IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to the attached offering circular (the **Offering Circular**) following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER (AS DEFINED IN THE OFFERING CIRCULAR) IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, "U.S. PERSONS" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT, A **U.S. PERSON**), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE APPLICABLE PRICING SUPPLEMENT AND TERMS AND CONDITIONS OF THE NOTES. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE OFFERING CIRCULAR.

Confirmation of the Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, investors must not be in the United States and must not be either a U.S. Person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. Person. The Offering Circular is being sent at your request and by accepting the electronic mail and accessing the Offering Circular, you shall be deemed to have represented to us that you are not in the United States or a U.S. Person or acting for the account or benefit of a U.S. Person, the electronic mail address that you gave us and to which this electronic mail has been delivered is not located in the United States and that you consent to delivery of the Offering Circular by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular to any other person. You should not reply by e-mail to this notice, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. The materials relating to any offering of Notes (as defined in the Offering Circular) under the Programme (as defined in the Offering Circular) to which the Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the relevant Arranger or Dealer (each as defined in the Offering Circular) or any affiliate of such Arranger or Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Arranger or Dealer or affiliate on behalf of the Issuer in such jurisdiction.

The Offering Circular has been sent to you in electronic format. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Arranger or the relevant Dealers (each as defined in the Offering Circular) or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from any of the Issuer, the Arranger or the relevant Dealers.

You are responsible for protecting against viruses and other destructive items. Your use of this electronic mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

OFFERING CIRCULAR DATED 4 SEPTEMBER 2026

NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED

U.S.$10,000,000,000
Euro Medium Term Note Programme
guaranteed by
certain Local Authorities (as defined below)

Under this U.S.$10,000,000,000 Euro Medium Term Note Programme (the **Programme**), New Zealand Local Government Funding Agency Limited (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The Issuer's obligations in relation to (among other things) the Notes are guaranteed by the Local Authorities that are from time to time Guarantors under the Guarantee (each such term as defined below). See "*Description of the Guarantors and the Guarantee*" below for further details.

The New Zealand Government does not guarantee any of the Issuer's obligations or liabilities in relation to the Notes.

Notes may be issued in bearer or registered form (respectively **Bearer Notes** and **Registered Notes**). Each Series of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable pricing supplement document (the **Pricing Supplement**), a permanent global note (a **Permanent Global Note** and, together with a Temporary Global Note, each a **Bearer Global Note**) which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream**). The Registered Notes of each Series will initially be represented by a global note in registered form (a **Registered Global Note**). Registered Global Notes will be deposited with a common depositary for Euroclear and Clearstream, and registered in the name of the nominee for the Common Depositary of, Euroclear and Clearstream, as specified in the applicable Pricing Supplement.

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.$10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

An investment in Notes issued under the Programme involves certain risks and may not be suitable for all investors. Investors should not purchase the Notes unless they understand and are able to bear risks associated with the Notes. For a discussion of these risks, see "*Risk Factors*". The Offering Circular does not describe all of the risks of an investment in the Notes.

Application has been made to the Singapore Exchange Securities Trading Limited (the **SGX-ST**) for permission to deal in and for the listing and quotation of any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the official list (the **Official List**) of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. There is no assurance that an application to the SGX-ST for the listing of the Notes will be approved. The approval-in-principle from, and the admission of any Notes to the Official List of, the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its associated companies (if any), the Programme or such Notes. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes (as defined in "*Overview of the Programme*") will be set out in the applicable Pricing Supplement (which, with respect to Notes to be listed on the SGX-ST, will be delivered to the SGX-ST on or before the date of issue of the Notes of such Tranche).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).

The Programme has been rated AA+ by Fitch Australia Pty Limited (**Fitch**) and AA+ by S&P Global Ratings, acting through S&P Global Ratings Australia Pty Limited (**S&P**). Notes issued under the Programme may be rated or unrated. Where a Series of Notes is to be rated, such Series may be rated by one or more credit rating agencies on an issue-by-issue basis as specified in the applicable Pricing Supplement. Where a Series of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued. A credit rating is not a recommendation to buy, sell or hold securities, including securities such as the Notes, 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.

This Offering Circular does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (the **Prospectus Regulation**) or the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (the **PRM**). The Issuer is not offering the Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Regulation or the rules in the PRM.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States of America (the **United States**) or to or for the account or benefit of, U.S. persons.

Arranger

UBS Investment Bank

Dealers

ANZ	**Barclays**	**BNP PARIBAS**	**BofA Securities**
HSBC	**National Australia Bank Limited**	**TD Securities**	**UBS Investment Bank**

Westpac Banking Corporation

IMPORTANT NOTICE

The Issuer accepts responsibility for the information contained in this Offering Circular (other than audited annual financial statements of each of the Local Authorities that are from time to time Guarantors under the Guarantee (including the notes in respect of such financial statements) together with the audit report prepared in connection therewith). To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular for which it is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer has neither approved nor reviewed the audited annual financial statements of each of the Local Authorities that are from time to time Guarantors under the Guarantee (including the notes in respect of such financial statements) together with the audit report prepared in connection therewith that are incorporated by reference into the Offering Circular.

Subject as provided in the applicable Pricing Supplement, the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the applicable Pricing Supplement as the relevant Dealer or the managers. This Offering Circular and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealers of the Notes from time to time to be issued pursuant to the Programme.

Each Tranche of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the **Terms and Conditions of the Notes** or **Conditions** and each term therein, a **Condition**) as amended and/or supplemented by the applicable Pricing Supplement. This Offering Circular is to be read and construed together with any amendments or supplements hereto and in conjunction with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that those documents are incorporated and form part of this Offering Circular.

Neither the Arranger, the Dealers nor the Agents have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Dealers or the Agents as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme. The Arranger, each Dealer and each Agent accordingly disclaims all and any liability, whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer, the Arranger, the Dealers nor any Agent to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, any of the Dealers or any Agent.

Neither this Offering Circular nor any other information (including any financial information) supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation; (b) should be considered as a recommendation by the Issuer, the Arranger, any of the Dealers or any Agent that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes; or (c) is financial product advice, and does not take into account the investment objectives, financial situation or particular needs of any investor contemplating purchasing any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. Neither this Offering Circular nor any other information (including any financial information) supplied in connection with the Programme, or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Arranger, any of the Dealers or any Agent to any person to subscribe for or to purchase any Notes. Investors should review, among other things, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

Neither the delivery of this Offering Circular or any Pricing Supplement nor the offering, sale or delivery of any Notes shall in any circumstances imply that there has been no change in the affairs of the Issuer or that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or the date upon which

this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger, the Dealers and the Agents expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes issued under the Programme of any information coming to their attention.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and any Pricing Supplement and the offer or sale of Notes may be restricted by law in certain jurisdictions. Neither the Issuer, the Arranger, the Dealers nor the Agents represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the United Kingdom (**UK**), the Republic of Italy, Australia, New Zealand, Singapore, Japan, Hong Kong, Canada and Switzerland and a prohibition of sales of any Notes to European Economic Area (**EEA**) retail investors and UK retail investors, see "*Subscription and Sale*".

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in the applicable Pricing Supplement.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Conditions, in which event a supplemental Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

CERTAIN DEFINITIONS

All references in this document to:

- **Local Authority** means a Local Authority as defined in the Local Government Act 2002 of New Zealand;
- **NZ$** or **NZD** refers to New Zealand dollars;
- **euro**, **EUR** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
- **Sterling** and **£** refer to pounds sterling;
- **U.S. dollars**, **USD** and **U.S.$** refer to United States dollars; and
- **S$** refers to Singapore dollars.

Certain figures and percentages included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In this Offering Circular, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in or incorporated by reference in this Offering Circular, any applicable supplement or any applicable Pricing Supplement;
- has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

PRESENTATION OF FINANCIAL INFORMATION

The Issuer prepares its financial statements as general-purpose financial statements in New Zealand dollars in accordance with the New Zealand Generally Accepted Accounting Practice (**NZ GAAP**) and they comply with New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**) and other applicable financial reporting standards. The financial statements also comply with International Financial Reporting Standards (**IFRS**).

