

EXECUTION VERSION

DEED OF COVENANT

DATED 22 JANUARY 2025

NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED

relating to the

**U.S.\$10,000,000,000
Euro Medium Term Note Programme
(the Programme)**

A&O SHEARMAN

Allen Overy Shearman Sterling

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THIS DEED OF COVENANT is made on 22 January 2025 by **NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED** (the **Issuer**) in favour of the account holders or participants specified below of Clearstream Banking S.A. (**Clearstream**), Euroclear Bank SA/NV (**Euroclear**) and/or any other additional clearing system or systems as is specified in Part B of the Pricing Supplement relating to any Note (as defined below) (each a **Clearing System**).

WHEREAS:

- (A) The Issuer has entered into a Programme Agreement (the **Programme Agreement**, which expression includes the same as it may be amended, supplemented, novated or restated from time to time) dated 22 January 2025 with the Arranger and the Dealers named in it under which the Issuer proposes from time to time to issue Notes (as defined below).
- (B) The Issuer has also entered into an Agency Agreement (the **Agency Agreement**, which expression includes the same as it may be amended, supplemented, novated or restated from time to time) dated 22 January 2025 between, *inter alia*, the Issuer and Deutsche Bank AG, Hong Kong Branch (the **Principal Paying Agent**).
- (C) Certain of the Notes will initially be represented by, and comprised in, Global Notes (as defined in the Agency Agreement), in each case representing a certain number of underlying Notes (the **Underlying Notes**).
- (D) Each Global Note may, on issue, be deposited with a depositary for one or more Clearing Systems (together, the **Relevant Clearing System**). Upon any deposit of a Global Note the Underlying Notes represented by the Global Note will be credited to a securities account or securities accounts with the Relevant Clearing System. Any account holder with the Relevant Clearing System which has Underlying Notes credited to its securities account from time to time (other than any Relevant Clearing System which is an account holder of any other Relevant Clearing System) (each a **Relevant Account Holder**) will, subject to and in accordance with the terms and conditions and operating procedures or management regulations of the Relevant Clearing System, be entitled to transfer the Underlying Notes and (subject to and upon payment being made by the Issuer to the bearer in accordance with the terms of the relevant Global Note) will be entitled to receive payments from the Relevant Clearing System calculated by reference to the Underlying Notes credited to its securities account.
- (E) The Issuer has established a programme under which it may, from time to time, issue medium term notes (the **Programme**). Each issue of Notes 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.
- (F) The Issuer wishes to make arrangements for the protection of the interests of Relevant Account Holders 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:

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 principal paying agent, registrar and transfer agent for the Notes and any successor or additional agent appointed in accordance with the Agency Agreement;

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;

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

Offering Circular means the then latest offering circular issued by the Issuer in connection with the Programme; 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 Relevant Account Holder shall have against the Issuer all rights in respect of the Debt (**Direct Rights**) which such Relevant Account Holder 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 respect of each Underlying Note 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 Relevant Account Holders to enjoy the Direct Rights or for each Relevant Account Holder 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 Relevant Account Holder 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 (a) 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 (b) any holder of any Note were references to the applicable Relevant Account Holder.

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 Relevant Account Holders and the Underlying Notes credited to their securities accounts and a statement issued by a Relevant Clearing System setting out:

- (a) the name of the Relevant Account Holder in respect of which it is issued; and
- (b) the aggregate nominal amount of Underlying Notes credited to the securities account of such Relevant Account Holder with such Relevant 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 Relevant Clearing System determines the Relevant Date, such determination shall be binding on all Relevant Account Holders with such Relevant 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 Agency Agreement. The Issuer hereby acknowledges the right of every Relevant Account Holder to the production of this Deed.

5. COVENANTS

The Issuer hereby warrants, represents and covenants with each Relevant Account Holder 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 Relevant Account Holder 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 Relevant Account Holders from time to time.

7.2 This Deed shall enure to the benefit of each Relevant Account Holder 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 Relevant Account Holder shall be entitled to assign all or any of its rights and benefits hereunder.

8. GUARANTEE

The Issuer's payment 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 Offering Circular relating to the Programme).

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 11, 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 Relevant Account Holders.

- 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 each Relevant Account Holder that the courts of England are to have exclusive 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 Bishopsgate, 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 Relevant Account Holder 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.

13. NO CROWN GUARANTEE

Each holder of Notes acknowledges that the obligations and liabilities of the Issuer under the Notes and this Deed are not guaranteed by the New Zealand Crown.

SIGNATORIES

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**

by two Directors

[illegible]

CHLOE
CRAIG. H. STOBO
VBM
HELEN A. ROBINSON