in accordance with, the Pricing Supplement;

**Interest Period** means each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

- (a) the first Interest Period commences on (and includes) the Interest Commencement Date; and

(b) the final Interest Period ends on (but excludes) the Maturity Date;

**Interest Rate** means, in respect of a Note, the interest rate (expressed as a percentage per annum) payable in respect of that Note specified in the Pricing Supplement or calculated or determined in accordance with these Conditions and the Pricing Supplement;

**ISDA Definitions** means the 2021 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series and, if specified in the Pricing Supplement, as supplemented by any applicable supplement to the ISDA Definitions);

**Issue and Paying Agent** means:

- (a) Computershare Investor Services Pty Limited (ABN 48 078 279 277); and/or
- (b) any other person appointed by the Issuer under an Agency Agreement and specified in the relevant Pricing Supplement to perform issue and paying agency functions on the Issuer's behalf with respect to a Series or Tranche of Notes;

**Issue Date** means, in respect of a Note, the date on which the Note is, or is to be issued, and as may be specified, or determined, in accordance with, the Pricing Supplement;

**Issue Price** means the price as set out in the Pricing Supplement;

**Issuer** means Auckland Council;

**Margin** means the margin specified in, or determined in accordance with, the Pricing Supplement;

**Maturity Date** means, in respect of a Note, the date so specified in, or determined in accordance with, the Pricing Supplement as the date on which the Note is to be redeemed (and adjusted, if necessary, in accordance with the applicable "Business Day Convention" so specified in the Pricing Supplement);

**Meetings Provisions** means the provisions relating to meetings of Noteholders and set out as a schedule to the Deed Poll;

**Note** means each form of bond, note, debt security, Note or debt obligation specified in an applicable Pricing Supplement and issued or to be issued by the Issuer which is constituted by, and owing under, the Deed Poll and the details of which are recorded in, and evidenced by entry in, the Register. References to any particular type of "Note" or "Notes" shall be read and construed accordingly. All references to Notes must, unless the context otherwise requires, be read and construed as references to the Notes of a particular Series;

**Noteholder** means, in respect of a Note, each person whose name is entered in the Register as the holder of that Note;

**Ordinary Resolution** has the meaning given to it in the Meetings Provisions;

**Partly Paid Note** means a Note in relation to which the initial subscription moneys are payable to the Issuer in two or more instalments;

**Pricing Supplement** means, in respect of a Tranche, the supplement specifying the relevant issue details in relation to that Tranche and which may be substantially in the form set out in the Information Memorandum, duly completed and signed by the Issuer;

**Programme** means the Issuer's uncommitted programme for the issuance of Notes described in the Information Memorandum;



**Record Date** means 5.00 pm in the place where the Register is maintained on the date which is the eighth calendar day before the payment date or any other date so specified in the Pricing Supplement;

**Redemption Amount** means:

- (a) for a Note (other than a Zero Coupon Note), the outstanding principal amount as at the date of redemption; and
- (b) for a Zero Coupon Note, the Amortised Face Amount calculated as at the date of redemption,

and also includes any final instalment and any other amount in the nature of a redemption amount specified in, or determined in accordance with, the Pricing Supplement or these Conditions;

**Redemption Date** means, in respect of a Note, such date on which the Note is redeemed prior to its Maturity Date in accordance with these Conditions;

**Reference Banks** means the institutions so described in the Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**Reference Rate** means the rate specified in, or determined in accordance with, the Pricing Supplement;

**Register** means the register, including any branch register, of Noteholders of Notes established and maintained by the Issuer, or by a Registrar on its behalf under an Agency Agreement;

**Registrar** means:

- (a) Computershare Investor Services Pty Limited (ABN 48 078 279 277); and/or
- (b) any other person appointed by the Issuer under a relevant Agency Agreement to establish and maintain the Register in respect of a Tranche of Notes on the Issuer's behalf from time to time;

**Related Entity** has the meaning given in the Corporations Act;

**Relevant Financial Centre** means Sydney and/or any other centre specified in the Pricing Supplement;

**Relevant Indebtedness** means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

**Relevant Screen Page** means:

- (a) the page, section or other part of a particular information service specified as the Relevant Screen Page in the Pricing Supplement; or
- (b) any other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**Relevant Time** has the meaning given in the Pricing Supplement;

**Security** means the security from time to time constituted by or pursuant to the Debenture and the Security Stock;

**Security Record** has the meaning given in the Austraclear Regulations;

**Security Stock** means security stock issued under the Debenture and has the meaning given in the Debenture;

**Security Trustee** means Trustees Executors Limited;

**Series** means an issue of Notes made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the Issue Price, Issue Date and Interest Commencement Date may be different in respect of a different Tranche of a Series;

**Specified Office** means the office specified in the Information Memorandum or any other address notified to Noteholders from time to time;

**Stock Certificate** has the meaning given to it in the Debenture and includes a Security Certificate in the form, or substantially in the form, set out in Schedule 2 to the Deed Poll;

**Structured Note** means:

- (a) an Index Linked Note; or
- (b) an Instalment Note;

**Tax Authority** means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official, having power to tax to which the Issuer becomes subject in respect of payments made by it of principal or interest in respect of the Notes;

**Tax Jurisdiction** means New Zealand or any political subdivision or any authority thereof or therein having power to tax;

**Taxes** means taxes, levies, withholdings, deductions, assessments or governmental charges of whatever nature imposed or levied by any Tax Authority together with any related interest, penalties, fines and expenses in connection with them except if imposed on, or calculated having regard to, the net income of a Noteholder;

**Tranche** means an issue of Notes specified as such in the Pricing Supplement issued on the same Issue Date and on the same Conditions;

**Trustee** has the meaning given in Condition 4.3 ("Enforcement of Security"); and

**Zero Coupon Note** means a Note which does not carry entitlement to periodic payment of interest before the Redemption Date of the Note and which is issued at a discount to its principal amount.

## 1.2 References to certain general terms

Unless the contrary intention appears, a reference in these Conditions to:

- (a) a document or these Conditions includes any variation or replacement of any of them;
- (b) a "**law**" includes common law, principles of equity, decree and any statute or other law made by any parliament (and a statute or other law made by parliament includes any regulation and other instrument under it and any consolidation, amendment, re-enactment or replacement of it);

- (c) a “**directive**” includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply;
- (d) “**Australian dollars**” or “**A\$**” is a reference to the lawful currency of Australia;
- (e) “**New Zealand dollars**” or “**NZ\$**” is a reference to the lawful currency of New Zealand;
- (f) a time of day is a reference to Sydney time;
- (g) a “**person**” includes an individual, corporation, company, firm, tribunal, undertaking, association, organisation, partnership, joint venture, trust, limited liability company, unincorporated organisation or government or any agency, instrumentality or political subdivision thereof; in each case whether or not being a separate legal entity;
- (h) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (i) the “**Corporations Act**” is to the *Corporations Act 2001* of Australia;
- (j) the “**LGA**” is to the *Local Government Act 2002* of New Zealand;
- (k) anything (including any amount) is a reference to the whole and each part of it;
- (l) if a notice must be given within a certain period of days, the day on which the notice is given, and the day on which the thing is to happen, are not to be counted in calculating that period; and
- (m) the words “**including**”, “**for example**” or “**such as**” when introducing an example, do not limit the meaning of the words to which the example relates or examples of a similar kind.

### 1.3 References to particular terms

Unless the contrary intention appears, in these Conditions:

- (a) a reference to an Agency Agreement is a reference to each Agency Agreement applicable to the Notes of the relevant Series;
- (b) a reference to an Agent is a reference to each Agent appointed to act in respect of Notes of the relevant Series;
- (c) a reference to the Deed Poll is a reference to the Deed Poll applicable to the Notes of the relevant Series;
- (d) a reference to a Note is a reference to a Note of a particular Series specified in the Pricing Supplement;
- (e) a reference to a Noteholder is a reference to the holder of Notes of a particular Series;
- (f) a reference to a Pricing Supplement is a reference to the Pricing Supplement applicable to the Notes of the particular Tranche specified in that Pricing Supplement;
- (g) if the Notes are Zero Coupon Notes or Structured Notes which do not bear interest, references to interest are not applicable; and
- (h) a reference to a particular date on which a payment is to be made is a reference to that date adjusted in accordance with the applicable Business Day Convention (provided that in the case of Fixed Rate Notes only, such adjustment shall be for the purposes of payment but not accrual).

#### **1.4 References to principal and interest**

Unless the contrary intention appears, in these Conditions:

- (a) any reference to “principal” is taken to include the Redemption Amount, any Additional Amounts in respect of principal, any premium payable in respect of a Note, and any other amount in the nature of principal payable in respect of the Notes under these Conditions;
- (b) the principal amount of a Note issued at a discount is to be taken as at any time to equal the lesser of:
  - (i) its Denomination; and
  - (ii) if specified in the Pricing Supplement, its Amortised Face Amount at that time;
- (c) the principal amount of a Note which is to vary by reference to a schedule or formula (where such determination has been previously made in accordance with these Conditions) is to be taken as at any time to equal its varied amount;
- (d) the principal amount of a Partly Paid Note is to be taken to equal its paid up principal amount;
- (e) the principal amount of an Instalment Note at any time is to be taken to be its Denomination less the total instalments repaid to the extent that such instalments relate to a repayment of principal; and
- (f) any reference to “interest” is taken to include any Additional Amounts in respect of interest and any other amount in the nature of interest payable in respect of the Notes under these Conditions.

#### **1.5 Number**

The singular includes the plural and vice versa.

#### **1.6 Headings**

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Conditions.

#### **1.7 Terms defined in Pricing Supplement**

Terms which are defined in the Pricing Supplement as having a defined meaning have the same meaning when used in these Conditions but if the Pricing Supplement gives no meaning or specifies that the definition is “Not Applicable”, then that definition is not applicable to the Notes.

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## **2 Introduction**

### **2.1 Programme**

Notes are issued under the Programme.

### **2.2 Pricing Supplement**

- (a) Notes are issued in Series. A Series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical (other than, to the extent relevant, in respect of the Issue Price, Issue Date and Interest Commencement Date).
- (b) The Issuer will issue Notes on the terms set out in these Conditions as supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Notes. If there is any inconsistency between these Conditions and the Pricing Supplement, the Pricing Supplement prevails.

- (c) Copies of the Pricing Supplement are available for inspection by a Noteholder or prospective Noteholder during normal business hours at the Specified Office of the Issuer or the Registrar or are otherwise available on reasonable request from the Issuer or the Registrar.

### **2.3 Types of Notes**

A Note is either:

- (a) a Fixed Rate Note;
- (b) a Floating Rate Note;
- (c) a Zero Coupon Note; or
- (d) a Structured Note,

or a combination of the above (or any other type of debt obligation, including in the form of a certificate of deposit or transferable deposit), as specified in the Pricing Supplement.

### **2.4 Issue and transfer restrictions**

Unless otherwise specified in the Pricing Supplement, Notes may only be offered (directly or indirectly) for issue or transfer, or applications invited for the issue or transfer of Notes, and may only be issued or transferred, if:

- (a) where the offer or invitation is made in, or into, Australia:
  - (i) the aggregate consideration payable to the Issuer or the transferor by the relevant subscriber is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the Issuer or its associates to the subscriber) or the offer or invitation (including any resulting issue) or the transfer does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and
  - (ii) the offer or invitation (including any resulting issue) or the transfer does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act; and
- (b) at all times, the offer or invitation (including any resulting issue) or the transfer complies with all applicable laws and directives in the jurisdiction in which the offer, invitation, issue or transfer takes place.

### **2.5 Denomination**

Notes are issued in such Denomination as specified in the Pricing Supplement.

### **2.6 Currency**

Subject to compliance with all applicable legal and regulatory requirements, Notes may be denominated in Australian dollars or such other freely transferable and freely available currency or currencies as specified in the Pricing Supplement.

### **2.7 Clearing Systems**

If the Notes are held in a Clearing System, the rights of a person holding an interest in the Notes lodged in the Clearing System are subject to the rules and regulations of the Clearing System. The Issuer is not responsible for anything the Clearing System does or omits to do.

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### **3 Form**

#### **3.1 Constitution**

- (a) Notes are debt obligations of the Issuer constituted by, and owing under, the Deed Poll and the details of which are recorded in, and evidenced by entry in, the Register.
- (b) Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Deed Poll.

#### **3.2 Form**

Notes are issued in registered uncertificated form by entry in the Register.

#### **3.3 No certificates**

No certificates in respect of any Notes will be issued to Noteholders unless the Issuer determines that certificates should be available or are required by any applicable law or directive.

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### **4 Status and security**

#### **4.1 Status and ranking**

The Notes constitute direct, unconditional, unsubordinated and secured obligations of the Issuer. The Notes shall be secured in the manner described in Condition 4.2 ("Security") and will rank *pari passu* and without any preference amongst themselves.

#### **4.2 Security**

The obligations of the Issuer under the Deed Poll and the Notes are secured pursuant to the Security.