Unless otherwise indicated, financial information of the Issuer included in this Offering Circular has been derived from the audited financial statements of the Issuer as at and for the respective financial years ended 30 June 2023 (**FY2023**), 30 June 2024 (**FY2024**), 30 June 2025 (**FY2025**) and 30 June 2026 (**FY2026**). The financial statements for FY2023, FY2024, FY2025 and FY2026 were audited by KPMG on behalf of the Auditor-General of New Zealand.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilisation manager(s) (such Dealer or Dealers, the **Stabilisation Manager(s)**) (or persons acting on behalf of any such Stabilisation Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time,

but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

FORWARD-LOOKING STATEMENTS

Certain statements, other than statements of historical facts, included in this Offering Circular, including, without limitation, those regarding the Issuer's financial position, business strategy, expenditure, investment or other plans and objectives of management for future operations, constitute 'forward-looking statements'. Forward-looking statements can be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'believe', 'anticipate,' 'plan', 'estimate,' 'scheduled' or 'continue' or the negative of such terms or comparable terminology. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which they will operate in the future. Various factors exist that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements. Neither the Issuer nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Offering Circular will actually occur and you are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements in this Offering Circular reflect views held only as of the date of this Offering Circular. The Issuer disclaims any obligation or undertaking to disseminate after the date of this Offering Circular any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based. Any subsequent written and forward-looking statements that may be released and are attributable to the Issuer or persons acting on behalf of any of them are also expressly qualified in their entirety by the above cautionary statements.

NO REGISTRATION UNDER U.S. SECURITIES ACT

Nothing in this Offering Circular constitutes an offer to sell or the solicitation of any offer to buy the securities of the Issuer in the United States. The Notes and the Guarantee (as defined below) have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes are subject to certain U.S. tax law requirements. The Notes may not be offered or sold or delivered within the United States or to, or for the account or the benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction (see "*Subscription and Sale*"). See "*Form of the Notes*" for a description of the manner in which Notes will be issued.

This Offering Circular may not be forwarded or distributed to any U.S. person (as defined in Regulation S) or to any U.S. address. Any forwarding, distribution or reproduction of this Offering Circular in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act.

IMPORTANT – 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 EEA. For these purposes, a 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, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. 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.

IMPORTANT – PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not 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 by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**) (**UK MiFIR**); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 (the **POATRs**). Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook (**DISC**) for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

MiFID II PRODUCT GOVERNANCE/TARGET MARKET

The applicable Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" 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 (an **EU distributor**) should take into consideration the target market assessment; however, an EU 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 target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Notes about whether, for the purpose of the MiFID Product Governance rules under the EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any such Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET

The applicable Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" 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 **UK distributor**) should take into consideration the target market assessment; however, a UK 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 target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Notes about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any such Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE SFA)

In connection with Section 309B of the SFA, the Issuer has determined, and hereby notifies all relevant persons as defined in Section 309A(1) of the SFA that, unless otherwise stated in the applicable Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme are classified as "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 Notice SFA 04-N12: Notice on the Sale of Investment Products and the Monetary Authority of Singapore Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE SFC CODE

Prospective investors should be aware that certain intermediaries in the context of certain offerings of the Notes pursuant to this Programme, each such offering, a **CMI Offering**, including certain Dealers, may be "capital market intermediaries" (together, the **CMIs**) subject to Paragraph 21 of the Hong Kong Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the **SFC Code**). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors.

Certain CMIs may also be acting as "overall coordinators" (**OCs**) for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealers in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (an **Association**) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and, by placing an order, prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to the Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

Contents

Page

Overview of the Programme....10
Risk Factors....17
Documents Incorporated by Reference....35
Form of the Notes....36
Form of Pricing Supplement....40
Terms and Conditions of the Notes....55
Description of the Guarantors and the Guarantee....108
Use of Proceeds....111
Description of the Issuer....112
Board and Management....114
Selected Financial Information....117
Taxation....121
Subscription and Sale....123
General Information....133

Overview of the Programme

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Conditions, in which event, in the case of listed Notes only, if appropriate, a new Offering Circular or a supplemental Offering Circular will be published.

Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meanings in this Overview.

Key parties

Issuer	New Zealand Local Government Funding Agency Limited.
Issuer Legal Entity Identifier	254900ZJG39H1CAH6K02.
Guarantors.....	A list of the current Guarantors can be found on the Issuer's website: https://www.lgfa.co.nz/investors/guarantee-arrangements.
Security Trustee	TEL Security Trustee (LGFA) Limited as security trustee under the Security Trust Deed (as defined in the Conditions).
Arranger	UBS AG London Branch.
Dealers.....	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) Barclays Bank PLC BNP PARIBAS HSBC Continental Europe Merrill Lynch International National Australia Bank Limited (ABN 12 004 044 937) The Toronto-Dominion Bank UBS AG London Branch Westpac Banking Corporation (ABN 33 007 457 141) and any other Dealers appointed in accordance with the Programme Agreement from time to time. The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme in accordance with the Programme Agreement. References in this Offering Circular to Dealers are to the person listed above as a Dealer and to such additional persons that are appointed as dealers in respect of the whole Programme (and, in each case, whose appointment has not been terminated) and all persons appointed as a dealer in respect of one or more Tranches.

Principal Paying Agent, Registrar and Transfer Agent	Deutsche Bank AG, Hong Kong Branch.
Calculation Agent.....	If a Calculation Agent is required for the purpose of calculating any amount or making any determination under any Tranche or Series, such appointment will be notified in the applicable Pricing Supplement.
Agents.....	The Registrar, the Principal Paying Agent, the Transfer Agent and any Calculation Agent are referred to in this Offering Circular or the Conditions as the **Agents**.

Information relating to the Programme

Description.....	U.S.$10,000,000,000 Euro Medium Term Note Programme.
Risk Factors.....	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme or the Guarantee. In addition, there are also certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. See further "*Risk Factors*".
Certain Restrictions.....	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Offering Circular. **Notes denominated in Singapore dollars will have a minimum board lot size of at least S$200,000.** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the UK, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000 (as amended, the **FSMA**) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Programme Size.....	Up to U.S.$10,000,000,000 (or the equivalent of that amount in one or more other currencies) outstanding at any time. The programme size may be increased by the Issuer from time to time in accordance with the terms of the Programme Agreement without the consent of each holder of a **Note** (a Noteholder and together, the **Noteholders**).
Issuance in Series.....	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will be subject to identical terms, except that the issue date,

	the first interest payment date and interest commencement date may be different in respect of the Tranches. Each Tranche of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" as amended and/or supplemented by the applicable Pricing Supplement specific to such Tranche. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the applicable Pricing Supplement. As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single Series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, and unless this is a Zero Coupon Note, Interest Commencement Dates and/or first Interest Payment Date.
Distribution.....	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies.....	Notes may be denominated in Sterling, euro, U.S. dollars, yen, Swiss francs, Singapore dollars, Australian dollars, New Zealand dollars, Canadian dollars and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer.
Maturities.....	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price.....	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes.....	Notes will be issued in bearer form as **Bearer Notes** or registered form as **Registered Notes**, in each case as specified in the applicable Pricing Supplement. Bearer Notes will not be exchanged for Registered Notes or vice versa. See "*Form of the Notes*" for further information.
Clearing Systems.....	Clearstream and Euroclear, in relation to any Tranche of Notes, such other clearing system as may be agreed between the Issuer, the relevant Paying Agent and the relevant Dealer(s).
Fixed Rate Notes	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count

	Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes.....	Floating Rate Notes will bear interest at a rate determined on the basis of the reference rate set out in the applicable Pricing Supplement. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer. The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.
Benchmark Discontinuation	On the occurrence of a Benchmark Event, the Issuer may (subject to certain conditions and following consultation with an Independent Adviser) determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments in accordance with Condition 4.2(c). Where the Floating Rate Notes reference Compounded Daily SARON as the Reference Rate, if the Swiss Average Rate Overnight is unavailable and a SARON Index Cessation Event and both a SARON Index Cessation Effective Date have occurred, the fallback provisions in the definition of SARON provide for the determination of a SARON Recommended Rate and a SARON Recommended Adjustment Spread, if any, and any relevant amendments to the Conditions in accordance with Condition 4.2(x)(b). In addition, if the conditions set out in the last paragraph of the definition of SARON have been satisfied, the relevant fallback provisions in Condition 4.2(c) will apply and the Issuer may (subject to certain conditions and following consultation with an Independent Adviser) determine an Alternative Rate, an Adjustment Spread, if any, and any Benchmark Amendments in accordance with Condition 4.2(c).
Zero Coupon Notes	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption.....	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions*" above.

Denomination of Notes..... The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation ..... All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction, unless such withholding or deduction is required by law as provided in Condition 7. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge ..... The terms of the Notes do not contain a negative pledge provision.

Events of Default..... The terms of the Notes will contain Events of Default as further described in Condition 9.

Status of the Notes..... The Notes and any Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsubordinated and unsecured obligations of the Issuer, from time to time outstanding.

Guarantee and Security..... The Issuer's obligations in relation to the Notes are guaranteed by the Local Authorities that are from time to time Guarantors under the Guarantee. Other than the New Zealand Government, each holder of ordinary shares in the Issuer must be a Guarantor. In addition, as at the date of this Offering Circular, the Issuer's policy is that:

(a) any Local Authority that borrows from the Issuer or has a facility agreement with the Issuer where the Issuer's commitment is more than NZ$20,000,000 must be a Guarantor; and

(b) any CCO Shareholder (as defined below) must be a Guarantor, where its council-controlled organisation has entered into one or more lending arrangements with the Issuer.

