

EXECUTION VERSION

Deed of Covenant

NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY
LIMITED

as Issuer

relating to

a U.S.\$2,000,000,000 Euro-Commercial Paper Programme

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THIS DEED is dated 26 September 2023 and **MADE BY:**

(1) **NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED** (the "Issuer"),

in favour of:

(2) **THE ACCOUNTHOLDERS** (as defined below).

BACKGROUND:

- (A) The Issuer has established a programme under which it may, from time to time, issue commercial paper (the "Programme"). Each issue of Notes (as defined below) may be represented initially by a global note (each a "Global Note") which will be exchangeable for notes in definitive form ("Definitive Notes") in the circumstances specified in the relevant Global Note.
- (B) Each Global Note will be delivered to a depositary or a common depositary for Euroclear Bank SA/NV or any successor thereto ("Euroclear") and Clearstream Banking S.A. or any successor thereto ("Clearstream, Luxembourg") or such other Clearing System as may be agreed by the Issuer and the Agent.
- (C) The Issuer wishes to make arrangements for the protection of the interests of Accountholders in the event that the relevant Global Note becomes void in accordance with its terms.

NOW THIS DEED WITNESSES as follows:

1. **Interpretation**

1.1 In this Deed:

"Accountholder" means any accountholder with a Clearing System which at the Relevant Date has credited to its securities account with such Clearing System one or more Entries in respect of the relevant Global Note, except for a Clearing System in its capacity as an accountholder of another Clearing System;

"Agent" means Deutsche Bank Aktiengesellschaft, a joint stock corporation with limited liability incorporated in the Federal Republic of Germany, acting through its branch in Hong Kong with its principal place of business in Hong Kong at Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong (also known as "Deutsche Bank AG, Hong Kong Branch") acting as issue agent and as paying agent for the Notes and any successor or additional agent appointed in accordance with the Issue and Paying Agency Agreement;

"Clearing System" means each of Euroclear and Clearstream, Luxembourg or any other relevant clearing system agreed by the Issuer and the Agent;

"Debt" means the debt evidenced by the relevant Global Note or any interest therein;

"Direct Rights" means the rights referred to in Clause 2.1;

"Entry" means any entry which is made in the securities account of any Accountholder with a Clearing System in respect of Notes represented by the relevant Global Note;

"Information Memorandum" means the then latest information memorandum issued by the Issuer in connection with the Programme;

“Issue and Paying Agency Agreement” means the issue and paying agency agreement, dated on or about the date of this Deed, between the Issuer and the Agent, providing for the issuance of and payment on the Notes;

“Note” means any promissory note from time to time issued by the Issuer in accordance with the provisions of the Issue and Paying Agency Agreement, between the Issuer, the Agent and the other agents named therein, as may be amended or supplemented from time to time;

“Principal Amount” means, in respect of any Entry, the aggregate principal amount of the Notes to which such Entry relates; and

“Relevant Date” means the date on which the bearer of the relevant Global Note becomes entitled to exchange the Global Note for Definitive Notes in accordance with the terms of such Global Note.

- 1.2 Any reference in this Deed to a Clause is, unless otherwise stated, to a clause hereof.
- 1.3 Headings and sub-headings are for ease of reference only and shall not affect the construction of this Deed.
- 1.4 Any Notes issued under the Programme on or after the date of this Deed of Covenant shall have the benefit of this Deed of Covenant but shall not have the benefit of any subsequent deed of covenant relating to the Programme (unless expressly so provided in any such subsequent deed).

2. Direct Rights

- 2.1 If circumstances arise that would give the bearer of any Global Note the right to exchange that Global Note for Definitive Notes in accordance with the terms of such Global Note, each Accountholder shall have against the Issuer all rights in respect of the Debt (“Direct Rights”) which such Accountholder would have had under the Notes if, immediately before the Relevant Date, it had been the holder of Definitive Notes, duly executed, authenticated and issued, in an aggregate principal amount equal to the Principal Amount of such Accountholder’s Entries including (without limitation) the right to receive all payments due at any time in respect of such Definitive Notes as if such Definitive Notes had been duly presented and (in the case of final redemption of a Definitive Note) surrendered on the due date in accordance with the terms of such Note, provided that such Direct Rights shall cease to exist if the Issuer makes payment of the full amount due under the Debt or any interest due thereon to the bearer of the Global Note in accordance with the terms thereof.
- 2.2 No further action shall be required on the part of the Issuer or any other person for the Accountholders to enjoy the Direct Rights or for each Accountholder to have the benefit of the terms and conditions of the Notes represented by the Global Note as if they had been incorporated *mutatis mutandis* into this Deed provided that nothing herein shall entitle any Accountholder to receive any payment in respect of the relevant Global Note which has already been made.
- 2.3 There shall be treated as incorporated into this Deed and with respect to the Direct Rights and any sums payable in relation thereto, all those provisions of the Notes represented by the relevant Global Note (immediately before it became void) relating to the amount of any sum payable by the Issuer or the time and manner in which any such amount should be paid (including, without limitation, any grossing-up provision in any Global Note) but as if references in such provisions to (i) any Note or to any principal of, or other amount payable on, any Note were references to the Direct Rights or to sums payable with respect to the Direct Rights and (ii) any holder of any Note were references to the applicable Accountholder.