#### **4.3 Enforcement of Security**

- (a) The Security shall become and be enforceable in accordance with the terms of the Debenture.
- (b) If the Security becomes enforceable then:
  - (i) the Issuer must use its reasonable endeavours to, at the cost of the Issuer, appoint, within 14 days of the Security becoming enforceable, a reputable financial institution or professional trustee company in Australia to act as trustee ("**Trustee**") on behalf of the Noteholders collectively of each Series then outstanding with respect to the passing of resolutions, the giving of instructions and the taking of such other action as may be necessary or desirable in connection with the enforcement of the Security and the Debenture;
  - (ii) within 2 Business Days of the Security becoming enforceable, the Registrar shall call a meeting of the Noteholders of all Series (such meeting to be held at least 15 days after the Security becomes enforceable) then outstanding and such Noteholders may, by Ordinary Resolution passed in accordance with paragraph 16 of the Meetings Provisions, appoint, at the cost of the Issuer, a Trustee to so act on their behalf if the Issuer had failed to make such an appointment within 14 days of the Security becoming enforceable, to confirm the appointment of any Trustee appointed under paragraph (b)(i) or to take such other action as the Noteholders may agree;
  - (iii) the Trustee (if so appointed) may, at its sole discretion without further notice, take such proceedings and/or actions as it may think fit against or in relation to the Issuer and pursuant to the terms of the Debenture to enforce the Issuer's obligations under the Deed Poll, the Notes and the Debenture, and take action

to enforce the Security without any liability as to the consequences of such action, but it shall only be bound to take any such proceedings and/or actions if:

- (A) so requested in writing by the holders of at least 25 per cent. in aggregate principal amount of the Notes of a Series outstanding; or
- (B) so directed by an Extraordinary Resolution of the Noteholders of a Series; or

subject in each case to it having been indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith; and

- (iv) each Noteholder agrees that no Noteholder may proceed directly against the Issuer in connection with the enforcement of the Security unless the Trustee (if any) appointed under either paragraph (b)(i) or (b)(ii), having become bound so to proceed or act, fails to do so within a reasonable time and such failure is continuing or if, at any time, no Trustee has been appointed by either the Issuer or the Noteholders after the Security has become enforceable.

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## **5 Negative pledge**

So long as any Note remains outstanding, the Issuer will not create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital but excluding the Charged Assets secured pursuant to the Debenture) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Notes the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security that is either:

- (a) not materially less beneficial to the interests of the Noteholders than the interests of the Noteholders immediately prior to the creation of such mortgage, charge, lien, pledge of other security interest; or
- (b) approved by an Extraordinary Resolution.

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## **6 Title and transfer of Notes**

### **6.1 Title**

Title to a Note passes when details of the transfer are entered in the Register.

### **6.2 Effect of entries in Register**

Each entry in the Register in respect of a Note constitutes:

- (a) an irrevocable undertaking by the Issuer to the Noteholder to:
  - (i) pay principal, any interest and any other amounts in accordance with these Conditions; and
  - (ii) otherwise to comply with the Conditions; and
- (b) an entitlement to the other benefits given to Noteholders under these Conditions in respect of the Note.

### **6.3 Ownership and non-recognition of interests**

- (a) Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the absolute owner of such Note subject to correction for fraud or proven error.
- (b) No notice of any trust or other interest in, or claim to, any Note will be entered in a Register. Neither the Issuer nor the Registrar need take notice of any trust or other interest in, or claim to, any Note, except as ordered by a court of competent jurisdiction or required by any applicable law or directive. This Condition 6.3(b) applies whether or not a Note is overdue.

### **6.4 Joint holders**

Where two or more persons are entered in the Register as the joint holders of a Note then they are taken to hold the Note as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of a Note.

### **6.5 Transfer**

Noteholders may only transfer Notes in accordance with these Conditions.

### **6.6 Transfers in whole**

Notes may be transferred in whole but not in part.

### **6.7 Transfer procedures**

Interests in Notes held in a Clearing System will be transferable only in accordance with the rules and regulations of that Clearing System. If a Note is lodged in the Austraclear System, neither the Issuer nor the relevant Registrar will recognise any such interest other than the interest of Austraclear as the Noteholder while that Note is lodged in the Austraclear System.

### **6.8 Austraclear as Noteholder**

If Austraclear is recorded in the Register as the Noteholder, each person in whose Security Record a Note is recorded is taken to acknowledge in favour of the Issuer, the Registrar and Austraclear that:

- (a) the Registrar's decision to act as the Registrar of that Note is not a recommendation or endorsement by the Registrar or Austraclear in relation to that Note, but only indicates that the Registrar considers that the holding of the Note is compatible with the performance by it of its obligations as Registrar under the Agency Agreement; and
- (b) the Noteholder does not rely on any fact, matter or circumstance contrary to paragraph (a).

### **6.9 Restrictions on transfers**

Transfers of Notes which are not lodged in a Clearing System cannot be made between a Record Date and the relevant Interest Payment Date if a redemption of such Note is to occur during that period in accordance with these Conditions.

### **6.10 Effect of transfer**

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under these Conditions in respect of the transferred Note and the transferee becomes so entitled in accordance with Condition 6.2 ("Effect of entries in Register").



## **6.11 CHESS**

Notes which are listed on the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691) will not be transferred through, or registered on, the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and will not be “Approved Financial Products” for the purposes of that system.

## **6.12 Estates**

A person becoming entitled to a Note as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Note or, if so entitled, become registered as the holder of the Note.

## **6.13 Unincorporated associations**

A transfer of a Note to an unincorporated association is not permitted.

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## **7 Fixed Rate Notes**

*This Condition 7 applies to the Notes only if the Pricing Supplement states that it applies.*

### **7.1 Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate. Interest is payable in arrear on each Interest Payment Date.

### **7.2 Fixed Coupon Amount**

Unless otherwise specified in the Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the preceding Interest Period is the Fixed Coupon Amount specified in the Pricing Supplement.

### **7.3 Calculation of interest payable**

The amount of interest payable in respect of a Fixed Rate Note for any period for which a Fixed Coupon Amount is not specified in the Pricing Supplement is calculated by multiplying the Interest Rate for that period, by the outstanding principal amount of the Fixed Rate Note and by the applicable Day Count Fraction.

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## **8 Floating Rate Notes**

*This Condition 8 applies to the Notes only if the Pricing Supplement states that it applies.*

### **8.1 Interest on Floating Rate Notes**

Each Floating Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear:

- (a) on each Interest Payment Date; or
- (b) if no Interest Payment Date is specified in the Pricing Supplement, each date which falls the number of months or other period specified as the Specified Period in the Pricing Supplement after the preceding Interest Payment Date (or in the case of the first Interest Payment Date, after the Interest Commencement Date).

### **8.2 Interest Rate determination**

The Interest Rate payable in respect of a Floating Rate Note must be determined by the Calculation Agent in accordance with these Conditions.

### 8.3 Fallback Interest Rate

Unless otherwise specified in the Pricing Supplement, if, in respect of an Interest Period, the Calculation Agent is unable to determine a rate in accordance with Condition 8.2 (“Interest Rate determination”), the Interest Rate for the Interest Period will be the Interest Rate applicable to the Floating Rate Notes during the immediately preceding Interest Period.

### 8.4 ISDA Determination

Where “ISDA Determination” is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period is the sum of the Margin and the ISDA Rate.

In this Condition 8.4:

- (a) “**ISDA Rate**” for an Interest Period, means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction if the Calculation Agent for the Floating Rate Notes were acting as Calculation Agent for that Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
  - (i) the Floating Rate Option, the Designated Maturity and the Reset Date are as specified in the Pricing Supplement; and
  - (ii) the Period End Dates are each Interest Payment Date, the Spread is the Margin and the Floating Rate Day Count Fraction is the Day Count Fraction; and
- (b) “Swap Transaction”, “Floating Rate”, “Calculation Agent” (except references to “Calculation Agent for the Floating Rate Notes”), “Floating Rate Option”, “Designated Maturity”, “Reset Date”, “Period End Date”, “Spread” and “Floating Rate Day Count Fraction” have the meanings given to those terms in the ISDA Definitions.

### 8.5 Screen Rate Determination

Where “Screen Rate Determination” is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period is the sum of the Margin and the Screen Rate.

In this Condition 8.5, “**Screen Rate**” means, for an Interest Period, the quotation offered for the Reference Rate appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date. However:

- (a) if there is more than one offered quotation displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, the “**Screen Rate**” means the rate calculated by the Calculation Agent as the average of the offered quotations. If there are more than five offered quotations, the Calculation Agent must exclude the highest and lowest quotations (or in the case of equality, one of the highest and one of the lowest quotations) from its calculation;
- (b) if an offered quotation is not displayed by the Relevant Time on the Interest Determination Date or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, the “**Screen Rate**” means:
  - (i) the rate the Calculation Agent calculates as the average mean of the Reference Rates that each Reference Bank quoted to the leading banks in the Relevant Financial Centre specified in the Pricing Supplement at the Relevant Time on the Interest Determination Date; or
  - (ii) where the Calculation Agent is unable to calculate a rate under paragraph (b)(i) because it is unable to obtain at least two quotes, the rate the Calculation

Agent calculates as the average of the rates (being the nearest equivalent to the Reference Rate) quoted by two or more banks chosen by the Calculation Agent in the Relevant Financial Centre at approximately the Relevant Time on the Interest Determination Date for a period equivalent to the Interest Period to leading banks carrying on business in the Relevant Financial Centre in good faith; or

- (c) if the Pricing Supplement specifies an alternative method for the determination of the Screen Rate Determination, then that alternative method will apply.

## **8.6 Benchmark Rate Determination**

Where “Benchmark Rate Determination (BBSW Rate)” or “Benchmark Rate Determination (AONIA Rate)” is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period is the sum of the Margin and either (x) the BBSW Rate or (y) the AONIA Rate as specified in the Pricing Supplement.

Each Noteholder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, the determination of, substitution for and any adjustments made to the BBSW Rate or the AONIA Rate, as applicable, in each case as described in this Condition 8.6 (in all cases without the need for any Noteholder consent). Any determination, decision or election (including a decision to take or refrain from taking any action or as to the occurrence or non-occurrence of any event or circumstance), and any substitution for and adjustments made to, the BBSW Rate or the AONIA Rate, as applicable, and in each case made in accordance with this Condition 8.6, will, in the absence of manifest or proven error, be conclusive and binding on the Issuer, the Noteholder and each Agent and, notwithstanding anything to the contrary in these Conditions or other documentation relating to the Notes, shall become effective without the consent of any person.

If the Calculation Agent is unwilling or unable to determine a necessary rate, adjustment, quantum, formula, methodology or other variable in order to calculate the applicable Interest Rate, such rate, adjustment, quantum, formula, methodology or other variable will be determined by the Issuer (acting in good faith and in a commercially reasonable manner) or, an alternate financial institution (acting in good faith and in a commercially reasonable manner) appointed by the Issuer (in its sole discretion) to so determine.

All rates determined pursuant to this Condition 8.6 shall be expressed as a percentage rate per annum and the resulting percentage will be rounded if necessary to the fourth decimal place (i.e., to the nearest one ten-thousandth of a percentage point) with 0.00005 being rounded upwards.

However, if:

- (a) a Temporary Disruption Trigger has occurred; or
- (b) a Permanent Discontinuation Trigger has occurred,

then the Benchmark Rate for an Interest Period, whilst such Temporary Disruption Trigger is continuing or after a Permanent Discontinuation Trigger has occurred, means (in the following order of application and precedence):

- (i) where BBSW Rate is the Applicable Benchmark Rate, if a Temporary Disruption Trigger has occurred with respect to the BBSW Rate, in the following order of precedence:
  - (A) first, the Administrator Recommended Rate;
  - (B) then the Supervisor Recommended Rate; and
  - (C) lastly, the Final Fallback Rate;

- (ii) where the AONIA Rate is the Applicable Benchmark Rate or a determination of the AONIA Rate is required for the purposes of paragraph (i) above, if a Temporary Disruption Trigger has occurred with respect to AONIA, the rate for any day for which AONIA is required will be the last provided or published level of AONIA;
- (iii) where a determination of the RBA Recommended Rate is required for the purposes of paragraph (i) or (ii) above, if a Temporary Disruption Trigger has occurred with respect to the RBA Recommended Rate, the rate for any day for which the RBA Recommended Rate is required will be the last rate provided or published by the Administrator of the RBA Recommended Rate (or if no such rate has been so provided or published, the last provided or published level of AONIA);
- (iv) where BBSW Rate is the Applicable Benchmark Rate, if a Permanent Discontinuation Trigger has occurred with respect to the BBSW Rate, the rate for any day for which the BBSW Rate is required on or after the Permanent Fallback Effective Date will be the first rate available in the following order of precedence:
  - (A) first, if at the time of the BBSW Rate Permanent Fallback Effective Date, no AONIA Permanent Fallback Effective Date has occurred, the AONIA Rate;
  - (B) then, if at the time of the BBSW Rate Permanent Fallback Effective Date, an AONIA Permanent Fallback Effective Date has occurred, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Fallback Rate; and
  - (C) lastly, if neither sub-paragraph (A) nor sub-paragraph (B) above apply, the Final Fallback Rate;
- (v) where the AONIA Rate is the Applicable Benchmark Rate or a determination of the AONIA Rate is required for the purposes of paragraph (iv)(A) above, if a Permanent Discontinuation Trigger has occurred with respect to AONIA, the rate for any day for which AONIA is required on or after the AONIA Permanent Fallback Effective Date will be the first rate available in the following order of precedence:
  - (A) first, if at the time of the AONIA Permanent Fallback Effective Date, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Rate; and
  - (B) lastly, if sub-paragraph (A) above does not apply, the Final Fallback Rate; and
- (vi) where a determination of the RBA Recommended Rate is required for the purposes of paragraph (iv) or (v) above, respectively, if a Permanent Discontinuation Trigger has occurred with respect to the RBA Recommended Rate, the rate for any day for which the RBA Recommended Rate is required on or after that Permanent Fallback Effective Date will be the Final Fallback Rate.