In addition, under the Issuer's foundation policies as at the date of this Offering Circular (**Foundation Policies**), a council-controlled

organisation may only borrow from the Issuer if 100 per cent. of the equity securities carrying voting rights at a meeting of shareholders of the council-controlled organisation are held or controlled, directly or indirectly, by one or more Local Authorities and the New Zealand Government (if applicable). For this purpose, a **council-controlled organisation** or **CCO** is, in summary, a company where one or more Local Authorities (each such Local Authority, being a **CCO Shareholder**) holds or controls, directly or indirectly, 51 per cent. or more of the voting rights of that company, with the balance (if any) held by the New Zealand Government. The Issuer's Foundation Policies (including this requirement in relation to council-controlled organisations) may change in the future.

The New Zealand Government does not guarantee any of the Issuer's obligations or liabilities in relation to the Notes.

The Guarantors each guarantee to the Security Trustee, for the benefit of each Noteholder and other creditors of the Issuer to whom the Issuer extends the benefit of the Guarantee and Security Trust Deed from time to time (each such creditor, including the Noteholders, a **Beneficiary**), the Issuer's due payment and delivery of all amounts the Issuer is or may at any time become liable to pay to the Beneficiaries.

The Security Trustee must make a demand under the Guarantee on behalf of each Noteholder when such Noteholder requests the Security Trustee to do so and confirms to the Security Trustee that an Event of Default has occurred. For this purpose, "Event of Default" has the meaning given to it in the Security Trust Deed and includes a failure by the Issuer to make a payment under the Notes when due.

Each demand the Security Trustee makes under the Guarantee must be made on a pro-rata basis according to each Guarantor's prior year's annual rates revenues. If a Guarantor fails to pay its pro-rata share of a demand under the Guarantee, the Security Trustee will make further demands on the other Guarantors for payment of the unpaid amount on a pro-rata basis until the outstanding amounts are paid in full.

The Notes are not secured by any mortgage or other charge over the Issuer's assets. The obligations of each Guarantor under the Guarantee are secured by each Guarantor's Debenture Trust Deed. See further "*Description of the Guarantors and the Guarantee*".

Ratings ..... The Programme has been rated AA+ by Fitch and AA+ by S&P. Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, its rating will be specified in the applicable Pricing Supplement. The rating of one Series of Notes may not necessarily be the same as the rating assigned to another Series of Notes.

	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 rating organisation.
Listing and admission to trading.....	Application has been made to the SGX-ST for permission to deal in, and for the listing and quotation of, any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no assurance that an application to the SGX-ST for the listing of the Notes will be approved. If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies). The Notes may also be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series. Unlisted Notes may also be issued. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchange(s).
Governing Law.....	The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance with, English law. The Security Trust Deed and the Guarantee are governed by, and shall be construed in accordance with, New Zealand law.
Selling Restrictions.....	There are restrictions on the offer, sale and transfer of the Notes in the United States, the UK, the Republic of Italy, Australia, New Zealand, Singapore, Japan, Hong Kong, Canada and Switzerland, a prohibition of sales of any Notes to EEA retail investors and UK retail investors and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale*"
United States Selling Restrictions.....	Regulation S, Category 2, TEFRA C or D, as specified in the applicable Pricing Supplement.
Further Issues.....	The Issuer may from time to time, without the consent of the Noteholders, create and issue further securities having the same terms and conditions as the Notes in all respects so that such further issue shall be consolidated and form a single Series with the Notes.

Risk Factors

Prospective investors should note that the risks relating to the Issuer and an individual issue of Notes summarised in this Offering Circular are the risks that the Issuer believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in such Notes. However, as the risks which the Issuer faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in this Offering Circular but also, among other things, the risks and uncertainties described below.

The risks described below are not the only risks that the Issuer faces. Additional risks and uncertainties not presently known to management or that management currently believes to be immaterial may also adversely affect the Issuer's business. Any of these risks may have a material adverse effect on the business, operations, financial position and/or performance of the Issuer, and may materially impact the Issuer's ability to make payments of interest on, and principal of, the Notes.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES

Risks relating to the Issuer's business

The Issuer was established to raise debt on behalf of Local Authorities on terms that are more favourable to them than if they raised the debt directly. As at the date of this Offering Circular, the Issuer lends exclusively to Local Authorities and council-controlled organisations in New Zealand. Accordingly, the Issuer is subject to risks specific to its business and the borrowers it lends to. Many of these risk factors are beyond the Issuer's control.

The Issuer takes measures to manage some of these risk factors, as set out below in more detail. For example, the Issuer imposes reporting obligations on each borrowing Local Authority and council-controlled organisation (each a **Borrower**) to monitor that Borrower's compliance with its financial covenants.

However, there is no guarantee that any of these or other measures taken by the Issuer will be effective. Any default by a Borrower, or if the Issuer is unable to fully mitigate these and other risk factors, may adversely affect the Issuer's business, results of operations and/or financial condition, which would in turn impact on the Issuer's ability to pay interest and/or repay the Notes.

The Issuer is subject to public policy and local government reform risk

The Issuer's business model is dependent on the structure, responsibilities and funding requirements of New Zealand local authorities. Central government policy decisions may result in significant changes to the local government sector, including local authority amalgamations, changes to infrastructure ownership and funding arrangements, reforms to water service delivery, the establishment of council-controlled organisations or other entities, and amendments to the legislative framework governing local authorities.

Such changes may affect the borrowing requirements of Local Authorities, the composition and credit profile of the guarantor group, demand for the Issuer's services and the Issuer's overall business model. While some reforms may create opportunities for the Issuer, others may reduce borrowing demand, alter funding arrangements or otherwise adversely affect the Issuer's business, financial performance or

strategic position. There can be no assurance as to the nature, timing or impact of future policy reforms affecting the local government sector.

The Issuer's business is subject to lending risk

The Issuer specialises in financing the New Zealand local government sector by lending to Local Authorities and council-controlled organisations. The Issuer is therefore exposed to the financial performance of these entities and the risk of loss if these entities fail to meet their contractual payment obligations. New Zealand's local government sector comprises 78 Local Authorities, each of which have been allocated a district or region of New Zealand. The revenue of a Local Authority depends on the economy of its district or region and, in respect of rates revenue, the properties within its district or region.

Under the Local Government Act 2002 of New Zealand, council-controlled organisations are subject to certain governance and accountability requirements. However, a council-controlled organisation may undertake a wide range of business and operations. As at the date of this Offering Circular:

- the Issuer has 12 borrowers that are council-controlled organisations, each of which are funding and/or holding companies for their CCO Shareholder(s). In the future, the Issuer may lend to council-controlled organisations that undertake different activities to the council-controlled organisations it currently lends to; and

- of the borrowers that are council-controlled organisations, four are water council-controlled organisations (**Water CCOs**) and the Issuer has confirmed that it will provide funding to other Water CCOs in the future. Water CCOs are expected to be more highly leveraged than Local Authorities. However, to be eligible to borrow, a Water CCO must meet the Issuer's qualifying criteria for lending to council-controlled organisations, including that each of its CCO Shareholder(s) must be a Guarantor. See "*Description of the Issuer – Local Government Sector – Local Water Done Well*" for further details.

The Issuer's expectation is that a council-controlled organisation would primarily operate in its CCO Shareholder(s)' district(s) or region(s). This would mean a council-controlled organisation's revenue would depend on the economy of its CCO Shareholder(s)' district(s) or region(s). However, there may be additional factors that could also affect the revenue of council-controlled organisations, which are unknown as at the date of this Offering Circular.

The economy of a district or region is affected by the economy at a national level and economic conditions globally. Less favourable economic conditions, whether generally or in a specific geographic region, or external events such as climatic, biological or geological disasters, could increase the risk that impacted Borrowers will default, causing loss to the Issuer. To the extent that specific geographic regions have experienced or may experience in the future weaker regional economic conditions than other regions (for example, severe weather events that affect a specific region only), a concentration of Borrowers in such a region may be expected to exacerbate any or all of the risks relating to the Issuer's credit risk described in this section.

The Issuer's business is subject to foreign currency risk

The Issuer finances itself through domestic and international wholesale and (in New Zealand only) retail debt capital markets (in a range of currencies including Australian dollars, CHF, euros and U.S. dollars). The funds raised are on-lent to Borrowers in New Zealand dollars and to finance the Issuer's liquid assets portfolio in New Zealand dollars. While the Issuer aims to manage its exposure to foreign exchange risk by entering into cross-currency foreign exchange swaps for all of its borrowing in currencies other than New Zealand dollars, the Issuer is still exposed to exchange risk which may become more acute during periods of significant currency volatility. Accordingly, the Issuer is exposed

to the risk of an adverse change in foreign exchange rates that may adversely affect the Issuer's financial position.