3. **Evidence**

3.1 The records of the relevant Clearing System as at the opening of business on the Relevant Date shall be conclusive as to the identity of the Accountholders and the respective amounts credited to their securities accounts and a statement issued by a Clearing System setting out:

- (A) the name of the Accountholder in respect of which it is issued; and
- (B) the Principal Amount of any Entry credited to the securities account of such Accountholder with such Clearing System on any date,

shall, in the absence of manifest error, be conclusive evidence for all purposes of this Deed.

3.2 If a Clearing System determines the Relevant Date, such determination shall be binding on all Accountholders with such Clearing System.

4. **Deposit of Deed**

This Deed shall be deposited with and held by the Agent until the date on which all the obligations of the Issuer under or in respect of the Notes (including, without limitation, its obligations under this Deed) have been discharged in full and no further Notes may be issued under the Issue and Paying Agency Agreement. The Issuer hereby acknowledges the right of every Accountholder to the production of this Deed.

5. **Covenants**

The Issuer hereby warrants, represents and covenants with each Accountholder that it has all corporate power, and has taken all necessary corporate or other steps, to enable it to execute, deliver and perform this Deed, and that this Deed constitutes a legal, valid and binding obligation enforceable in accordance with its terms, subject to mandatory provisions of applicable law and creditors rights generally.

6. **Stamp Duties**

The Issuer shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which may be payable upon or in connection with the execution and delivery of this Deed, and shall indemnify each Accountholder against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, properly incurred legal fees and any applicable value added tax) which it may incur as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

7. **Benefit of Deed**

7.1 This Deed shall take effect as a deed poll for the benefit of the Accountholders from time to time.

7.2 This Deed shall enure to the benefit of each Accountholder and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed against the Issuer.

7.3 The Issuer shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Accountholder shall be entitled to assign all or any of its rights and benefits hereunder.

8. **Guarantee**

The Issuer's obligations in relation to (among other things) this Deed are guaranteed by the Local Authorities that are from time to time Guarantors under the Guarantee (each such term as defined in the Information Memorandum relating to the programme dated 26 September 2023).

9. **Partial Invalidity**

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

10. **Notices**

- 10.1 All notices and other communications hereunder shall be made in writing and in English (by letter or email) and shall be sent to the Issuer at:

New Zealand Local Government Funding Agency Limited
City Chambers
Level 8, 142 Featherston Street
Wellington 6011
New Zealand

Email: LGFAtreasuryoperations@lgfa.co.nz
Attention: Operations Manager

or to such other address or email address or for the attention of such other person or department as the Issuer has notified to the Accountholders.

- 10.2 Any communication sent in accordance with Clause 10.1 shall be effective as follows:

(A) Any communication by letter shall be made to the intended recipient and marked for the attention of the person, or any one of them, at its relevant address and shall be deemed to have been made upon delivery, subject to Clause 10.3.

(B) Any communication by email shall be made to the intended recipient at the relevant email address from time to time designated by that party and shall be deemed to have been received when the email communication has been received by the intended recipient in legible form at the correct email address, subject to Clause 10.3.

- 10.3 A communication given under this Deed but received on a non-Business Day or after business hours in the place of receipt will only be deemed to be given on the next Business Day in that place.

11. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any provision of this Deed under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

12. **Governing Law and Jurisdiction**



- 12.1 This Deed and any non-contractual obligations arising out of or in connection with this Deed shall be governed by, and construed in accordance with, English law. The Issuer irrevocably

agrees for the benefit of the Accountholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Deed (including a dispute relating to any non-contractual obligations arising out of or in connection with this Deed) and that accordingly any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with this Deed (including any Proceedings relating to any non-contractual obligations arising out of or in connection with this Deed) may be brought in the courts of England.

- 12.2 The Issuer irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any Proceedings in the courts of England, irrevocably agrees that a final judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Issuer and irrevocably waives any objection to the enforcement of that judgment in the courts of any other jurisdiction. Nothing contained in this Clause 12.2 shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.
- 12.3 The Issuer irrevocably appoints Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopgate, London EC2N 4AG as its agent for service of process in any proceedings before the English courts in connection with this Deed. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer must immediately appoint another agent. The Issuer agrees that failure by an Issuer agent to notify it of any process will not invalidate the relevant proceedings. This Clause 12.3 does not affect any other method of service allowed by law.
- 12.4 The Issuer irrevocably and unconditionally, agrees not to claim any immunity from proceedings brought by any Accountholder against it in relation to this Deed and to ensure that no such claim is made on its behalf, consents generally to the giving of any relief or the issue of any process in connection with those proceedings, and waives all rights of immunity in respect of it or its assets.
- 12.5 This Clause 12 does not affect any other method of service allowed by law.

IN WITNESS whereof the Issuer has caused this Deed of Covenant to be executed and delivered on the day and year first above mentioned.

EXECUTED as a DEED by)
)
NEW ZEALAND LOCAL GOVERNMENT)
FUNDING AGENCY LIMITED)
acting by two Directors)
)
)
)


Craig - H. Stobo

Anthony Quirk

In the presence of:

Name: MARK BUTCHER
Title: CHIEF EXECUTIVE
Address: 547 ADELPHI ROAD
BERHAMPTON
WELLINGTON