When calculating an amount of interest in circumstances where a Fallback Rate other than the Final Fallback Rate applies, that interest will be calculated as if references to the BBSW Rate or AONIA Rate (as applicable) were references to that Fallback Rate. When calculating interest in circumstances where the Final Fallback Rate applies, the amount of interest will be calculated on the same basis as if the Applicable Benchmark Rate in effect immediately prior to the

application of that Final Fallback Rate remained in effect but with necessary adjustments to substitute all references to that Applicable Benchmark Rate with corresponding references to the Final Fallback Rate.

For the purposes of this Condition 8.6:

**“Adjustment Spread”** means the adjustment spread as at the Adjustment Spread Fixing Date (which may be a positive or negative value or zero and determined pursuant to a formula or methodology) that is:

- (a) determined as the median of the historical differences between the BBSW Rate and AONIA over a five calendar year period prior to the Adjustment Spread Fixing Date using practices based on those used for the determination of the Bloomberg Adjustment Spread as at the Issue Date of the first Tranche of the applicable Series, provided that for so long as the Bloomberg Adjustment Spread is published and determined based on the five year median of the historical differences between the BBSW Rate and AONIA, that adjustment spread will be deemed to be acceptable for the purposes of this paragraph (a); or
- (b) if no such median can be determined in accordance with paragraph (a), set using the method for calculating or determining such adjustment spread determined by the Calculation Agent (after consultation with the Issuer where practicable) to be appropriate;

**“Adjustment Spread Fixing Date”** means the first date on which a Permanent Discontinuation Trigger occurs with respect to the BBSW Rate;

**“Administrator”** means:

- (a) in respect of the BBSW Rate, ASX Benchmarks Pty Limited (ABN 38 616 075 417);
- (b) in respect of AONIA (or where AONIA is used to determine an Applicable Benchmark Rate), the Reserve Bank of Australia; and
- (c) in respect of any other Applicable Benchmark Rate, the administrator for that rate or benchmark or, if there is no administrator, the provider of that rate or benchmark,

and, in each case, any successor administrator or, as applicable, any successor administrator or provider;

**“Administrator Recommended Rate”** means the rate formally recommended for use as the temporary replacement for the BBSW Rate by the Administrator of the BBSW Rate;

**“AONIA”** means the Australian dollar interbank overnight cash rate (known as AONIA);

**“AONIA Rate”** means, for an Interest Period and in respect of an Interest Determination Date, the rate determined by the Calculation Agent to be Compounded Daily AONIA for that Interest Period and Interest Determination Date plus, if determining the AONIA Rate for the purposes of a fallback from the BBSW Rate, the Adjustment Spread;

**“Applicable Benchmark Rate”** means the Benchmark Rate specified in the relevant Pricing Supplement and, if a Permanent Fallback Effective Date has occurred with respect to the BBSW Rate, AONIA or the RBA Recommended Rate, then the rate determined in accordance with this Condition 8.6;

**“BBSW Rate”** means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the “AVG MID” on the “Refinitiv Screen BBSW Page” or “MID” rate on the “Bloomberg Screen BBSW Page” (or any designation which replaces that designation on the applicable page, or any replacement page) at the Publication Time on the first day of that Interest Period;

**“Benchmark Rate”** means, for an Interest Period, either the BBSW Rate or the AONIA Rate as specified in the relevant Pricing Supplement;

**“Bloomberg Adjustment Spread”** means the term adjusted AONIA spread relating to the BBSW Rate provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time as the provider of term adjusted AONIA and the spread) (“BISL”) on the Fallback Rate (AONIA) Screen (or by other means), or provided to, and published by, authorised distributors where “Fallback Rate (AONIA) Screen” means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for the BBSW Rate accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by BISL;

**“Compounded Daily AONIA”** means, with respect to an Interest Period, the rate of return of a daily compound interest investment as calculated by the Calculation Agent on the Interest Determination Date, as follows:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{AONIA_{i-5SBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

$AONIA_{i-5SBD}$  means the per annum rate expressed as a decimal which is the level of AONIA provided by the Administrator and published as of the Publication Time for the Sydney Business Day falling five Sydney Business Days prior to such Sydney Business Day “i”;

$d$  is the number of calendar days in the relevant Interest Period;

$d_0$  is the number of Sydney Business Days in the relevant Interest Period;

$i$  is a series of whole numbers from 1 to  $d_0$ , each representing the relevant Sydney Business Day in chronological order from (and including) the first Sydney Business Day in the relevant Interest Period to (and including) the last Sydney Business Day in such Interest Period;

$n_i$ , for any Sydney Business Day “i”, means the number of calendar days from (and including) such Sydney Business Day “i” up to (but excluding) the following Sydney Business Day; and

**Sydney Business Day** or **SBD** means any day on which commercial banks are open for general business in Sydney.

If, for any reason, Compounded Daily AONIA needs to be determined for a period other than an Interest Period, Compounded Daily AONIA is to be determined as if that period were an Interest Period starting on (and including) the first day of that period and ending on (but excluding) the last day of that period;

**“Fallback Rate”** means, where a Permanent Discontinuation Trigger for an Applicable Benchmark Rate has occurred, the rate that applies to replace that Applicable Benchmark Rate in accordance with this Condition 8.6;

**“Final Fallback Rate”** means, in respect of an Applicable Benchmark Rate:

- (a) the rate determined by the Calculation Agent as a commercially reasonable alternative for the Applicable Benchmark Rate taking into account all available information that, in good faith, it considers relevant, provided that any rate (inclusive of any spreads or adjustments) implemented by central counterparties and / or futures exchanges with representative trade volumes in derivatives or futures referencing the Applicable Benchmark Rate will be deemed to be acceptable for the purposes of this paragraph

- (a), together with (without double counting) such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for Benchmark Rate-linked floating rate notes at such time (together with such other adjustments to the applicable Business Day Convention, interest determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for Benchmark Rate-linked floating rate notes at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread determined by the Calculation Agent (in consultation with the Issuer) to be appropriate; provided that
- (b) if and for so long as no such successor rate or alternative rate can be determined in accordance with paragraph (a), the Final Fallback Rate will be the last provided or published level of that Applicable Benchmark Rate;

**“Interest Determination Date”** means, in respect of an Interest Period:

- (a) where the BBSW Rate applies or the Final Fallback Rate applies under sub-paragraph (iv)(C) of this Condition 8.6, the first day of that Interest Period; and
- (b) otherwise, the third Business Day prior to the last day of that Interest Period;

**“Non-Representative”** means, in respect of an Applicable Benchmark Rate, that the Supervisor of that Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the AONIA Rate or the RBA Recommended Rate:

- (a) has determined that such Applicable Benchmark Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark Rate is intended to measure and that representativeness will not be restored; and
- (b) is aware that such determination will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such Supervisor (howsoever described) in contracts;

**“Permanent Discontinuation Trigger”** means, in respect of an Applicable Benchmark Rate:

- (a) a public statement or publication of information by or on behalf of the Administrator of the Applicable Benchmark Rate announcing that it has ceased or that it will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;
- (b) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate, the Reserve Bank of Australia (or any successor central bank for Australian dollars), an insolvency official or resolution authority with jurisdiction over the Administrator of the Applicable Benchmark Rate or a court or an entity with similar insolvency or resolution authority over the Administrator of the Applicable Benchmark Rate which states that the Administrator of the Applicable Benchmark Rate has ceased or will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate and a public statement or publication of information other than by the Supervisor, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;

- (c) a public statement by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate, as a consequence of which the Applicable Benchmark Rate will be prohibited from being used either generally, or in respect of the Notes, or that its use will be subject to restrictions or adverse consequences to the Issuer or a Noteholder;
- (d) as a consequence of a change in law or directive arising after the Issue Date of the first Tranche of Notes of a Series, it has become unlawful for the Calculation Agent, the Issuer or any other party responsible for calculations of interest under the Conditions to calculate any payments due to be made to any Noteholder using the Applicable Benchmark Rate;
- (e) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the AONIA Rate or the RBA Recommended Rate, stating that the Applicable Benchmark Rate is Non-Representative; or
- (f) the Applicable Benchmark Rate has otherwise ceased to exist or be administered on a permanent or indefinite basis;

**“Permanent Fallback Effective Date”** means, in respect of a Permanent Discontinuation Trigger for an Applicable Benchmark Rate:

- (a) in the case of paragraphs (a) and (b) of the definition of “Permanent Discontinuation Trigger”, the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided and is no longer published or provided;
- (b) in the case of paragraphs (c) and (d) of the definition of “Permanent Discontinuation Trigger”, the date from which use of the Applicable Benchmark Rate is prohibited or becomes subject to restrictions or adverse consequences or the calculation becomes unlawful (as applicable);
- (c) in the case of paragraph (e) of the definition of “Permanent Discontinuation Trigger”, the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided but is Non-Representative by reference to the most recent statement or publication contemplated in that paragraph and even if such Applicable Benchmark Rates continues to be published or provided on such date; or
- (d) in the case of paragraph (f) of the definition of “Permanent Discontinuation Trigger”, the date that event occurs;

**“Publication Time”** means:

- (a) in respect of the BBSW Rate, 12.00 noon (Sydney time) or any amended publication time for the final intraday refix of such rate specified by the Administrator for the BBSW Rate in its benchmark methodology; and
- (b) in respect of AONIA, 4.00 pm (Sydney time) or any amended publication time for the final intraday refix of such rate specified by the Administrator for AONIA in its benchmark methodology;

**“RBA Recommended Fallback Rate”** has the same meaning given to AONIA Rate but with necessary adjustments to substitute all references to AONIA with corresponding references to the RBA Recommended Rate;



**“RBA Recommended Rate”** means, in respect of any relevant day (including any day “i”), the rate (inclusive of any spreads or adjustments) recommended as the replacement for AONIA by the Reserve Bank of Australia (which rate may be produced by the Reserve Bank of Australia or another administrator) and as provided by the Administrator of that rate or, if that rate is not provided by the Administrator thereof, published by an authorised distributor in respect of that day;

**“Supervisor”** means, in respect of an Applicable Benchmark Rate, the supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate, or any committee officially endorsed or convened by any such supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate;

**“Supervisor Recommended Rate”** means the rate formally recommended for use as the temporary replacement for the BBSW Rate by the Supervisor of the BBSW Rate; and

**“Temporary Disruption Trigger”** means, in respect of any Applicable Benchmark Rate which is required for any determination:

- (a) the Applicable Benchmark Rate has not been published by the applicable Administrator or an authorised distributor and is not otherwise provided by the Administrator, in respect of, on, for or by the time and date on which that Applicable Benchmark Rate is required; or
- (b) the Applicable Benchmark Rate is published or provided but the Calculation Agent determines that there is an obvious or proven error in that rate.

## **8.7 Linear Interpolation**

- (a) If the Pricing Supplement states that “Linear Interpolation” applies to an Interest Period, the Interest Rate for that Interest Period is determined through the use of straight line interpolation by reference to two ISDA Rates, Screen Rates, BBSW Rates, AONIA Rates or other floating rates specified in the Pricing Supplement.
- (b) The first rate must be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).
- (c) The second rate must be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

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## **9 Structured Notes**

*This Condition 9 applies to the Notes only if the Pricing Supplement states that it applies.*

### **9.1 Interest on Structured Notes**

Each interest bearing Structured Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear:

- (a) on each Interest Payment Date; or
- (b) if no Interest Payment Date is specified in the Pricing Supplement, on each date which falls the number of months or other period specified as the Specified Period in the Pricing Supplement after the preceding Interest Payment Date (or in the case of the first Interest Payment Date, after the Interest Commencement Date).

## **9.2 Interest Rate**

The Interest Rate payable in respect of an interest bearing Structured Note must be determined in the manner specified in the Pricing Supplement.

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## **10 General provisions applicable to interest**

### **10.1 Maximum or Minimum Interest Rate**

If the Pricing Supplement specifies a “Maximum Interest Rate” or “Minimum Interest Rate” for any Interest Period, the Interest Rate for the Interest Period must not be greater than the maximum, or be less than the minimum, so specified. If no rate is specified, the Minimum Interest Rate shall be zero.

### **10.2 Calculation of Interest Rate and interest payable**

- (a) The Calculation Agent must, in relation to each Interest Period for each Floating Rate Note and interest bearing Structured Note,
  - (i) calculate the Interest Rate in accordance with these Conditions and the Pricing Supplement; and
  - (ii) as soon as practicable after determining the Interest Rate, calculate the amount of interest payable for the Interest Period in respect of the outstanding principal amount of that Note.
- (b) Unless otherwise specified in the Pricing Supplement, the amount of interest payable is calculated by multiplying the product of the Interest Rate for the Interest Period and the outstanding principal amount of the Note by the applicable Day Count Fraction.
- (c) The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

### **10.3 Calculation of other amounts**

If the Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent must, as soon as practicable after the time at which that amount is to be determined, calculate the amount in the manner specified in the Pricing Supplement.

### **10.4 Notification of Interest Rate, interest payable and other items**

- (a) The Calculation Agent must notify the Issuer, the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded of:
  - (i) each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the Interest Payment Date; and
  - (ii) any amendment to any amount, item or date referred to in paragraph (i) arising from any extension or reduction in any Interest Period or calculation period.
- (b) The Calculation Agent must give notice under this Condition as soon as practicable after it makes its determination. However, it must give notice of each Interest Rate, the amount of interest payable and each Interest Payment Date by the fourth day of the Interest Period.
- (c) The Calculation Agent may amend its determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period or calculation period without prior notice but must notify the Issuer, the Registrar, the Noteholders, each other Agent and each

stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded after doing so.