The Issuer is subject to liquidity and funding risk

The Issuer may be unable to meet financial obligations when they become due (under normal or abnormal or stressed operating conditions). This may be due to the Issuer having insufficient liquid assets or being unable to obtain funding. Liquidity and funding risk is inherent in all the Issuer's operations due to the timing mismatches between cash inflows and cash outflows.

The Issuer's ability to raise debt (at a reasonable cost or at all) is influenced by conditions in the financial markets and economic conditions globally and in particular in New Zealand. The Issuer's ability to borrow in New Zealand dollars may be impacted by the supply of New Zealand Government Bonds (**NZGB**), which is determined by the fiscal policy of the New Zealand Government from time to time. As at the date of this Offering Circular, the Issuer is the second largest issuer of New Zealand dollar denominated bonds after the New Zealand Government and has the same credit rating as the New Zealand Government. An increase in the supply of NZGBs may reduce the price of NZGBs and make them more attractive to investors compared to the Issuer's New Zealand dollar denominated bonds. That could lead to a reduction in demand for the Issuer's New Zealand dollar denominated bonds, which may in turn affect the financial performance of the Issuer.

Volatility and changes in liquidity, credit spreads, interest rates, exchange rates and the value of other investments, may also affect the financial performance of the Issuer.

Liquidity and funding risk is managed using a forecast cashflow approach measured over a 90-day period. The Issuer is required to maintain sufficient liquidity (comprising holdings of cash and liquid investments, and has a liquidity facility from the New Zealand Government which is intended to support six months of funding commitments). Please see also "*Description of the Issuer – New Zealand Government Liquidity Facility*" for further details. However, the requirement to maintain sufficient liquidity may not be effective if counterparties that issue the relevant liquid investments dishonour or default on their obligations (please see also "*—Counterparty and settlement risk*").

The Issuer's business is subject to local and global economic conditions

The Issuer's business, results of operations and/or financial condition is influenced by the performance of the New Zealand local government sector (see also "*—The Issuer's business is subject to lending risk*"). The New Zealand local government sector in turn is affected by New Zealand economic conditions and, to a lesser extent, global economic conditions.

The amount of borrowing undertaken by the Issuer is determined by the anticipated amount of borrowing required by Borrowers and the amount of liquid assets the Issuer wishes to hold. The borrowing requirements of Borrowers may be impacted by the New Zealand economy. For example, a slowdown in the New Zealand economy or the economy of a particular district or region could lead to a slowing in population growth and less activity in the housing market, each of which may have a corresponding reduction in infrastructure investment by Local Authorities, which can result in a decrease in Local Authority and council-controlled organisation borrowing requirements.

Geopolitical tensions, including war and civil unrest, fiscal policy changes, introduction of trade tariffs, economic developments, actions of global central banks, pandemics and other communicable diseases may cause volatility in financial markets and negatively impact the New Zealand domestic and global economy, which may adversely affect the financial performance of the Issuer. For example, the Israel-Hamas conflict, which began in October 2023, contributed to heightened geopolitical risk and periods of volatility in global oil and fuel markets during 2024. More recently, the conflict involving the United States, Israel and Iran, which began in late February 2026 and escalated during March 2026, has

increased risks to energy supply and shipping routes in the Middle East. Any sustained disruption to oil or fuel supply, or further increase in oil or fuel prices, could contribute to inflationary pressures in New Zealand and globally. These factors (including as a result of other macroeconomic factors such as supply chain disruption) may impact market conditions for issuance by the Issuer that could make it more difficult or more costly to borrow.

Interest rate risk

The Issuer's business is to raise debt for on-lending to Borrowers and to finance the Issuer's liquid assets portfolio. As a result, the Issuer faces the risk that its financial assets (principally, funding provided to Borrowers) may re-price or mature at a different time compared to its financial liabilities, which could expose the Issuer to a financial loss.

The Issuer lends exclusively to Local Authorities and council-controlled organisations in New Zealand, and so is exposed to the level of borrowing required by these entities. A Borrower's specific borrowing requirements from the Issuer may be influenced by economic factors (please see also "*—the Issuer's business is subject to local and global economic conditions*"), the availability of other sources of funding, and decisions made by the New Zealand Government (please see also "*—Regulatory risk*"). If there is a material change in Borrowers' borrowing requirements, there may be a mismatch between the Issuer's anticipated lending and the actual funds raised by the Issuer. Such a mismatch would in turn impact the financial assets held by the Issuer and the interest rates on those assets.

The Issuer uses the following measures to assess the potential change in its balance sheet due to changes in interest rates:

- "Value at risk" which calculates the potential amount a portfolio could be expected to lose, 5 per cent. of the time, over a given time period. It is calculated using historical changes in underlying risk variables and applying those changes to the Issuer's current portfolio.

- "Partial differential hedge" which measures the sensitivity of a portfolio to a one basis point change in underlying interest rates.

In addition, the Issuer also undertakes scenario analysis to model the potential effect of changing market environments on its balance sheet.

While the Issuer takes such measures and analysis, there is no guarantee that these will be effective and changes in interest rates and market conditions may adversely affect the Issuer's business, results of operations and/or financial condition.

Counterparty and settlement risk

The Issuer regularly enters into financial transactions with a range of counterparties for liquidity or hedging purposes (for example, derivative contracts relating to interest rates and/or currency). The Issuer faces the risk of financial loss arising from a counterparty defaulting on an investment, security, financial instrument and/or transaction where the Issuer is a holder or party. The Issuer may be exposed to a heightened risk of counterparties being unable to honour their contractual obligations or defaulting on their obligations due to a deterioration of the financial condition of the Issuer's counterparties, which may also affect the Issuer's liquidity position (please see also "*—the Issuer is subject to liquidity and funding risk*").

Counterparty credit risk is managed through counterparty limits for investments. These limits are determined as a function of the term of investment, liquidity and credit quality of the counterparty (as measured by a recognised credit rating).

All derivative contracts are subject to formal collateral arrangements to mitigate counterparty risk. Investment is restricted to approved financial instruments listed in the Issuer's treasury policy, which is approved by the Issuer's Board.

The Issuer is also exposed to settlement risk on currency hedging transactions, for example where the two currencies to the transaction do not settle in the same time zone.

While the Issuer has counterparty limits in relation to the credit quality of the counterparty and limiting the timing mismatch where possible, there is no assurance that the Issuer's risk management strategies will always be fully effective or that they will fully mitigate or offset all risks. A counterparty's default, non-compliance or delayed payment may adversely affect the Issuer's business, results of operations and/or financial condition.

Operational risk

The Issuer faces risk of financial and/or reputation loss arising from human error, fraud, negligent behaviour, system failures or inadequate procedures and controls. The Issuer uses internal controls and procedures across operational functions to manage operational risk. This includes segregation of duties between staff members who have the authority to enter transactions with external counterparties and the staff who control, check and confirm such transactions.

The Issuer’s financial and operational performance is, dependent on a small group of individuals who comprise the Issuer's employees. The continued ability of the Issuer to operate effectively and implement its strategies depends on its ability to attract new employees and retain and motivate existing employees. The Issuer has strategies in place to manage risks relating to employee turnover, including succession planning for all positions. Any loss of the services of key employees or the inability to attract and retain highly skilled staff in the future may have an adverse effect on the Issuer's business.

Information technology (IT) and cyber risk

The Issuer is dependent on IT systems which may fail, may be inadequate to the tasks at hand or may no longer be available. IT systems are vulnerable to, amongst other things, software or hardware malfunctions, interruptions in network availability, cyber-attacks, and human error. These factors may also affect suppliers of cloud services to the Issuer.

Major incidents of instability or unavailability of the Issuer's IT systems may have an adverse effect on the Issuer's business. The Issuer's IT systems need regular upgrades and replacements to meet the changing needs of its business, and the increased needs of building resilience against cyber threats.

The Issuer may not be able to implement upgrades in a timely manner, and upgrades may fail to perform as planned. The Issuer maintains back-up systems for its operations. However, there are certain worst-case scenarios, for example in the event of a major catastrophe resulting in the failure of its IT systems, where the Issuer could lose significant portions of data with regard to its operations. The Issuer is reliant on its outsourcing contracts for the maintenance and operation of its IT systems. Should these counterparties become unwilling or unable to fulfil their obligations under the relevant outsourcing contracts, the Issuer could find the effective functioning of its IT systems compromised. In particular, the Issuer may be affected by connectivity problems, which relate to third party suppliers and public cloud providers, and which might lead to service interruptions and adverse media coverage. A major disruption to the Issuer's IT systems, whether under the scenarios outlined above or under other scenarios, may have a material adverse effect on the normal operation of the Issuer's business, and thus on its financial condition and results of operations.