#### **10.5 Determination final**

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Conditions is, in the absence of wilful default, bad faith or manifest or proven error, final and binding on the Issuer, the Registrar, each Noteholder and each other Agent.

#### **10.6 Rounding**

For the purposes of any calculations required under these Conditions (unless otherwise specified in these Conditions or in the Pricing Supplement):

- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.);
- (b) all figures resulting from the calculations must be rounded to five decimal places (with 0.000005 being rounded up to 0.00001); and
- (c) all amounts that are due and payable must be rounded (with halves being rounded up) to:
  - (i) in the case of Australian dollars, one cent; and
  - (ii) in the case of any other currency, the lowest amount of that currency available as legal tender in the country of that currency.

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### **11 Redemption and purchase**

#### **11.1 Redemption on maturity**

Each Note will be redeemed by the Issuer on the Maturity Date at its Redemption Amount unless:

- (a) the Note has been previously redeemed;
- (b) the Note has been purchased and cancelled; or
- (c) the Pricing Supplement states that the Note has no fixed Maturity Date.

#### **11.2 Partly Paid Notes**

Each Partly Paid Note will be redeemed on the Maturity Date in accordance with the Conditions and Pricing Supplement.

#### **11.3 Instalment Notes**

Each Instalment Note will be partially redeemed in the Instalment Amounts and on the Instalment Dates specified in the Pricing Supplement. The principal amount of each Instalment Note is reduced by the Instalment Amount with effect from the related Instalment Date.

#### **11.4 Early redemption for taxation reasons**

The Issuer may redeem all (but not some) of the Notes of a Series in whole before their Maturity Date at the Redemption Amount and any interest accrued on it to (but excluding) the Redemption Date if the Issuer is or will become required under Condition 13.2 ("Withholding tax") to pay Additional Amounts in respect of a Note, and such obligation cannot be avoided by the Issuer paying the New Zealand approved issuer levy at a rate not exceeding the rate of the levy being charged at the Issue Date under section 86J of the *Stamp and Cheque Duties Act*

1971 of New Zealand on the payments of interest (as “interest” is defined under New Zealand taxation legislation for withholding tax purposes).

However, the Issuer may only do so if:

- (a) the Issuer has given at least 30 days’ and no more than 60 days’ (or any other period specified in the Pricing Supplement) notice to the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded;
- (b) before the Issuer gives the notice under paragraph (a), the Registrar has received:
  - (i) a certificate signed by an authorised signatory of the Issuer; and
  - (ii) an opinion of independent legal advisers of recognised standing in the jurisdiction of incorporation of the Issuer,that the Issuer would be required under Condition 13.2 (“Withholding tax”) to increase the amount of the next payment due in respect of the Notes;
- (c) in the case of Fixed Rate Notes, no notice of redemption is given earlier than 90 days before the earliest date on which the Issuer would be obliged to pay Additional Amounts; and
- (d) in the case of Floating Rate Notes and Structured Notes bearing a floating rate of interest:
  - (i) the proposed Redemption Date is an Interest Payment Date; and
  - (ii) the notice of redemption is given at least 30 days and not more than 60 days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay Additional Amounts.

#### **11.5 Early redemption at the option of Noteholders (Noteholder put)**

If the Pricing Supplement states that a Noteholder may require the Issuer to redeem all or some of the Notes of a Series held by that Noteholder before their Maturity Date under this Condition 11.5, the Issuer must redeem the Notes specified by the Noteholder at the Redemption Amount and any interest accrued on it to (but excluding) the Redemption Date if the following conditions are satisfied:

- (a) the amount of Notes to be redeemed is a multiple of their Denomination;
- (b) the Noteholder has given at least 15 days’ and no more than 30 days’ (or any other period specified in the Pricing Supplement) notice, to the Issuer and the Registrar by delivering to the Specified Office of the Registrar during normal business hours a completed and signed redemption notice in the form obtainable from the Specified Office of the Registrar together with any evidence the Registrar may require to establish title of the Noteholder to the Note;
- (c) the notice referred to in paragraph (b) specifies an account in the country of the currency in which the Note is denominated to which the payment should be made or an address to where a cheque for payment should be sent;
- (d) the Redemption Date is an “Early Redemption Date (Put)” specified in the Pricing Supplement; and

- (e) any other relevant condition specified in the Pricing Supplement is satisfied.

A Noteholder may not require the Issuer to redeem any Note under this Condition 11.5 if the Issuer has given notice that it will redeem that Note under Condition 11.4 (“Early redemption for taxation reasons”) or Condition 11.6 (“Early redemption at the option of the Issuer (Issuer call”).

#### **11.6 Early redemption at the option of the Issuer (Issuer call)**

If the Pricing Supplement states that the Issuer may redeem all or some of the Notes of a Series before their Maturity Date under this Condition, the Issuer may redeem so many of the Notes specified in the Pricing Supplement at the Redemption Amount and any interest accrued on it to (but excluding) the Redemption Date.

However, the Issuer may only do so if:

- (a) the amount of Notes to be redeemed is, or is a multiple of, their Denomination;
- (b) the Issuer has given at least 15 days’ and not more than 30 days’ (or any other period specified in the Pricing Supplement) notice to the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed;
- (c) the proposed Redemption Date is an Early Redemption Date (Call) specified in the Pricing Supplement; and
- (d) any other relevant condition specified in the Pricing Supplement is satisfied.

#### **11.7 Partial redemptions**

If only some of the Notes are to be redeemed under Condition 11.6 (“Early redemption at the option of the Issuer (Issuer call”), the Notes to be redeemed must be specified in the notice and selected:

- (a) in a fair and reasonable manner under the circumstances of the proposed redemption and having regard to prevailing market practice; and
- (b) in compliance with any applicable law, directive or requirement of any applicable Clearing System and stock or securities exchange or other relevant authority on which the Notes are listed.

#### **11.8 Effect of notice of redemption**

Any notice of redemption given by the Issuer or a Noteholder under this Condition 11 (“Redemption and purchase”) is irrevocable.

#### **11.9 Late payment**

If an amount is not paid under this Condition 11 (“Redemption and purchase”) when due, then:

- (a) for a Note (other than a Zero Coupon Note or a Structured Note), interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the Default Rate specified in the Pricing Supplement (or, if no Default Rate is specified, the last applicable Interest Rate) until the date on which payment is made to the Noteholder;
- (b) for a Zero Coupon Note, the obligation to pay the amount is replaced by an obligation to pay the Amortised Face Amount recalculated as at the date on which payment is made to the Noteholder; and

- (c) for a Structured Note:
  - (i) interest continues to accrue at the Default Rate specified in the Pricing Supplement (or, if no Default Rate is specified, the last applicable Interest Rate) until the date on which payment is made to the Noteholder; or
  - (ii) the obligation to pay the amount is replaced by an obligation to pay an amount determined in the manner specified in the Pricing Supplement.

## **11.10 Purchase**

The Issuer and any of its Related Entities may at any time purchase Notes in the open market or otherwise and at any price. Such Notes may be held, reissued, resold, or at the option of such purchaser, cancelled by notice to the Registrar. Purchases may be made by tender offers or in any other manner at the discretion of the purchasers, in each case, subject to compliance with any applicable law, directive or requirement of any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded.

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## **12 Payments**

### **12.1 Payment of principal**

Payments of principal and any final Instalment Amount in respect of a Note will be made to each person registered at 10.00 am on the payment date as the Noteholder of that Note (or the first person to be registered in the case of joint holders).

### **12.2 Payment of interest**

Payments of interest and Instalment Amounts (other than the final Instalment Amount) in respect of a Note will be made to each person registered at the close of business on the Record Date as the Noteholder of that Note (or the first person to be registered in the case of joint holders).

### **12.3 Payments to accounts**

Payments in respect of the Note will be made in Australia, unless prohibited by law, and:

- (a) if the Note is held in the Austraclear System, by crediting on the payment date, the amount due to:
  - (i) the account of Austraclear (as the Noteholder) in Australia previously notified to the Issuer and the Registrar; or
  - (i) if requested by Austraclear, the accounts in Australia of the persons in whose Security Record a Note is recorded as previously notified by Austraclear to the Issuer and the Registrar in accordance with Austraclear Regulations; and
- (b) if the Note is not held in the Austraclear System, by crediting on the payment date, the amount then due under each Note to an account in the relevant jurisdiction or financial centre for the currency in which the payment is made previously notified by the Noteholder to the Issuer and the Registrar.

If a payment in respect of the Note is prohibited by law from being made in Australia, such payment will be made in an international financial centre for the account of the relevant payee, and on the basis that the relevant amounts are paid in immediately available funds, freely transferable at the order of the payee.

### **12.4 Other payments**

If the Noteholder has not notified the Registrar of an account to which payments to it must be made by the close of business on the Record Date, payments in respect of the Note will be made in the relevant jurisdiction or financial centre for the currency in which the payment is

made in such manner as the Issuer may determine in its sole discretion (having obtained confirmation that the Issue and Paying Agent and Registrar is able to make the payment in that manner) and, in no such circumstance will the Issuer, the Issue and Paying Agent or the Registrar be responsible for, nor will the Noteholder be entitled to, any additional payments for any delay in payment where the Noteholder has not notified the Registrar of an account for payment.

## **12.5 Payments subject to law**

All payments are subject in all cases to:

- (a) any applicable fiscal or other laws in any jurisdiction but without prejudice to the provisions of Condition 13 ("Taxation"); and
- (b) any withholding or deduction made under or in connection with or in order to ensure compliance with FATCA but without prejudice to the provisions of Condition 13 ("Taxation").

## **12.6 Payments on Business Days**

If a payment is due on a day which is not a Business Day then the due date for payment is adjusted in accordance with the applicable Business Day Convention. The Noteholder is not entitled to any additional payment in respect of such delay.

## **12.7 Currency indemnity**

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Noteholder receives an amount in a currency other than that in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual costs in connection with the conversion; and
- (b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.

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## **13 Taxation**

### **13.1 No set-off, counterclaim or deductions**

All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future Taxes imposed or levied by or on behalf of any Tax Jurisdiction, unless such withholding or deduction is required by law or is made under or in connection with or in order to ensure compliance with FATCA.

### **13.2 Withholding tax**

Subject to Condition 13.3 ("Withholding tax exemptions"), if a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the Notes such that the Noteholder would not actually receive on the due date the full amount provided for under the Notes, then:

- (a) the Issuer agrees to withhold or deduct the amount for the Taxes (and any further withholding or deduction applicable to any further payment due under paragraph (b) below); and
- (b) if the amount withheld or deducted is in respect of Taxes imposed by a Tax Jurisdiction, the Issuer will pay such additional amounts so that, after making the withholding or

deduction and further withholdings or deductions applicable to additional amounts payable under this Condition, each Noteholder is entitled to receive (at the time the payment is due) the amount it would have received if no withholdings or deductions had been required to be made.

### 13.3 Withholding tax exemptions

No Additional Amounts shall be payable under Condition 13.2 (“Withholding tax”) in relation to any withholding or deduction for, or on account of, New Zealand resident withholding tax or in respect of any payment:

- (a) to or on behalf of a Noteholder who is subject to or liable for such Taxes in respect of such Note by reason of such Noteholder, or any beneficial owner of any interest in, or rights in respect of, such Note being or having been connected (whether recently or in the past) with a Tax Jurisdiction other than merely by holding of such Note or receiving principal or interest in respect thereof;
- (b) to or on behalf of a Noteholder who would not be liable for or subject to such deduction or withholding by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested in writing by the Issuer to make such a declaration or claim, such Noteholder fails to do so;
- (c) to or on behalf of a Noteholder who presents a Note (where presentation is required) more than 30 days after the relevant date except to the extent that the Noteholder thereof would have been entitled to such Additional Amounts on presenting the same for payment on the last day of such 30-day period; for the purpose the “relevant date” means:
  - (i) the due date for payment thereof; or
  - (ii) if the full amount of the moneys payable on such date has not been received by the Issue and Paying Agent or the Registrar, as the case maybe, on or prior to such due date, the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholder in accordance with Condition 20 (“Notices”);
- (d) to or on behalf of a Noteholder who is liable to such Taxes in respect of such Note by reason of such person being a beneficial owner of a Note jointly with one or more other persons one of whom is a resident in New Zealand for income tax purposes;
- (e) to or on behalf of a Noteholder who is an “associated person” of the Issuer for New Zealand income tax purposes or that otherwise relates to “related-party debt” as these terms are defined in the *Income Tax Act 2007* of New Zealand;
- (f) in such other circumstances as may be specified in the Pricing Supplement; or
- (g) any combination of paragraphs (a), (b), (c), (d), (e) or (f) above.

In addition to the above, the Issuer, and any intermediaries through which payments are to be made, shall be permitted to withhold or deduct any amounts made under or in connection with, or in order to ensure compliance with, FATCA. The Issuer, and any intermediaries through which payments are to be made, will have no obligation to pay Additional Amounts or otherwise indemnify an investor for any such withholding or deduction by the Issuer, an Agent or any other party.



### 13.4 New Zealand Noteholders

On each Interest Payment Date and the Maturity Date of any of the Notes, each Noteholder who:

- (a) is resident for taxation purposes in New Zealand, or is otherwise a person, the payment of interest (as defined under New Zealand tax legislation) to whom will be subject to New Zealand resident withholding tax (“**New Zealand Noteholder**”), represents to the Issuer that it has RWT-exempt status (as that term is defined in the *Income Tax Act 2007* of New Zealand) or will otherwise be exempt from New Zealand resident withholding tax or will otherwise be exempt from New Zealand resident withholding tax for the purposes of the *Income Tax Act 2007* of New Zealand and (provided it is lawfully able to do so) undertakes to maintain that status or remain exempt for such time as any amount is owing to it in respect of any Note; and
- (b) is not a New Zealand Noteholder, represents to the Issuer that the payment of interest under a Note is not derived by it or any beneficial owner of the Note jointly with any New Zealand Noteholder.