Cyber risks could affect the Issuer's core business applications and interfaces to other financial institutions by exploiting potential vulnerabilities in technological security barriers and human behaviour. The Issuer makes continuous investments and improvements to address cyber-risk threats by conducting thorough due diligence of major IT service providers.

For example, as a member of SWIFT, the Issuer's cyber control environment is designed to ensure it meets all mandatory controls required under the SWIFT Customer Security Controls Framework (**CSCF**). These mandatory SWIFT controls, which the Issuer has adopted as its cyber control framework, provide its core protection against the risk of cyber-attack. The integrity of the Issuer's control environment under the CSCF is reviewed annually by independent consultants approved by SWIFT.

However, there can be no assurance that these investments and improvements will be successful. The Issuer may experience cyber security incidents or unexpected disruptions to its systems and services, which in turn may result in liabilities or losses to the Issuer and have an adverse effect on the Issuer's business, results of operations and reputation.

Climate change risk

The Issuer and its Borrowers face physical risks resulting from changing climate and weather patterns and extreme weather-related events, as well as transition risks resulting from the process of adjustment towards a lower carbon economy. Both physical risk and transition risk can have significant financial consequences for financial institutions like the Issuer through defaults by borrowers, investment losses and higher insurance settlements as a result from climate change related events.

The Issuer's direct business operations have limited exposure to physical and transition risks as it does not own any material physical assets (such as land or buildings). However, the New Zealand local government sector is directly exposed to substantive risks from climate change, and the sector's approach to addressing and managing their climate risks will impact the Issuer's business.

Increased frequency and severity of weather events will affect Local Authorities and council-controlled organisations who borrow from the Issuer and may own material physical assets. In addition, Local Authorities' primary source of revenue is rates which is allocated based on the value of properties within their district or region. The value of such assets may be affected by climate change events (such as extreme weather-related events). While Local Authorities typically have insurance coverage for some (but not all) of their assets, higher incidence of extreme weather-related events may lead to increasing reconstruction pressures on a Local Authority's assets and its district or region generally. Local Authorities' rates revenue may also be affected by population declines in areas vulnerable to climate events, which would reduce the relevant Local Authority's rating base.

In addition, the process of adjustment for climate change by Borrowers could result in additional operating and capital expenditure and costs to adapt to or mitigate the impacts of climate change. These adjustment measures may include regulatory changes that require higher resourcing requirements due to the expertise required and greater complexity in the Borrowers' compliance and reporting obligations, and increased focus on resilience and mitigation measures.

These factors may affect the financial position of Borrowers, such as resulting in an increase in financing requirements for Borrowers to assist recovery from, or to take measures to prepare for, ad hoc extreme weather-related events.

As part of its credit assessment process, the Issuer includes a resilience score for each Local Authority Borrower, but climate change related factors could increase the risk that impacted Borrowers will default, causing loss to the Issuer and adversely affecting its business, results of operations and/or financial condition.

Climate change may also affect global and New Zealand economic conditions, in particular the financial position of the New Zealand local government sector to which the Issuer lends exclusively. Please see also "*—the Issuer's business is subject to lending risk*" and "*—The Issuer's business is subject to local and global economic conditions*" for more information. The Issuer has identified its climate-related risks and opportunities through scenario analysis and adopted a climate risk management framework. As at the date of this Offering Circular, the Issuer is developing a transition plan to strengthen its resilience to climate change whilst ensuring it can continue to deliver on its core purpose. This work is supported by the Issuer's ongoing work to understand its exposure to the local government sectors climate-related risks.

Regulatory risk

The Issuer is a council-controlled organisation and is subject to New Zealand legislation including the Local Government Act 2002 of New Zealand, the Local Government Borrowing Act 2011 of New Zealand and the Companies Act 1993 of New Zealand. As at the date of this Offering Circular, the Local Government Borrowing Act 2011 of New Zealand provides that the Issuer enjoys the same status as Local Authorities under key legislation relating to taxation and securities offering regulations. Any of the legislation that applies to the Issuer as at the date of this Offering Circular could be the subject of further amendment, and may affect the Issuer's ability to operate its business in the same manner as it has done to date.

In addition, the Issuer lends exclusively to Local Authorities and council-controlled organisations. Local Authorities are created and regulated by statute, and council-controlled organisations (as subsidiaries of Local Authorities) are also regulated by statute. Accordingly, the Issuer may be impacted by changes to New Zealand laws and regulations that affect its Borrowers and their ability to borrow or raise revenue in compliance with its regulatory obligations, including, in the case of Local Authorities, the Local Government (Rating) Act 2002 of New Zealand which regulates how a Local Authority may set, assess and collect rates revenue. For example:

- The Local Government Act 2002 of New Zealand provides for the potential introduction of regulations prescribing parameters or benchmarks for assessing whether a Local Authority (including its subsidiaries such as council-controlled organisations) is prudently managing its revenues, expenses, assets, liabilities, investments and general financial dealings. Such regulations may prescribe parameters or benchmarks, for example, in relation to the debt of a Local Authority. A significant or persistent failure to comply with those regulations could allow the relevant Minister of the New Zealand Government to intervene in the Local Authority (but not any entity that the Local Authority may control or have an interest in, such as a council-controlled organisation).

- The Local Government (System Improvements) Amendment Bill (the **Bill**), which had its second reading in Parliament on 30 June 2026, contains measures to implement a local government reform programme. In particular, the Bill proposes to expand the existing regulation-making powers in the Local Government Act 2002 of New Zealand to enable benchmarks to be set in areas of council activity beyond financial performance and asset management. In addition, the Bill includes refocusing the purpose provisions in the Local Government Act 2002 of New Zealand (in particular, reinstating a focus on the cost-effective provision of good-quality local infrastructure and public services), prioritising core services in council spending, strengthening council transparency and accountability, and modernising outdated rules.

- Recently enacted legislation reforms how water services are to be provided by Local Authorities in New Zealand, including introducing a framework for economic regulation. As described in "*Description of the Issuer – Local Government Sector – Local Water Done Well*" the Issuer has

four borrowers that are Water CCOs and has confirmed that it will provide funding to Water CCOs.

Changes in the regulatory regime applicable to the Issuer, Local Authorities and/or council-controlled organisations can affect a Borrower's ability to borrow from the Issuer or raise revenue and can affect how the Issuer may operate its business. Any such changes may adversely affect the Issuer's business, results of operations and/or financial condition.

Credit ratings

The Issuer has credit ratings from Fitch and S&P. Rating agencies regularly review their ratings and rating methodologies and may downgrade the Issuer at any time. The Issuer's business relies on accessing the capital markets, and the cost of accessing such markets, may be affected by its credit ratings.

While Fitch and S&P are of the view that there is high likelihood of extraordinary support from the New Zealand Government for the Issuer, investors should note that the New Zealand Government is not a guarantor of, or otherwise an obligor under, the Notes and does not guarantee any liability of the Issuer, see "*Factors that May Affect the Guarantee—The Notes are not guaranteed by the New Zealand Government*". In addition, any credit rating action taken by Fitch or S&P with respect to New Zealand would be expected to impact the Issuer's credit ratings, and any adverse credit rating action may adversely affect the Issuer. In the event of a downgrade or negative outlook with respect to the Issuer, or if the Issuer is placed on credit watch, the Issuer's cost of funding may increase, having an adverse effect on its business, results of operations and/or financial condition.

FACTORS THAT MAY AFFECT THE GUARANTEE

The Issuer's obligations in relation to the Notes are guaranteed by the Local Authorities that are from time to time Guarantors under the Guarantee.

The Notes are not guaranteed by the New Zealand Government

The New Zealand Government is not a guarantor of, or otherwise an obligor under, the Notes and does not guarantee any liability of the Issuer. Payments by the Issuer of principal and/or interest with respect to its outstanding indebtedness, including the Notes, are not supported by any guarantee by the New Zealand Government. The New Zealand Government is not obliged or legally required to provide any support in respect of the Notes.

The only Guarantors are New Zealand Local Authorities

As described under "*Factors that may affect the Issuer's ability to fulfil its obligations under the Notes –Regulatory risk*", Local Authorities are created and regulated by statute. In particular, a Local Authority is prohibited from entering into a guarantee in a currency other than New Zealand dollars under the Local Government Act 2002 of New Zealand. However, guarantees of foreign currency obligations by Local Authorities are permitted in respect of any indebtedness of the Issuer by virtue of the Local Government Borrowing Act 2011 of New Zealand, for so long as the Issuer is itself a council-controlled organisation. Any changes to those statutes (which may affect all or some Local Authorities and/or the Issuer) may adversely impact the Guarantee and any recovery from the Guarantee that may be available to Noteholders.

As at the date of this Offering Circular, the Issuer's constitution and Shareholders' Agreement each provide that the Issuer must remain a council-controlled organisation (as defined in the Local Government Act 2002 of New Zealand).

The Guarantors may not be able to fund their share of the Guarantee on a timely basis

If the Security Trustee makes demand under the Guarantee, each demand must be made on a pro-rata basis according to each Guarantor's prior year's annual rates revenues. As described under "*Factors that may affect the Issuer's ability to fulfil its obligations under the Notes–The Issuer's business is subject to lending risk*", the revenue of a Local Authority depends on the economy of its district or region and, in respect of rates revenue, the properties within its district or region. This is in turn affected by the economy at a national level and economic conditions globally.

If a Guarantor fails to pay its pro-rata share of a demand under the Guarantee, the Security Trustee must make further demands on the other Guarantors for payment of the unpaid amount on a pro-rata basis (according to those Guarantors' prior year's annual rates revenues) until the outstanding amounts are paid in full. Any default by a Guarantor and the process for making demands under the Guarantee may mean that a demand under the Guarantee is not fully met on a timely basis.

There are certain risks to Noteholders associated with the Guarantee and acceleration of the Notes

The Security Trustee holds the benefit of the Guarantee for each Beneficiary, which includes the Noteholders and other creditors of the Issuer to whom the Issuer extends the benefit of the Guarantee and Security Trust Deed from time to time. As a result, in certain circumstances the Security Trustee may not be required to act in the best interests of the Noteholders. In the exercise of any of its rights, powers and discretions under the security documents (including the Debenture Trust Deeds and Security Stock Certificates), the Security Trustee shall act in accordance with the instructions of the Beneficiaries given in accordance with the Security Trust Deed. In particular:

- Each Noteholder is a Beneficiary under the Security Trust Deed and so may request the Security Trustee to exercise its rights under a Debenture Trust Deed as a holder of Security Stock. The Security Trustee is not required to exercise its rights as holder of Security Stock unless it is requested to do so by Beneficiaries whose aggregate Exposures (as defined in the Security Trust Deed) amount to not less than 25 per cent. of the aggregate Exposures of all Beneficiaries at the relevant time and those Beneficiaries have confirmed to the Security Trustee that an Event of Default (as defined in the Security Trust Deed) has occurred. As there are other Beneficiaries (that are not Noteholders) and the Noteholders may not hold the required voting majority, the Security Trustee may not have to act in accordance with the Noteholders' directions.

- The Security Trustee is not obliged to seek instructions except where expressly required by any security document. In the absence of any such instructions, the Security Trustee may act as it thinks fit in the best interests of the Beneficiaries as a whole or may refrain from acting until receipt of instructions.

- Except where any security document otherwise expressly provides, the Security Trustee is not obliged to consult with the Beneficiaries before giving any consent, approval or agreement or making any determination under the security documents, provided that, such consent, approval, agreement or determination does not, in the opinion of the Security Trustee, prejudice the interests of the Beneficiaries as a whole.

Further, other indebtedness of the Issuer may be in default without triggering an Event of Default under the Notes. The Notes do not include a cross-default or cross-acceleration event of default. It is possible that the Security Trustee may make a demand under the Guarantee or take steps to request the relevant Debenture Trustee to enforce the security interest created by one or more Debenture Trust Deeds even when the Notes are not in default.

The Issuer may from time to time, without the consent of the Security Trustee or the Noteholders, incur further indebtedness that ranks equally with the Issuer's obligations to Noteholders. If the Issuer incurs further indebtedness in the future, the Noteholders may find it more difficult to meet the required voting majority needed to instruct the Security Trustee.

In addition, the provisions of the Security Trust Deed may be amended without the consent of the Beneficiaries in certain circumstances.

For further details on the Guarantee arrangements, see "*Description of the Guarantors and the Guarantee*".

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Notes.

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Any additional optional redemption right of the Issuer in relation to any Notes will be set out in the applicable Pricing Supplement.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest bearing securities with comparable maturities.

Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Certain risks related to Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market in, and the market value of, the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes and could affect the market value of an investment in the relevant Notes.

Certain risks related to Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as the Euro–zone interbank offered rate (**EURIBOR**). The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" (including, amongst others, EURIBOR) are the subject of national and international regulatory guidance and reform aimed at supporting the transition to robust benchmarks. Most reforms have now reached their planned conclusion (including the transition away from the London Interbank Offered Rate (**LIBOR**)) and "benchmarks" remain subject to ongoing monitoring. These reforms may cause such "benchmarks" to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the value or liquidity of, and return on, any Notes linked to or referencing such a "benchmark".

In Europe, Regulation (EU) 2016/1011, as amended (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of in-scope "benchmarks", the contribution of input data to an in-scope "benchmark" and the use of an in-scope "benchmark" within the European Union. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-European Union-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by European Union supervised entities of in-scope "benchmarks" or administrators that are not authorised or registered (or, if non-European Union based, not deemed equivalent or recognised or endorsed).

In the UK, Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**), among other things, applies to the provision of "benchmarks" and the use of a "benchmark" in the UK. Similarly, it prohibits the use in the UK by UK-supervised entities of "benchmarks" or administrators that are not authorised by the UK Financial Conduct Authority (the

FCA) or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a "benchmark" which is in-scope of one or both regulations, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

It is not possible to predict with certainty whether, and to what extent, EURIBOR, SONIA, SOFR, €STR (each as defined in the Conditions, as applicable) and the Swiss Average Rate Overnight (as used in the context of this risk factor, **SARON**) or any other benchmark will continue to be supported going forwards. This may cause EURIBOR, SONIA, SOFR, €STR, SARON or any other such benchmark to perform differently than they have done in the past, and may have other consequences which cannot be predicted. The transition from the LIBOR for Sterling or U.S. dollars or Swiss francs to SONIA or SOFR or SARON, as applicable, from EURIBOR to €STR or from the inter-bank offered rate (**IBOR**) for any other currency to a risk-free rate, or the elimination of EURIBOR, SONIA, SOFR, €STR, SARON or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the Conditions, or result in other consequences, in respect of any Notes referencing such benchmark. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark"; (iii) lead to the disappearance of the "benchmark"; or (iv) result in the effective application of a fixed rate based on the rate which applied in the previous period when the relevant "benchmark" was available.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

The Conditions of certain Floating Rate Notes provide for fallback arrangements that may not operate as intended or may result in a Rate of Interest on such Notes that would be less than the original reference rate

Investors should be aware that in the case of certain Floating Rate Notes, the Conditions provide for certain fallback arrangements in the event that a published benchmark, including an inter-bank offered rate (such as EURIBOR) or another relevant reference rate ceases to exist or be published.

In respect of Floating Rate Notes (other than Floating Rate Notes where the Reference Rate is Compounded Daily SARON), the Conditions provide for certain fallback arrangements in the event that a Benchmark Event (as defined in the Conditions) occurs in respect of an Original Reference Rate or other relevant reference rate and/or any page on which such benchmark may be published (or any other successor service) becomes unavailable. Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Conditions), with the application of an adjustment spread (which could be positive, negative or zero), and may include amendments to the Conditions to ensure the proper operation of the new benchmark, all as determined by the Issuer (acting in good faith and in consultation with an Independent

Adviser) and as more fully described at Condition 4.2(c). It is possible that the adoption of a Successor Rate or Alternative Rate, including any adjustment spread, may result in any Notes linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form. There is also a risk that the relevant fallback provisions may not operate as expected or intended at the relevant time. See further Condition 4.2(c).

Furthermore, in certain circumstances, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page or the initial Rate of Interest applicable to such Notes on the Interest Commencement Date. In addition, due to the uncertainty concerning the availability of any Successor Rate or Alternative Rate or SARON Recommended Replacement Rate, any determinations that may need to be made by the Issuer and the involvement of any Independent Adviser, the relevant fallback provisions may not operate as expected or as intended at the relevant time.

In respect of Floating Rate Notes where the Reference Rate is Compounded Daily SARON, if for any Zurich Banking Day in any SARON Observation Period, the Swiss Average Rate Overnight is no longer representative or may no longer be used or is no longer provided by the SARON Administrator, the Principal Paying Agent or the Calculation Agent, as applicable, for such Floating Rate Notes will be required to use the alternative methods described in paragraphs (ii) and (iii) of the definition of "SARON" set out in the Conditions for such Zurich Banking Day in place of the Swiss Average Rate Overnight for purposes of determining "Compounded Daily SARON" for the relevant Interest Accrual Period, which methods include using the rate, if any, that has been recommended as the replacement for the Swiss Average Rate Overnight by a SARON Recommending Body (i.e., a SARON Recommended Replacement Rate and giving effect to the SARON Recommended Adjustment Spread, if any), using the SNB Policy Rate (giving effect to the SNB Adjustment Spread, if any). If the conditions set out in the last paragraph of the definition of "SARON" have been satisfied, then Condition 4.2(c) provides for certain fallback arrangements. These fallback arrangements include the possibility that the Rate of Interest could be set by reference to an Alternative Rate (as defined in the Conditions), with the application of an Adjustment Spread (which could be positive, negative or zero), and may include amendments to the Conditions to ensure the proper operation of the Alternative Rate (including any Adjustment Spread), all as determined by the Issuer (acting in good faith and in consultation with an Independent Adviser) and as more fully described at Condition 4.2(c). In such event, a Successor Rate (as defined in the Conditions) will not apply to such Floating Rate Notes where the Reference Rate is Compounded Daily SARON. See further Condition 4.2(c).