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### 14 Time limit for claims

A claim against the Issuer for a payment under a Note is void unless made within five years (in the case of principal) or two years (in the case of interest and other amounts) from the date on which payment first became due.

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### 15 Events of Default

#### 15.1 Events of Default

The occurrence and continuance of any of the following events will constitute an Event of Default in respect of the Notes:

- (a) (**non-payment of interest**) default is made for more than seven Business Days (in the case of interest) or two Business Days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes;
- (b) (**breach of other obligations**) the Issuer does not perform or comply in a material way with any one or more of its other material obligations in the Notes or the Debenture and such default is not remedied within 30 days of receipt by the Issuer of a notice from the Noteholders specifying the default and requiring it to be remedied;
- (c) (**enforcement event**) the security created by the Debenture is enforced or becomes enforceable in accordance with its terms;
- (d) (**cessation of business or dissolution**) the Issuer ceases or threatens to cease to carry on all or substantially all of its activities, or an order is made for the dissolution of the Issuer;
- (e) (**insolvency**) a receiver, receiver and manager, commission or commissioner under the LGA, is appointed (or the Issuer requests any such appointment) in respect of, or an encumbrancer takes possession of or exercises its power of sale in respect of, all or any material part of the Security unless the Issuer demonstrates to the satisfaction of the Noteholders that such appointment or taking of possession or exercising of power will not have a material adverse effect on the ability of the Issuer to meet its payment obligations under the Notes and the Deed Poll;
- (f) (**statutory management**) a statutory manager is appointed, or a recommendation in that regard is made, by the Financial Markets Authority, under the *Corporations (Investigation and Management) Act 1989* of New Zealand in respect of the Issuer;

- (g) **(invalidity of document)** any material provision of the Notes or the Debenture:
  - (i) ceases to have effect in whole or in part, other than by performance or as permitted by its terms; or
  - (ii) becomes wholly or partly void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights), or the performance of any such provision becomes illegal,or the Issuer, or any person on its behalf, makes any allegation or claim to the effect;
- (h) **(change in law)** the enactment of or any change in any law or directive, by any governmental agency, occurs which will have a material adverse effect on the ability of the Issuer to perform its payment obligations when due under the Notes; or
- (i) **(resolution to repudiate payment obligations)** the Issuer passes at a duly convened meeting a formal resolution to repudiate its payment obligations under the Notes, and the passing of such resolution would result in the occurrence of an Event of Default under Condition 15.1(a).

## 15.2 Consequences of an Event of Default

If an Event of Default occurs and is continuing, any Noteholder may give written notice to the Issuer at its Specified Office that such Note is immediately due and repayable, at the Early Redemption Amount of such Note together with accrued interest (if any) to the date of repayment shall become immediately due and payable without any further formality, unless prior to such time the Event of Default has been cured.

## 15.3 Notification

Upon such declaration, the Issuer shall give notice thereof to the Registrar, the Noteholders and each other Agent in writing. If, after any such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Issuer pays or deposits with the Issue and Paying Agent all amounts then due with respect to the Notes (other than amounts due solely because of such declaration) and cures all other Events of Default with respect to the Notes, such defaults may be waived and such declaration may be annulled and rescinded by the Noteholders of more than 50 per cent. in aggregate principal amount of the Notes then outstanding by written notice thereof to the Issuer.

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## 16 Agents

### 16.1 Role of Agents

In acting under an Agency Agreement, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any Noteholder except that, any funds received by an applicable Agent may, pending their application in accordance with the relevant Agency Agreement, be held by such Agent on trust for the benefit of the persons entitled to them.

### 16.2 Appointment and replacement of Agents

Each initial Agent for a Series of Notes is specified in the Pricing Supplement. Subject to Condition 16.4 ("Required Agents"), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

### 16.3 Change of Agent

Notice of any change of an Agent or its Specified Offices must promptly be given to the Noteholders by the Issuer or the Agent on its behalf.

## **16.4 Required Agents**

The Issuer must, in respect of each Series of Notes:

- (a) at all times maintain a Registrar; and
- (a) if a Calculation Agent is specified in the Pricing Supplement, at all times maintain a Calculation Agent.

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## **17 Meetings of Noteholders**

### **17.1 Meeting of Noteholders**

The Meetings Provisions contain provisions (which have effect as if incorporated in these Conditions) for convening meetings of the Noteholders of any Series to consider any matter affecting their interests, including any variation of these Conditions.

### **17.2 Appointment of Trustee**

If at any time a vote is required under the Debenture, other than in accordance with Condition 4.3(b) ("Enforcement of Security"), the Issuer may, at the cost of the Issuer, appoint a Trustee on behalf of the Noteholders collectively of each Series then outstanding with respect to the passing of resolutions, the giving of instructions and the taking of such other action as may be necessary or desirable in connection with a vote under the Debenture. If the Issuer fails to make such an appointment within 5 days of such vote being required, then the Registrar shall call a meeting of the Noteholders of all Series then outstanding and such Noteholders may, by Ordinary Resolution passed in accordance with paragraph 16 of the Meetings Provisions, appoint a Trustee to so act on their behalf.

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## **18 Variation**

### **18.1 Variation with consent**

Unless Condition 18.1 ("Variation with consent") applies, any Condition may be varied by the Issuer with prior approval from the Noteholders by Ordinary Resolution or Extraordinary Resolution in accordance with the Meetings Provisions.

### **18.2 Variation without consent**

Any Condition may be amended by the Issuer without the consent of the Noteholders if the amendment:

- (a) is made to give effect to any successor rate or alternative rate for the BBSW Rate or AONIA Rate as provided in Condition 8.6 ("Benchmark Rate Determination");
- (b) is of a formal, minor or technical nature;
- (c) is made to correct a manifest error;
- (d) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision and, in the reasonable opinion of the Issuer, is not materially prejudicial to the interests of the Noteholders;
- (e) is to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated; or
- (f) only applies to Notes issued by it after the date of amendment.

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## **19 Further issues**

The Issuer may from time to time, without the consent of the Noteholders, create and issue further Notes having the same Conditions as the Notes of any Series in all respects (or in all

respects except for the Issue Price, Issue Date and the first Interest Payment Date) so as to form a single series with the Notes of that Series.

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## **20 Notices**

### **20.1 To Noteholders**

All notices and other communications to Noteholders must be in writing. Any such notice or other communication may be given by any of the following means:

- (a) an advertisement published in the Australian Financial Review or The Australian;
- (b) if the Pricing Supplement specifies an additional or alternate newspaper, given by an advertisement published in that newspaper; or
- (c) prepaid post (airmail, if posted from a place outside Australia) or delivery by email to the address or email address, as the case may be, of the Noteholder as shown in the Register at the close of business three Business Days prior to the dispatch of the notice or communication.

In addition, for so long as Notes are held on behalf of a Clearing System, notices or communications to Noteholders may also be given by delivery to that Clearing System for communication by it to the Noteholders in accordance with the applicable rules and regulations of that Clearing System (including, in the case of the Austraclear System, the Austraclear Regulations). Any such communication shall be deemed to have been given to the Noteholders on the day on which the said notice was given to the relevant Clearing System.

### **20.2 To the Issuer and the Agents**

All notices and other communications to the Issuer or an Agent must be in writing and may be left at the address of, or sent by prepaid post (airmail, if appropriate) to, its respective Specified Office or by email to the email address of the addressee specified:

- (a) in the Information Memorandum; or
- (b) as otherwise agreed between those parties from time to time and notified to the Noteholders.

### **20.3 Effective on receipt**

Unless a later time is specified in it a notice, approval, consent or other communication takes effect from the time it is under Condition 20.4 ("Proof of receipt"), except that if it is received under that Condition after 5.00 pm in the place of receipt or on a non-Business Day in that place, it is to be taken to be received at 9.00 am on the next succeeding Business Day in that place.

### **20.4 Proof of receipt**

Subject to Condition 20.3 ("Effective on receipt"), proof of posting a letter, sending of an email or publication of a notice is proof of receipt:

- (a) in the case of a letter, on the third (seventh if outside Australia) day after posting;
- (b) in the case of an email, at the time the sender receives an automated message confirming delivery or four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered; and
- (c) in the case of publication in a newspaper, on the date of such publication.

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## 21 Substitution of the Issuer

The Issuer may, at any time, substitute for the Issuer, the Issuer's successor in business, any of the Issuer's council-controlled organisations (as defined in the LGA) or other entity which the Issuer controls as principal Issuer ("**Substituted Issuer**") in respect of all obligations arising from or in connection with one or more Series of Notes ("**Relevant Notes**") provided that:

- (a) no payment of principal, redemption amount or interest in connection with any of the Notes is in default at that time;
- (b) the Issuer has given at least 45 days' notice to the Noteholders of the Relevant Notes of a substitution to be effected under this Condition 21;
- (c) if Noteholders representing more than 25 per cent. of the aggregate outstanding principal amount of Relevant Notes have provided notice in writing to the Issuer of their objection to that substitution within 14 days of the Issuer giving the notice referred to in Condition 21(b), the consent of Noteholders of the Relevant Notes by Extraordinary Resolution to that substitution having been obtained (and, for the avoidance of doubt, consent of Noteholders of the Relevant Notes will not be required where the Noteholders providing a written objection to the Issuer within the 14 day period is 25 per cent. or less of the aggregate outstanding principal amount of Relevant Notes); and
- (d) the Issuer certifying that following conditions have been satisfied:
  - (i) the Substituted Issuer assumes all obligations of the Issuer in relation to the Relevant Notes;
  - (ii) unless the Issuer's successor in business is the Substituted Issuer, the obligations of the Substituted Issuer under the Relevant Notes are guaranteed by the Issuer on terms that are materially consistent with guarantees customarily given in the wholesale capital markets;
  - (iii) the Substituted Issuer has obtained all necessary authorisations from the authorities in the country where the Substituted Issuer is located, and the Issuer can make payment of, all amounts necessary for the fulfilment of the payment obligations on or in connection with the Relevant Notes in accordance with the Conditions;
  - (iv) the Notes will continue to have the benefit of the Security which will continue in full force and effect;
  - (v) there have been delivered to the Registrar opinions of lawyers of recognised standing in Australia and New Zealand (if appropriate) or of lawyers of recognised standing in the country of incorporation of the Substituted Issuer to the effect that the matters referred to in paragraphs (d)(i), (ii), (iii), (iv) and (vi) (if applicable) of this Condition 21 have been satisfied and confirming that the Substituted Issuer is validly existing, that the obligations it has assumed are valid and binding on it, that it is not in breach of any law or regulation, that it is not in breach of its constitution and that the choice of law governing jurisdiction is valid;
  - (vi) (if the Relevant Notes, or any of them, are publicly rated by a rating agency as a result of a contract between the Issuer and that rating agency), the Relevant Notes continue to have a credit rating from an internationally recognised rating agency at least equal to the credit rating of the Notes immediately prior to the substitution; and
  - (vii) (where paragraph (d)(vi) above does not apply, and if the Issuer is publicly rated by a rating agency as a result of a contract between the Issuer and that rating agency) the Substituted Issuer has or continues to have a credit rating

from an internationally recognised rating agency at least equal to the credit rating of the Issuer immediately prior to the substitution.

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## **22 Governing law, jurisdiction and service of process**

### **22.1 Governing law**

The Notes are governed by, and construed in accordance with, the law in force in New South Wales, Australia.

### **22.2 Jurisdiction**

The Issuer irrevocably and unconditionally submits, and each Noteholder is taken to have submitted, to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. The Issuer waives any right it has to object to any suit, action or proceedings (“**Proceedings**”) being brought in those courts including by claiming that the Proceedings have been brought in an inconvenient forum or that those courts do not have jurisdiction.

### **22.3 Serving documents**

Without preventing any other method of service, any document in any Proceedings may be served on the Issuer by being delivered or left at its Specified Office or otherwise at the Issuer’s registered office or principal place of business.

### **22.4 Agent for service of process**

For so long as any of the Notes issued by it are outstanding, the Issuer will ensure that there is an agent appointed to accept service of process on its behalf in New South Wales, Australia in respect of any Proceedings as may be brought in the courts of New South Wales, Australia or the Federal Courts of Australia.

The Issuer appoints Dabserv Corporate Services Pty Ltd (ABN 73 001 824 111) of Governor Phillip Tower, 1 Farrer Place, Sydney, New South Wales, 2000 as its agent to receive any document referred to in Condition 22.3 (“Serving documents”). If for any reason that person ceases to be able to act as such, the Issuer will immediately appoint another person with an office located in New South Wales to act as its agent to receive any such document and will promptly notify the Registrar and the Noteholders of such appointment.

### **22.5 Waiver of immunity**

The Issuer irrevocably and unconditionally, to the fullest extent permitted by law, waives with respect to the Notes any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally, to the fullest extent permitted by law, consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

### **22.6 No Crown guarantee**

No obligation of the Issuer under or in respect of the Notes or the Conditions is guaranteed by His Majesty the King in right of New Zealand.

## Form of Pricing Supplement

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*The Pricing Supplement to be issued in respect of each Tranche of Notes will be substantially in the form set out below.*

**NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE** – The Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and “Excluded Investment Products” (as defined in the Monetary Authority of Singapore (“MAS”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (“FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law of the UK by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the UK by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [MiFID II / Directive 2014/65/EU (as amended, “MiFID II”)]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**[UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the [EUWA / European Union (Withdrawal) Act 2018] (“UK MiFIR”); and (ii) all channels for distribution of the Notes

to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

Series No.: [●]

Tranche No.: [●]



**A\$5,000,000,000  
Australian Debt Issuance Programme**

Issue of

**[A\$][Aggregate Principal Amount of Notes]  
[Title of Notes] due [●] (“Notes”)**

The date of this Pricing Supplement is [●].

This Pricing Supplement (as referred to in the Information Memorandum dated [●] (“**Information Memorandum**”) in relation to the above Programme) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with, the terms and conditions of the Notes contained in the Information Memorandum (“**Conditions**”), the Information Memorandum and the Note Deed Poll dated [●] made by the Issuer. The Notes are secured pursuant to the Security.

Unless otherwise indicated, terms defined in the Conditions have the same meaning in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

- 1 Issuer : Auckland Council
- 2 Type of Notes : [Fixed Rate / Floating Rate / Zero Coupon / Structured / *specify other*] Notes
- 3 Method of Distribution : [Private / Syndicated] Issue
- 4 [Joint] Lead Manager[s] : [*Specify*]
- 5 Dealer[s] : [*Specify*]
- 6 Registrar : [[●] (ABN [●]) / *specify other*]



- 7 Security Trustee : Trustees Executors Limited
- 8 Issue and Paying Agent : [[●] (ABN [●]) / *specify other*]
- 9 Calculation Agent : [[●] (ABN [●]) / *specify other*]
- 10 Series Particulars (Fungibility with other Tranches) : [Not Applicable / *Specify if Tranche is to form a single Series with an existing Series, specify date on which all Notes of the Series become fungible (if no specific future date, specify the Issue Date)*]
- 11 Principal Amount of Tranche : [*Specify*]
- 12 Issue Date : [*Specify*]
- 13 Issue Price : [*Specify*]
- 14 Currency : [A\$ / *specify*]
- 15 Denomination[s] : [*Specify*]
- 16 Maturity Date : [*Specify (in the case of amortising Notes, insert the date on which the last instalment of principal is payable)*]
- 17 Record Date : [As per the Conditions / *specify other*]
- 18 Condition 7 (Fixed Rate Notes) applies : [Yes / No]  
[If “No”, delete following Fixed Rate provisions]
- Fixed Coupon Amount : [*Specify*]
- Interest Rate : [*Specify*]
- Interest Commencement Date : [Issue Date / *specify*]
- Interest Payment Dates : [*Specify*]
- Business Day Convention : [Following Business Day Convention / Preceding Business Day Convention / No Adjustment / *specify other*]
- Day Count Fraction : [RBA Bond Basis / *Specify other*]
- 19 Condition 8 (Floating Rate Notes) applies : [Yes / No]  
[If “No”, delete following Floating Rate provisions]
- Interest Rate Commencement Date : [Issue Date / *specify*]
- Interest Rate : [*Specify method of calculation*]
- Interest Payment Dates : [*Specify dates or the Specified Period*]

Business Day Convention : [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / No Adjustment / *specify other*]

Margin : [*Specify (State if positive or negative)*]

Day Count Fraction : [Actual/365 (Fixed) / *Specify other*]

Fallback Interest Rate : [*Specify* / Not Applicable]

Interest Rate Determination : [ISDA Determination / Screen Rate Determination / Benchmark Rate Determination (BBSW Rate) / Benchmark Rate Determination (AONIA Rate)]

*[If ISDA Determination applies, specify the following (otherwise delete provisions)]*

Floating Rate Option : [*Specify*]

Designated Maturity : [*Specify*]

Reset Date : [*Specify*]

*[If Screen Rate Determination applies, specify the following (otherwise delete provisions)]*

Relevant Screen Page : [*Specify*]

Relevant Time : [*Specify*]

Reference Rate : [*Specify*]

Reference Banks : [*Specify*]

Interest Determination Date : [*Specify*]

*[If Benchmark Rate Determination (BBSW Rate) applies, specify the following (otherwise delete provision)]*

BBSW Rate : [As per Condition 8.6 / *specify any variation to the Conditions*]

*[If Benchmark Rate Determination (AONIA Rate) applies, specify the following (otherwise delete provision)]*

AONIA Rate : [As per Condition 8.6 / *specify any variation to the Conditions*]

Maximum and Minimum Interest Rate : [*Specify* / Not Applicable]

Default Rate : [*Specify (In the case of interest-bearing Notes, specify rate of interest applying to overdue amounts (if different to usual Interest Rate))*]

Rounding : [As per Condition 10.6 / *specify*]

	Relevant Financial Centre	: [ <i>Specify</i> ], such that a Business Day includes a day (not being a Saturday, Sunday or public holiday) on which banks are open for general banking business in [ <i>Specify</i> ]
	Linear Interpolation	: [Applicable / Not Applicable] [ <i>If applicable, provide details</i> ]
20	Condition 9 (Structured Notes) applies	: [Yes / No]  [ <i>If “Yes”, specify full interest determination provisions, including rate or calculation basis for interest or actual amounts of interest payable, amount and dates for commencement and payment</i> ]
21	Instalment Details	: [ <i>Specify details of Instalments including Instalment Amount and Instalment Dates</i> / Not Applicable]
22	Details of Partly Paid Notes	: [ <i>Specify details</i> / Not Applicable]
23	Details of Zero Coupon Notes	: [ <i>Specify details</i> / Not Applicable]  [ <i>If “Not Applicable”, delete following Zero Coupon provisions</i> ]
	Amortisation Yield	: [ <i>Specify (in the case of Zero Coupon Notes, specify the Reference Price)</i> ]
24	Condition 11.5 (Noteholder put) applies	: [Yes, the Notes are redeemable before their Maturity Date at the option of the Noteholders under Condition 11.5 / No]  [ <i>If “No”, delete following Noteholder put provisions</i> ]
	Early Redemption Date(s) (Put)	: [ <i>Specify</i> ]
	Minimum / maximum notice period for exercise of Noteholder put	: [ <i>Specify</i> ]
	Relevant conditions to exercise of Noteholder put	: [ <i>Specify</i> ]
	Redemption Account	: [ <i>Specify</i> ]
25	Condition 11.6 (Issuer call) applies	: [Yes, the Notes are redeemable before their Maturity Date at the option of the Issuer under Condition 11.6 / No]  [ <i>If “No”, delete following Issuer call provisions</i> ]
	Early Redemption Date(s) (Call)	: [ <i>Specify</i> ]
	Minimum / maximum notice period for exercise of Issuer call	: [ <i>Specify</i> ]
	Relevant conditions to exercise of Issuer call	: [ <i>Specify</i> ]

- Redemption Amount : [*Specify*]
- 26 Minimum / maximum notice period for early redemption for taxation purposes : [*As per Condition 11.4 / specify*]
- 27 Additional Conditions : [*Specify any Conditions to be altered, varied, deleted otherwise than as provided above and also any additional Conditions to be included*]
- 28 Clearing System[s] : [*Austraclear System / specify others*]
- 29 ISIN : [*Specify*]
- 30 [Common Code] : [*Specify*]
- 31 [Selling Restrictions] : [*Specify any variation to the selling restrictions set out in the Information Memorandum*]
- 32 Listing : [*Not Applicable / Australian Securities Exchange / specify details of other relevant stock or securities exchange*]
- 33 [Credit ratings] : [*Specify*]
- A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.*
- Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a person in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Pricing Supplement and anyone who receives this Pricing Supplement must not distribute it to any person who is not entitled to receive it.]*
- 34 [Additional Information] : [*Specify*]
- 35 [New Zealand Tax] : [*Specify any additional requirements regarding New Zealand tax.*]

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

**CONFIRMED**

For and on behalf of  
**Auckland Council**

By: \_\_\_\_\_

Date:

## Description of the Security

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### General

The Notes are secured by the charge created by the debenture trust deed dated 2 December 2010 (as amended, restated or supplemented from time to time) (the “**Debenture**”) between the Issuer and Trustees Executors Limited (the “**Security Trustee**”).

The Debenture is available for inspection at the Issuer’s office at Auckland Council, 135 Albert Street, Auckland and can be viewed on the Issuer’s website at: <https://www.aucklandcouncil.govt.nz/about-auckland-council/investor-centre/Pages/security-documents.aspx>. The charge under the Debenture is held by the Security Trustee for the benefit of all persons to whom the benefit of charge under the Debenture has been extended (“**Stockholders**”).

Under the Debenture, to extend the benefit of the Debenture to a creditor, an instrument known as stock or security stock (together, “**Stock**”) is issued to that creditor. The issue of either type of Stock (i.e., stock or security stock) to a creditor will extend the benefit of the Debenture to that creditor. In respect of the Notes, security stock has been issued for the benefit of Noteholders (rateably) and, if appointed, the note trustee described in Condition 4.3 of the Notes (“**Trustee**”) for an amount equal to the Programme Amount, being the maximum principal amount of Notes to be issued under the Programme. If so appointed, the Trustee will hold that security stock on trust for the benefit of the Noteholders from time to time. It is intended that the Security Trustee will hold in safe custody the physical Stock Certificate on behalf of each Noteholder from time to time, or if so appointed, on behalf of the Trustee.

The Issuer may, from time to time, without the consent of the Security Trustee or the Noteholders, incur further secured indebtedness that ranks equally with the Issuer’s obligations to the Noteholders. There is no restriction in the Debenture on the amount of debt which the Issuer may issue or raise.

### Charged Assets

Under the Debenture, a charge is created over all rates from time to time set or assessed and all rates revenue of the Issuer and certain proceeds of such assets, being proceeds which constitute accounts receivable, negotiable instruments or cash (“**Charged Assets**”). The charge over the Charged Assets is first ranking except to the extent that other security is preferred by New Zealand law.

In the event that a receiver is appointed pursuant to the Debenture, that receiver has the power to assess and collect the Issuer’s rates and apply them in repayment of the Secured Money (as defined below) under the Debenture, and to pay the reasonable costs of administering, assessing and collecting that rate (section 115 of the LGA). The indebtedness of the Issuer in respect of the Notes forms part of the Secured Money. From the date of appointment of a receiver until such time as the appointment terminates, the rates and the rates revenue of the Issuer vest in the receiver and all power necessary for the recovery of the rates assessed under section 115 of the LGA are conferred on, and may be exercised by, the receiver. However, under the *Receiverships Act 1993* of New Zealand (the “**Receiverships Act**”), a receiver must ensure that no action by it prevents the Issuer from providing services that are essential for the maintenance of public health and safety requirements.

All rates assessed in respect of a rating unit constitute a charge against that unit (section 59 of the Rating Act). Although the ratepayer (as recorded in the rates records) is primarily liable for the rates, the Issuer also has the statutory power to recover the rates outstanding from the owner (if different from the ratepayer) or from persons with an interest in the property, including any first mortgagee. If necessary, the Issuer may apply to the High Court to sell the land in order to recover the outstanding rates (section 70 of the Rating Act).

Only the Charged Assets are the subject of the charge under the Debenture. No other assets of the Issuer are charged under the Debenture and a receiver appointed under the Debenture has no recourse to any other assets of the Issuer.

The Noteholders are able to bring a claim against the other assets of the Issuer (other than the Charged Assets) as an unsecured creditor of the Issuer. However, the claims of creditors with security over

those assets will rank ahead of the Noteholders in respect of those assets or any proceeds of them. There are restrictions on the ability of a receiver appointed in respect of other (non-charged) assets to alienate those assets on enforcement of any such security, and enforcement action in relation to many of Auckland Council's assets (such as its parks and reserves) is limited.

In particular, section 40D of the Receiverships Act places certain restrictions on a receiver's ability to realise assets of the Issuer. For example, as mentioned above, a receiver must ensure that no action by it prevents the Issuer from providing services that are essential for the maintenance of public health and safety requirements. In addition, the disposal of Auckland Council's strategic assets (identified in Auckland Council's Significance and Engagement Policy which can only be amended through a special consultative process) needs to be explicitly provided for in Auckland Council's long-term plan or an amendment to the Council's long-term plan duly passed. Both the adoption of the long-term plan and amendment of the long-term plan require the use of a special consultative procedure where there are special requirements for what must be included in the consultation document where the disposal of a strategic asset is proposed. These strategic assets include, for example, Auckland Council's interests in Port of Auckland Limited and Auckland International Airport Limited, Auckland Council's infrastructure assets, freehold interests in waterfront land and key public buildings, such as the Auckland Art Gallery.

### **Enforcement by the Security Trustee**

The Security Trustee's ability to take enforcement action under the Debenture is subject to the limitations, obligations and restrictions contained in the Debenture, including that an Enforcement Event (as defined in the Debenture and summarised below) has occurred.

In summary, the Enforcement Events under the Debenture are:

- (i) a failure to pay any principal amount in respect of any Stock (which includes security stock) issued under the Debenture within two business days of its due date (or expiration of any applicable grace period);
- (ii) a failure to pay any interest on or secured by any Stock (which includes security stock) issued under the Debenture within seven business days of its due date;
- (iii) a failure to pay any other material amount due and payable pursuant to the Debenture within 30 days after a final demand in writing has been made for that amount;
- (iv) a receiver is appointed, or an encumbrancer takes possession of or exercises a power of sale in respect of all or a material part of the Charged Assets unless the Issuer satisfies the Security Trustee that such event will not have a material adverse effect on the Issuer's ability to repay the Secured Money when it is due and payable; or
- (v) any material default (not otherwise referred to above) of any material covenant, condition or other provision contained in the Debenture is made by the Issuer and such default continues for more than 30 days after the Issuer receives written notice from the Security Trustee specifying the default and requiring it to be remedied.