Any such consequences could have a material adverse effect on the value, market price or liquidity of and return on any such Floating Rate Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes and/or could have a material adverse effect on the value, market price or liquidity of, and the amount payable under, such Floating Rate Notes.

The market continues to develop in relation to SONIA, SOFR, SARON and €STR as reference rates

Interest on Notes may be determined by reference to a risk-free rate, such as SONIA, SOFR, the Swiss Average Rate Overnight (as used in the context of this risk factor, **SARON**) or €STR (the **Risk-Free Rates**). The Risk-Free Rates, whether determined on a compounded daily basis or as a weighted average rate (as applicable) for a specified period, differ from term rates such as IBORs in a number of material respects, including (without limitation) that the Risk-Free Rates are backwards-looking, risk-free (and, in the case of SOFR and SARON, secured) overnight rates, whereas such term rates are expressed on the basis of a forward-looking term and include a credit risk-element based on inter-bank lending. While forward-looking term rates based on certain risk-free rates have been or are being developed, it is

uncertain whether the capital markets will move to referencing those term rates for public bond issues, or whether regulators would be content to allow such adoption. As such, investors should be aware that the Risk-Free Rates may behave materially differently as interest reference rates, in contrast to an IBOR, for Notes issued under the Programme. The use of the Risk-Free Rates, whether on a compounded daily or a weighted average basis (as applicable), as a reference rate for bonds is nascent, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of debt securities referencing such Risk-Free Rates.

Prospective investors in any Notes referencing a Risk-Free Rate should further be aware that the market continues to develop in relation to the Risk-Free Rates as reference rates in the capital markets and their adoption as an alternative to an equivalent IBOR. For example, in the context of backwards-looking risk-free rates, market participants and relevant working groups have explored different methodologies, such as daily compounding rates and weighted average rates, and forward-looking 'term' reference rates for certain of the Risk-Free Rates (which seek to measure the market's forward expectation of an average rate for the relevant Risk-Free Rate over a designated term) have also been or are being, developed.

The market or a significant part thereof may adopt an application of a Risk-Free Rate that differs significantly from that set out in the Conditions referencing such Risk-Free Rate. In addition, the methodology for determining any overnight rate index by reference to which the Rate of Interest in respect of certain Notes may be calculated could change during the life of any Notes. Furthermore, the Issuer may in future issue Notes referencing any of the Risk-Free Rates that differ materially in terms of interest determination when compared with any previous Notes referencing the relevant Risk-Free Rate issued by it under the Programme. The nascent development of the Risk-Free Rates as interest reference rates for the bond markets, as well as continued development of rates based on the Risk-Free Rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Notes linked to any of the Risk-Free Rates issued under the Programme from time to time.

The manner of adoption or application of rates based on the Risk-Free Rates in one market may differ materially compared with the application and adoption of rates based on the Risk-Free Rates in other markets, such as the derivatives and loan markets, including the manner of adoption or application by the Issuer. Investors should carefully consider how any mismatch between the adoption of the Risk-Free Rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing any of the Risk-Free Rates. If the market adopts a different calculation method, that may adversely affect the market value of the Notes linked to any of the Risk-Free Rates.

Compounded Daily SONIA, Compounded Daily SOFR and Compounded Daily SARON differ from Sterling, U.S. dollar LIBOR and CHF LIBOR, respectively, in a number of material respects, including (without limitation) that Compounded Daily SONIA, Compounded Daily SOFR and Compounded Daily SARON are backwards-looking, compounded and based on risk-free (and in the case of SONIA and SOFR, secured) overnight rates, whereas Sterling, U.S. dollar and CHF LIBOR are expressed on the basis of a forward-looking term and include a credit risk-element based on inter-bank lending. In respect of SONIA and SOFR, where Index Determination is specified as being applicable in the applicable Pricing Supplement, the interest rate for each Interest Accrual Period is calculated by reference to the relevant index and not the SOFR rate published on or in respect of a particular date during such Interest Accrual Period or an arithmetic average of SOFR rates during such Interest Accrual Period. Each of the SONIA Compounded Index and the SOFR Index measures the cumulative impact of compounding SONIA or SOFR, respectively, on a unit of investment over time. The value of the SONIA Compounded Index or the SOFR Index on a particular business day reflects the effect of compounding SONIA or SOFR, respectively, on such business day and allows the calculation of compounded SONIA or SOFR averages, as applicable, over custom time periods. For this and other

reasons, the interest rate on Floating Rate Notes referencing Compounded Daily SONIA or Compounded Daily SOFR during any Interest Accrual Period will not be the same as the interest rate on other SONIA or SOFR-linked investments that use an alternative basis to determine the applicable interest rate. Further, if the SONIA or SOFR rate in respect of a particular date during an Interest Accrual Period is negative, its contribution to the relevant compounded rate will be less than one, resulting in a reduction to such compounded rate used to calculate the interest payable on any Floating Rate Notes referencing Compounded Daily SONIA or Compounded Daily SOFR on the Interest Payment Date for such Interest Accrual Period. As such, investors should be aware that there may be a material difference in the behaviour of Sterling LIBOR and SONIA or U.S. dollar LIBOR and SOFR or CHF LIBOR and SARON as interest reference rates for Floating Rate Notes. The use of SONIA, SOFR and SARON as reference rates for debt securities is nascent, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of debt securities referencing SONIA, SOFR and/or SARON, respectively.

Each of the Bank of England, the Federal Reserve Bank of New York and the SARON Administrator publishes certain historical indicative secured overnight financing rates, although such historical indicative data inherently involves assumptions, estimates and approximations. Potential investors in Notes referencing SONIA, SOFR or SARON should not rely on such historical indicative data or on any historical changes or trends in SONIA or SOFR or SARON, as the case may be, as an indicator of the future performance of SONIA or SOFR or SARON, respectively. For example, since the initial publication of SOFR, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmark or market rates. Accordingly, SONIA, SOFR and SARON over the term of any Notes referencing SONIA, SOFR or SARON, respectively, may bear little or no relation to the historical actual or historical indicative data.

€STR is also a relatively new rate, and the European Central Bank (or a successor), as administrator of €STR, may make methodological or other changes that could change the value of €STR, including changes related to the method by which €STR is calculated, eligibility criteria applicable to the transactions used to calculate €STR, or timing related to the publication of €STR. If the manner in which €STR is calculated is changed, that change may result in a reduction of the amount of interest payable on the relevant Notes, which may adversely affect the trading prices of such Notes. The administrator of €STR may withdraw, modify, amend, suspend or discontinue the calculation or dissemination of €STR, respectively, in its sole discretion and without notice and has no obligation to consider the interests of holders of the Floating Rate Notes in calculating, withdrawing, modifying, amending, suspending or discontinuing €STR.

Further, although the provisions of the Conditions for determining the Rate of Interest by reference to the compounded €STR index are based upon the guidance published by the European Central Bank for calculating compounded €STR rates by reference to the compounded €STR index, there can be no assurance that the European Central Bank's methodology for determining the compounded €STR index, or its guidance for calculating compounded €STR rates by reference to such index, will not change over time.

Investors should carefully consider these matters when making their investment decision with respect to any such Floating Rate Notes.

The Rate of Interest on Notes which reference any of the Risk-Free Rates will be capable of being determined only near the end of the relevant Interest Accrual Period

The Rate of Interest on Notes which reference any of the Risk-Free Rates is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference the Risk-Free Rates to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without

changes to their IT systems, both of which factors could adversely impact the liquidity of such Notes. Because of the delay between the final day on which the relevant Risk-Free Rate, as applicable, is observed in connection with any interest determination and the related Interest Payment Date, increases in the level of such Risk-Free Rate which occur during such period will not be reflected in the interest payable on such Interest Payment Date, and any such increase will (if "Lag", "Lookback" or "Observation Shift" is specified as being the "Observation Method" in the applicable Pricing Supplement) instead be reflected in the following Interest Accrual Period. Further, in contrast to IBOR-based Notes, if Notes referencing any of the Risk-Free Rates become due and payable as a result of an Event of Default under Condition 9, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest shall only be determined immediately prior to the date on which the Notes become due and payable.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The Conditions contain provisions which may permit their modification without the consent of all Noteholders

The Conditions contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider and vote upon matters affecting their interests generally, including modifications of the Conditions or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority and therefore there is no guarantee that the resolutions approved will be consistent with the interests of, and/or the votes cast by, each Noteholder.