If an Enforcement Event occurs under the Debenture and is subsisting, the Security Trustee may and shall, if directed by a Debenture Extraordinary Resolution (as defined below), take one or more of the following steps:

- (i) subject to the conditions of any particular Stock, declare that the whole or any affected part of the Stock and Secured Money become immediately due and payable;
- (ii) enter into possession or take possession of all or any part of the Charged Assets;
- (iii) either with or without taking possession sell, call in, collect and convert into money all or any part of the Charged Assets in the manner and for the consideration the Security Trustee thinks fit;

- (iv) apply any of the Charged Assets that are accounts receivable, money or negotiable instruments (as those terms are defined in the *Personal Property Securities Act 1999* of New Zealand) in or towards the satisfaction of the Secured Money; or
- (v) call a meeting of Stockholders to determine what action (if any) the Security Trustee should take.

As there are other Stockholders under the Debenture, there is a risk that a Debenture Extraordinary Resolution is passed without the cooperation of other Stockholders, and therefore the Security Trustee would not have to act in accordance with the wishes of the Noteholders. To the extent that other Stockholders can pass a Debenture Extraordinary Resolution, the Security Trustee may be directed to act in accordance with their instructions, notwithstanding that such instructions may be against the interests of the Noteholders.

### **Enforcement by Trustee**

Enforcement of the Debenture is essentially a two stage process involving enforcement action under the Conditions of the Notes and summarised below, followed by enforcement action under the Debenture.

In summary, if:

- (i) an Event of Default occurs under the Conditions;
- (ii) the Notes of any Series have become immediately due and repayable in accordance with the Conditions; and
- (iii) the Notes are not repaid within two business days (defined in the Debenture as being a day on which New Zealand registered banks are open in Auckland, New Zealand for general banking business),

then:

- (a) the Issuer must use its reasonable endeavours to appoint, within 14 days of the Security becoming enforceable, a Trustee to act on behalf of the Noteholders;
- (b) within two business days of the Security becoming enforceable, the Registrar shall be required to call a meeting of the Noteholders (such meeting to be held at least 15 days after the Security becomes enforceable) in accordance with the meeting provisions set out in the Deed Poll;
- (c) at that meeting Noteholders may:
  - (i) where the Issuer has failed to appoint a Trustee, appoint a Trustee;
  - (ii) where the Issuer has appointed a Trustee, confirm the appointment of that Trustee; or
  - (iii) take such other action that the Noteholders may otherwise agree;
- (d) the Trustee (if so appointed) will at its sole discretion take such proceedings and/or actions as it may think fit in relation to the Issuer to enforce the Issuer's obligations, but shall only be bound to do so if:
  - (i) requested in writing by at least 25 per cent. in aggregate principle amount of the notes of a Series outstanding; or
  - (ii) so directed by an Extraordinary Resolution of the Noteholders of a Series; and
- (e) if the Trustee (if so appointed) fails to act within a reasonable time and such failure is continuing, or if no Trustee has been appointed by either the Issuer or the Noteholders, then each

Noteholder may proceed directly against the Issuer in connection with the enforcement of the Security.

If the Security Trustee does not exercise its discretion to take action pursuant to the Debenture, the Noteholders or the Trustee may, if they hold at least 10 per cent. in nominal amount of Stock, request the Security Trustee to convene a meeting of Stockholders. The nominal amount specified in respect of the security stock issued to the Noteholders and Trustee is the Programme Limit. Additional security stock will be issued to the Noteholders and Trustee if the Programme Limit is increased. Voting under the Debenture and the nominal amount of Stock (including conversion of nominal amounts which are not denominated in New Zealand dollars) are discussed in more detail below.

If appointed, the Trustee will be required to take any such action if respectively directed or requested to do so (i) by an Extraordinary Resolution of the Noteholders of a Series or (ii) in writing by the Noteholders of at least 25 per cent. in aggregate principal amount of the Notes of the relevant Series then outstanding and in either case then only if it is indemnified, secured and/or pre-funded to its satisfaction.

If a Trustee is appointed, only the Trustee will be entitled to enforce the provisions of the Debenture and Security Stock. A Noteholder will not be entitled to proceed directly against the Issuer to enforce the performance of any of the provisions of the Debenture and Security Stock unless the Trustee having become bound to take proceedings fails to do so within a reasonable period and such failure shall be continuing or if a Trustee has not been appointed within a reasonable time of the Security having become enforceable.

### **Voting**

Every Stockholder who is present at a meeting and entitled to vote, will, on a show of hands, be entitled to one vote only and, on a poll, be entitled to one vote for every NZ\$1.00 (converted from any other relevant currencies in which Notes may be denominated as described below) of nominal amount of Stock of which it is the holder. A Debenture Extraordinary Resolution is a resolution passed by extraordinary resolution under the Debenture and which requires, in summary, 75 per cent. of the votes cast at a meeting approving the resolution or if a written resolution is to be passed, 75 per cent. in number of the persons with a right to vote and holding 75 per cent. of the nominal amount of the Stock approving the resolution. The quorum for a meeting to pass a Debenture Extraordinary Resolution is Stockholders present in person or by representative holding no less than 25 per cent. of the nominal value of the debt securities held by the number of Stockholders entitled to vote on the business to be transacted at the meeting.

The nominal amount of Stock is the face value of the Stock, which in the case of security stock is the amount specified on the security stock issued to the relevant Stockholder. The nominal amount specified in respect of the security stock issued to the Trustee is the Programme Limit. Additional security stock will be issued to the Noteholders and the Trustee if the Programme Limit is increased.

### **Currency Conversion**

For the purpose of the meeting provisions set out in the second schedule of the Debenture, the Security Trustee is entitled to notionally convert the nominal amount of Stock denominated in a currency other than New Zealand dollars into New Zealand dollars, with the notional conversion to be made at the spot rate, as quoted to the Security Trustee by a reference bank, at which the Security Trustee is able to purchase New Zealand dollars with the actual currency of the nominal amount at the time at which that calculation is to be made.

### **Priority**

Following enforcement of the charge under the Debenture and realisation of the Charged Assets, in summary, all proceeds of such realisation will be held and applied by the Security Trustee in or towards payment of the following and in the following order:

- (i) the remuneration and costs of a receiver;
- (ii) all amounts payable in respect of claims preferred by law;



- (iii) all amounts required to enable the relevant receiver to provide those services of the Issuer that are essential for the maintenance of public health and safety requirements as are applicable;
- (iv) all amounts secured by any charge having priority over the charge created by the Debenture;
- (v) all amounts owing to the Security Trustee (including by way of indemnity) under the Debenture;
- (vi) the Priority Principal Amount and the Priority Interest Amount (as described in more detail below and together, the “**Priority Total Amount**”) owing to Stockholders;
- (vii) any other Secured Money (as defined below) owing to the Stockholders that do not form part of the Priority Total Amount;
- (viii) any amounts secured by any charge ranking behind to the charge created by the Debenture; and
- (ix) finally, to or for the benefit of the Issuer.

The Priority Total Amount relating to the security stock held by a Stockholder must be paid pari passu with the Priority Total Amount of other Stockholders, but in priority to the other Secured Money which does not form part of the Priority Total Amount.

The Debenture provides that the Priority Principal Amount, in respect of security stock held by a Stockholder, is the lesser of the nominal amount specified in respect of that security stock or the principal amount outstanding in respect of that security stock, including capitalised interest, fees, commissions and expenses (other than uncapitalised interest) owing by the Issuer to that Stockholder.

Priority Interest Amount is defined under the Debenture as being all interest (other than capitalised interest) but excluding any interest which has been due and owing since a date more than six months prior to the date on which the charge created by the Debenture is enforced by the Security Trustee. This six-month limit applies for all Stockholders, including the Noteholders. Upon enforcement, the payment of any interest that has been due and owing for more than six months will rank behind payment of the Priority Total Amount. Any such interest remains payable and continues to have the benefit of the charge under the Debenture. This includes the ability of a receiver to levy rates to recover such amounts.

For the purpose of calculating any person’s share of any sum payable to it, the Security Trustee shall be entitled to notionally convert the Secured Money owed to that person into New Zealand dollars, with such notional conversion to be made at the spot rate, as quoted to the Security Trustee by a reference bank, at which the Security Trustee is able to purchase New Zealand dollars with the actual currency of the Secured Money owed to that person at the time at which that calculation is to be made provided that:

- (i) such notional conversion shall not alter the amount owing to, or secured in favour of, such person; and
- (ii) where a notional conversion is undertaken in respect of the application and distribution of proceeds following enforcement as described above, the conversion shall be undertaken on the same date as the Security Trustee makes such distribution.

Following application of the priority clause set out above, for the purpose of distributing the amount available for distribution to the relevant Stockholder, the Security Trustee will convert the New Zealand dollar amount available to be distributed to a Stockholder (the “**Relevant Dollar Amount**”) to the relevant foreign currency (which may be Australian dollars) in which the Secured Money is owing at the spot rate, as quoted to the Security Trustee by a reference bank, at which the Security Trustee is able to purchase that foreign currency with the Relevant Dollar Amount at the time at which that distribution is to be made.

## Amendments to Debenture

The Debenture or the terms of any Stock may be amended by the Issuer and the Security Trustee:

- (a) without the consent of Stockholders where the amendment does not, to the satisfaction of the Security Trustee, have a material adverse effect on the affected Stockholders and in the opinion of the Security Trustee is necessary or desirable:
  - (i) to correct a manifest error or omission, or to correct an error of a minor, formal or technical nature;
  - (ii) to facilitate the expedient issue of Stock by the Issuer or to make provision for outstanding Stock to be issued in bearer form;
  - (iii) to facilitate the expedient issue of types of Stock not specifically provided for in the Debenture;
  - (iv) to comply with the *Financial Markets Conduct Act 2013* of New Zealand (“**FMCA**”) and the *Financial Markets Conduct Regulations 2014* of New Zealand in relation to the issue of retail Stock to which that Act or those regulations may apply;
  - (v) to facilitate the listing or maintenance of a listing of any Stock on a stock exchange;
  - (vi) to facilitate the establishment and maintenance of multiple Stock registers, and the appointment of multiple registrars or paying agents, in respect of the issuance of different types of Stock;
  - (vii) to facilitate the transfer of retail Stock under a system authorised or approved by the FMCA; or
  - (viii) to comply with, or as a result of the coming into effect of, any applicable law; or
- (b) with the consent of Stockholders given by way of a Debenture Extraordinary Resolution of each class of Stockholders that is or may be adversely affected by the amendment; or
- (c) if the Security Trustee is satisfied that it does not have a material adverse effect on the affected Stockholders,

provided always that:

- (d) no variation or addition will be made in the terms and conditions of issue of any Security Stock (as distinct from the provisions of the Debenture) that have a material adverse effect on the Stockholders of that Security Stock without the consent in writing of the relevant holder of that Security Stock; and
- (e) in relation to an amendment affecting Stock, the Security Trustee must, where required by the FMCA, provide or, where applicable, obtain the certificates required under s 108(2)(b) of the FMCA.

## Defined terms

In this section, capitalised terms which are not otherwise defined in this Information Memorandum have the meaning set out below:

“**Debenture Extraordinary Resolution**” means a resolution:

- (i) passed at a duly convened meeting (including an adjourned meeting) of Stockholders by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of

hands or, if a poll is duly demanded, by a majority consisting of not less than three-fourths of the votes given on such poll; or

- (ii) in writing signed by at least three-fourths in number of the persons having the right to vote on that resolution, having in the aggregate at least three-fourths in nominal amount of the Stock giving the right to vote at a meeting of Stockholders, provided that the person or persons promoting that resolution have given the Security Trustee, the Issuer and the Stockholders at least three business days prior notice of the proposed resolution; and

**“Secured Money”** means the principal and interest payable on, or in respect of, the Stock and, to the extent that such is lawfully entered into by the Issuer, all other money owing or payable to or at the direction of the Security Trustee or any receiver or any Stockholder under the Debenture or the terms of issue of any Stock.

## Selling Restrictions

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*Under the Dealer Agreement dated 26 March 2013 between the Issuer, and the Dealers (as amended and supplemented from time to time, the “**Dealer Agreement**”) and subject to the Conditions contained in the Information Memorandum, the Notes will be offered by the Issuer through the Dealers. The Issuer has the sole right to accept any offer to purchase Notes and may reject that offer in whole or (subject to the terms of the offer) in part. Each Dealer has the right to reject any offer to purchase Notes made to it in whole or (subject to the terms of such offer) in part. The Issuer is entitled under the Dealer Agreement to appoint one or more financial institutions as a Dealer for a particular Tranche of Notes or to the Programme generally. At the time of any appointment, each such financial institution will be required to represent and agree to the selling restrictions applicable at that time.*

*Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, to comply with any applicable law or directive in any jurisdiction in which it subscribes for, offers, sells or transfers Notes and that it will not, directly or indirectly, subscribe for, offer, sell or transfer Notes or distribute any Information Memorandum or other offering material in relation to the Notes, in any jurisdiction, except in accordance with these selling restrictions, any additional restrictions which are set out in the relevant Pricing Supplement and any applicable law or directive of that jurisdiction.*

*None of the Issuer or any Dealer has represented that any Notes may at any time lawfully be offered or sold, or that this Information Memorandum or any other offering material in relation to the Notes may be distributed, in compliance with any applicable registration or other requirements in any jurisdiction, or in accordance with any available exemption, or assumes any responsibility for facilitating that sale or distribution.*

*In addition to the above, the following selling restrictions apply:*

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### **1 General**

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Information Memorandum or any other offering material in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Information Memorandum comes are required by the Issuer and the Dealers to comply with all applicable laws and directives in each country or jurisdiction in which they purchase, offer, sell, resell, reoffer or deliver Notes or have in their possession or distribute or publish the Information Memorandum or other offering material and to obtain any authorisation, consent, approval or permission required by them for the purchase, offer, sale, reoffer, resale or delivery by them of any Notes under any applicable law or directive in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales, reoffers, resales or deliveries, in all cases at their own expense, and neither the Issuer nor any Dealer has responsibility for such matters. In accordance with the above, any Notes purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Notes in such jurisdiction.

In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of Notes in Australia, New Zealand, the UK, the United States of America, Hong Kong, Japan, Singapore and a prohibition of sales to EEA and UK retail investors as set out below.

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### **2 Australia**

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Notes has been, or will be, lodged with ASIC. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be

required to represent and agree, that unless the relevant Pricing Supplement (or another supplement to any Information Memorandum) otherwise provides, it:

- (a) has not (directly or indirectly) made or invited, and will not make or invite, an offer of the Notes for issue, purchase or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any Information Memorandum or any other offering material or advertisement relating to any Notes in Australia,

unless:

- (i) the aggregate consideration payable by each offeree or invitee in Australia (including any person who receives an offer or invitation or offering materials in Australia) is at least A\$500,000 (or its equivalent in an alternate currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act;
- (iii) such action does not require any document to be lodged with ASIC; and
- (iv) such action complies with any applicable laws and directives in Australia.

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### 3 New Zealand

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes may not be offered for issue or sale to any person in New Zealand and no offering document or advertisement may be published or distributed in New Zealand, except to wholesale investors within the meaning of, and in compliance with, the FMCA.

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### 4 The United Kingdom

#### *Prohibition of sales to UK retail investors*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the applicable Pricing Supplement in relation thereto, to any retail investor in the UK. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA; or

- (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law of the UK by virtue of the EUWA; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

*Other regulatory restrictions*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has complied and will comply with all applicable provisions of the “FSMA” with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK; and
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of such Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) in relation to Notes with a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold, and will not offer or sell, any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer.

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**5 The United States of America**

*Regulation S; Category 2*

The Notes have not been and will not be registered under the Securities Act.

Terms used in the following paragraphs have the meanings given to them by Regulation S under the Securities Act (“**Regulation S**”).

The Notes may not be offered, sold, delivered or transferred within the United States of America, its territories or possessions or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or in transactions exempt from the registration requirements of the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted under the Dealer Agreement, it will not offer, sell or deliver the Notes:

- (a) as part of their distribution at any time; and
- (b) otherwise until 40 days after completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the Lead Manager,

within the United States of America or to, or for the account or benefit of, U.S. persons.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will have sent to each distributor to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States of America or to, or for the account or benefit of, U.S. persons.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States of America by any dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the U.S. Securities Act.

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## 6 Hong Kong

The Notes have not been authorised by the Hong Kong Securities and Futures Commission.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes other than:
  - (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (as amended) (“**SFO**”) and any rules made under the SFO; or
  - (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) of Hong Kong (as amended) (the “**C(WUMPO)**”) or which do not constitute an offer to the public within the meaning of the C(WUMPO); and
- (b) unless it is a person permitted to do so under the applicable securities laws of Hong Kong, it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, (in each case whether in Hong Kong or elsewhere) any advertisement, invitation, other offering material or other document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

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## 7 Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”) and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes directly or indirectly in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, directives and ministerial guidelines of Japan.

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## 8 Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore.

Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that, it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes whether directly or indirectly, to any persons in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA; or
- (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

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## 9 European Economic Area

### *Prohibition of sales to EEA Retail Investors*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA.

For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

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## 10 Variation

These selling restrictions may be amended, varied, replaced or otherwise updated from time to time in accordance with the Dealer Agreement. Any change may be set out in a Pricing Supplement or in another supplement to this Information Memorandum.



# Taxation

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## Australian Taxation

The following is a summary of the Australian taxation treatment under the Income Tax Assessment Acts 1936 and 1997 of Australia (together, the “**Australian Tax Act**”), at the date of this Information Memorandum, of payments of interest on the Notes to be issued by the Issuer under the Programme and certain other Australian tax matters. It is a general guide and should be treated with appropriate caution. The summary does not deal with the position of certain classes of holders of Notes (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of other persons). In addition, this summary does not consider the tax implications for persons who hold interests in the Notes through the Austraclear System, Euroclear, Clearstream, Luxembourg or another clearing system.

This summary is not intended to be, nor should it be construed as, legal or tax advice to any particular holder of Notes. Prospective holders of Notes who are in any doubt as to their tax position should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances. Information regarding taxes in respect of Notes may also be set out in the applicable Pricing Supplement.

### 1 Interest withholding tax

So long as the Issuer continues to be a non-resident of Australia and the Notes issued by it are not issued at or through, nor attributable to a permanent establishment of the Issuer in Australia, payments of principal and interest made under Notes issued by it should not be subject to Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act.

### 2 Other tax matters

Under Australian laws as presently in effect:

- (a) *death duties* - no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (b) *stamp duty and other taxes* - no *ad valorem* stamp, issue, registration or similar taxes are payable in Australia on the issue, transfer or redemption of any Notes;
- (c) *other withholding taxes on payments in respect of Notes* - so long as the Issuer continues to be a non-resident of Australia and does not carry on business at or through a permanent establishment in Australia, the tax file number requirements of Part VA of the Australian Tax Act and section 12-140 of Schedule 1 to the *Taxation Administration Act 1953* of Australia (“**Taxation Administration Act**”) should not apply to the Issuer;
- (d) *supply withholding tax* - payments in respect of the Notes can be made free and clear of the “supply withholding tax” imposed under section 12-190 of Schedule 1 to the *Taxation Administration Act*; and
- (e) *goods and services tax (“GST”)* - neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of the Notes will comprise (i) an input taxed financial supply, (ii) a GST-free supply or (iii) a supply that is outside the scope of GST law. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Notes, would give rise to any GST liability in Australia.

## New Zealand Taxation

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*The following is a summary of the New Zealand withholding tax treatment at the date of this Information Memorandum of certain payments of interest (as defined in the Income Tax Act 2007 of New Zealand, and which includes the amount paid on the redemption of a Note to the extent that any of that amount exceeds the amount of money lent to the Issuer under the Note) on the Notes to be issued by the Issuer and certain other matters. It is not exhaustive. It relates only to the position of holders who are the absolute beneficial owners of their Notes and all payments made under such Notes. Prospective holders of Notes should be aware that particular terms of issue of any Series of Notes may affect the tax treatment of that and other Series of Notes. The following is a general guide and should be treated with appropriate caution. The statements below are based on applicable tax legislation current at the date of this Information Memorandum. Prospective holders of Notes should consult their professional advisors as to their New Zealand tax position.*

*This summary only applies in respect of Notes issued by the Issuer. Where used in this section, “interest” has the meaning given to that term in New Zealand taxation legislation for withholding tax purposes. Other words or phrases used in this section which are defined in the Income Tax Act 2007 of New Zealand have the meaning given in that Act.*

A deduction on account of New Zealand resident withholding tax will be made from the payment of interest (as defined under New Zealand tax legislation) under a Note to a person if:

- (i) the person deriving the interest is:
  - (a) a resident of New Zealand for income tax purposes or is otherwise a person, the payment of interest to whom will be subject to New Zealand resident withholding tax; or
  - (b) a registered bank that is not resident in New Zealand but is engaged in business in New Zealand through a fixed establishment in New Zealand and is not an associated person of the Issuer; or
  - (c) not a resident in New Zealand but holds the relevant Note for the purposes of a business they carry on in New Zealand through a fixed establishment in New Zealand,(each a “**New Zealand Noteholder**”); and
- (ii) at the time of such payment, the New Zealand Noteholder does not hold RWT-exempt status for New Zealand resident withholding tax purposes and is not otherwise exempt from resident withholding tax.

On any Interest Payment Date or the Maturity Date of any of the Notes, any Noteholder, as required under the Conditions, who is:

- (a) a New Zealand Noteholder, represents to the Issuer that it holds RWT-exempt status or will otherwise be exempt from resident withholding tax for the purposes of the *Income Tax Act 2007* of New Zealand and (provided it is lawfully able to do so) undertakes to maintain that status or remain exempt for such time as any amount is owing to it in respect of any Note; and
- (b) not a New Zealand Noteholder, represents to the Issuer that the payment of interest under a Note is not derived by it or any beneficial owner of the Note jointly with any New Zealand Noteholder.

Under the Conditions of the Notes, the Issuer is not obliged to make any additional payments where a deduction on account of New Zealand resident withholding tax is made or required.

Although New Zealand law requires a deduction on account of non-resident withholding tax to be made from the payment of interest (as defined under New Zealand tax legislation) under a Note to a person who is not a New Zealand Noteholder (a “**non-New Zealand Noteholder**”), the Issuer intends (to the

extent permitted by law and for so long as they do not incur any increased cost or detriment from so doing) to reduce the applicable rate of non-resident withholding tax to zero per cent. by registering the Programme with the New Zealand Inland Revenue Department and paying, on its own account, an approved issuer levy which is currently equal to 2 per cent. of the relevant interest payment. Approved issuer levy will not be available if the non-New Zealand Holder is an “associated person” of the Issuer and/or if the interest relates to a “related-party debt” as these terms are defined in the *Income Tax Act 2007* of New Zealand.

Under the Conditions, if the Issuer makes a deduction on account of New Zealand non-resident withholding tax, the Issuer is obliged to pay such additional amounts as may be necessary in order that the net amount received by the relevant Noteholder after such deduction is equal to the payment that would have been received in the absence of such deduction. Exceptions to the obligation to pay an additional amount are set out in Condition 13.

Where a non-New Zealand Noteholder derives interest under a Note jointly with one or more persons, and one or more of those persons is resident in New Zealand for income tax purposes, the approved issuer levy regime will not apply to interest paid to the non-New Zealand Noteholder and New Zealand non-resident withholding tax must be deducted from interest paid to the non-resident at the applicable rate of New Zealand resident withholding tax. Relief from New Zealand tax under an applicable double taxation treaty may be available, but only on application to the New Zealand Inland Revenue Department for a refund of over-deducted tax. Under the Conditions of the Notes, the Issuer is not obliged to make any additional payments to such non-New Zealand Noteholders where a deduction on account of New Zealand non-resident withholding tax is made.

Each investor contemplating acquiring Notes under the Programme is advised to consult a professional adviser in connection with the consequences (including the withholding tax consequences) relating to the acquisition, retention and disposition of Notes.

## **United States Foreign Account Tax Compliance Act and the OECD Common Reporting Standard**

### **United States Foreign Account Tax Compliance Act**

Under sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”), a 30 per cent. withholding (“**FATCA withholding**”) may be required if (i)(A) an investor does not provide information sufficient for any non-U.S. financial institution (“**FFI**”) through which payments on the Notes are made to determine the Noteholder’s status under FATCA, or (B) an FFI to or through which payments on the Notes are made is a “non-participating FFI”; and (ii) the Notes are treated as debt for U.S. federal income tax purposes and the payment is made in respect of Notes issued or modified after the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register, or the Notes are treated as equity for U.S. federal income tax purposes or do not have a fixed term, whenever issued.

FATCA withholding is not expected to apply on payments made before the date that is two years after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register.

New Zealand and the United States signed an intergovernmental agreement (“**New Zealand IGA**”) in respect of FATCA on 12 June 2014. The New Zealand Parliament has enacted legislation amending the Taxation Administration Act 1994 to give effect to the New Zealand IGA (“**FATCA Amendments**”).

Under the FATCA Amendments, an FFI may be required to provide the New Zealand Inland Revenue Department with information on financial accounts (for example, the Notes) held by U.S. persons and recalcitrant account holders and on payments made to non-Participating FFIs.

In the event that any amount is required to be withheld or deducted from a payment on the Notes as a result of FATCA, pursuant to the terms and conditions of the Notes, no Additional Amounts will be paid by the Issuer as a result of the deduction or withholding.

Prospective investors should consult their tax advisers to determine how FATCA and the New Zealand IGA may apply to them, the Issuer and to the payments the prospective investors may receive in connection with the Notes.

### **Common Reporting Standard**

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“**CRS**”) requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. New Zealand has enacted legislation amending the *Tax Administration Act 1994* of New Zealand to give effect to CRS.

## Directory

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New Zealand

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### Dealers

#### **Australia and New Zealand Banking Group Limited**

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Attention: Head of Bond Syndicate, Global Markets  
Telephone: + 61 2 8037 0200  
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#### **Commonwealth Bank of Australia**

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Level 8, CBP North  
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Attention: Head of Debt Capital Markets  
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#### **The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch**

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#### **Citigroup Global Markets New Zealand Limited**

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#### **National Australia Bank Limited**

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#### **UBS AG, Australia Branch**

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**Westpac Banking Corporation**  
(ABN 33 007 457 141, AFSL No. 233714)

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Attention: Head of DCM, Syndicate & Solutions  
Telephone: + 61 2 8253 1425  
Email: DL.FM.DCM.and.Syndicate@westpac.com.au

**Security Trustee**

**Trustees Executors Limited**

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Attention: Regional Manager  
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**Registrar and Issue and Paying Agent**

**Computershare Investor Services Pty Limited**

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