Modifications may also be made to the Conditions, the Deed of Covenant and the Agency Agreement without the consent of Noteholders if the Principal Paying Agent and the Issuer agree that such modifications are (i) not prejudicial to the interests of the Noteholders; (ii) of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law; or (iii) required in order to give effect to any benchmark amendments as provided in Condition 4.2(b) or Condition 4.2(c).

Denominations and trading

The Notes of each Tranche will be issued in the Specified Denominations as set out in the applicable Pricing Supplement. For so long as the Notes of any relevant Tranche are represented by a Global Note, and the rules of Euroclear and Clearstream so permit, the Notes will be tradeable in minimum specified denominations (the **Minimum Denomination**) and higher integral multiples of a smaller amount (the **Integral Amount**) up to and including the amount that is twice the Minimum Denomination less the Integral Amount (the **Maximum Denomination**). However, if Definitive Notes for that Tranche of Notes are required to be issued and printed, any Noteholders holding Notes having a denomination which cannot be represented by a Definitive Note in the Minimum Denomination or higher integral multiples of the Integral Amount up to and including the Maximum Denomination will not be entitled to receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the Minimum Denomination may be illiquid and difficult to trade.

Book-entry form of Notes

The Notes will initially only be issued in global form and deposited with a common depositary for Euroclear and Clearstream. Interests in the Global Notes (as defined below) will trade in book-entry form only. The common depositary, or its nominee, for Euroclear and Clearstream will be the sole holder of the Global Notes representing the Notes. Accordingly, owners of book-entry interests must rely on the procedures of Euroclear and Clearstream, and non-participants in Euroclear or Clearstream must rely on the procedures of the participant through which they own their interests, to exercise any rights and obligations of a holder of Notes.

Unlike the Noteholders themselves, owners of book-entry interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from Noteholders. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Notes.

The value of the Notes could be adversely affected by a change in English law or administrative practice

The Conditions will be based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

Where the Global Notes are lodged for clearance in and/or held by or on behalf of a Clearing System, investors will have to rely on the procedures of the relevant clearing system for transfer, payment and communication with the Issuer

Notes may be represented by one or more Global Notes. Such Global Notes may be deposited with a common depositary for one or more clearing systems (**Common Depositary**). Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Each clearing system will maintain records of beneficial interests in, or rights in respect of, Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to transfer their beneficial interests in, or rights in respect of, a Global Note only through the relevant clearing system.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under such Notes by making payments to or to the order of the Common Depositary for distribution to the account holders in the relevant clearing system(s). A person holding a beneficial interest in, or rights in respect of, a Global Note must rely on the applicable rules, regulations and procedures of the relevant Clearing System to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in, or rights in respect of, Global Notes.

A person holding a beneficial interest in, or rights in respect of, the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such persons will be permitted to act only to the extent that they are enabled by the relevant clearing system to appoint appropriate proxies.

Risks related to the market generally

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid and may be sensitive to changes in financial

markets. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies, are being issued to a single investor or a limited number of investors or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. In addition, should the Issuer be in financial distress, this is likely to have a further significant impact on the secondary market for the Notes and investors may have to sell their Notes at a substantial discount to their principal amount.

If an investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes

One or more independent credit rating agencies may assign credit ratings to the Issuer, or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the relevant rating agency as a result of changes in, or unavailability of, information or if, in the rating agency's judgement, circumstances so warrant. If any rating assigned to the Notes is lowered or withdrawn, the market value of the Notes may be reduced. Future events, including events affecting the Issuer and/or circumstances relating to the industry or environment in which the Issuer operates in generally, could have an adverse impact on the ratings of the Notes.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Documents Incorporated by Reference

The documents described below shall be deemed to be incorporated into, and to form part of, this Offering Circular:

(a) the most recently published audited annual financial statements of the Issuer (including the notes in respect of such financial statements) together with the audit report prepared in connection therewith;

(b) any interim financial statements (whether audited or unaudited) published subsequently to such annual financial statements of the Issuer from time to time (if any) together with any audit or review report in connection therewith;

(c) the most recently published audited annual financial statements of each of the Local Authorities that are from time to time Guarantors under the Guarantee (including the notes in respect of such financial statements) together with the audit report prepared in connection therewith;

(d) all supplements or amendments to this Offering Circular published by the Issuer from time to time (which themselves may expressly incorporate additional documents into, and forming part of, this Offering Circular); and

(e) any applicable Pricing Supplement.

Any statement contained herein or in a document which is deemed to be incorporated herein by reference shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated herein by reference modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

Copies of the documents listed in (a) and (b) above which are deemed to be incorporated by reference in this Offering Circular can be obtained from the website of the NZX at https://www.nzx.com/companies/LGF. In relation to the documents listed in (c) above, each Local Authority is required to make publicly available its annual report in respect of each financial year, which must include audited financial statements for that financial year. Copies of the documents listed in (c) above which are deemed to be incorporated by reference in this Offering Circular can be obtained from each Guarantor's website. Each Guarantor's website is set out in the list of the current Guarantors on the Issuer's website: https://www.lgfa.co.nz/investors/guarantee-arrangements.

The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in any such document.

The information on any websites referred to in this Offering Circular or any website directly or indirectly linked to such websites is not incorporated by reference into, and does not form part of, this Offering Circular and should not be relied upon.

Form of the Notes

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer and Registered Notes will be issued outside the United States in reliance on Regulation S under the Securities Act and Registered Notes will be issued outside the United States in reliance on the exemption from registration provided by Regulation S.

Bearer Notes

Each Tranche of Bearer Notes (as defined in the Conditions) will be in bearer form and will be initially issued in the form of a Temporary Global Note or, if so specified in the applicable Pricing Supplement, a Permanent Global Note which, in either case, will be delivered on or prior to the original issue date of the Tranche to a Common Depositary for Euroclear and Clearstream.

Whilst any Bearer Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent. Terms used in this paragraph have the meaning given to them by the U.S. Internal Revenue Code.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Global Note of the same Series; or (ii) definitive Bearer Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that the purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Bearer Notes is improperly withheld or refused.

The option for an issue of Bearer Notes to be represented on issue by a Temporary Global Note exchangeable for definitive Bearer Notes should not be expressed to be applicable in the applicable Pricing Supplement if the Bearer Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency).

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream (against presentation or surrender (as the case may be) of the Permanent Global Note) without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that:

(i) an Event of Default (as defined in the Conditions) has occurred and is continuing;

(ii) the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or

(iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form.

The Issuer will promptly give notice to Noteholders in accordance with the Conditions if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in paragraph (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes (other than Temporary Global Notes) and interest coupons relating to such Notes where TEFRA D is specified in the applicable Pricing Supplement:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, as the case may be.

Registered Notes

The Registered Notes of each Tranche will initially be represented by a global note in registered form (a **Registered Global Note** and, together with any Bearer Global Note, the **Global Notes**).

Registered Global Notes will be deposited with a common depositary for Euroclear and Clearstream, and registered in the name of the nominee for the Common Depositary of, Euroclear and Clearstream as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in the Conditions) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in the Conditions) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that:

(i) an Event of Default has occurred and is continuing;

(ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form; or

(iii) the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available.

The Issuer will promptly give notice to Noteholders in accordance with the Conditions if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in paragraph (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, in each case to the extent applicable.

General

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

Pursuant to the Agency Agreement (as defined in the Conditions), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such day holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 22 January 2025 and executed by the Issuer.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Conditions, in which event, a supplement to this Offering Circular or a new Offering Circular will be made available which will describe the effect of the agreement reached in relation to such Notes.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that any of the Global Notes representing such Notes is exchanged for definitive Notes. In addition, in the event that any of the Global Notes are exchanged for definitive Notes, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

Form of Pricing Supplement

Set out below is the form of the Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

PROHIBITION OF SALES TO EUROPEAN ECONOMIC AREA 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 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, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. 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, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not 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 in the UK by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**) (**UK MiFIR**); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook (**DISC**), for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

[MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS 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; 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 ECPS 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 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 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.]

[**NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE (**the **SFA) -** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products] / [capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.][1]

Each Noteholder acknowledges that the Issuer's obligations or liabilities in relation to the Notes are not guaranteed by the New Zealand Crown.

Pricing Supplement dated [●]

NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED

(NZBN 9429030861961)

Legal entity identifier (LEI): 254900ZJG39H1CAH6K02

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the
U.S.$10,000,000,000
Euro Medium Term Note Programme
guaranteed by
the Local Authorities (as defined in the Local Government Act 2002 of New Zealand) that are from time to time guarantors under the deed of guarantee and indemnity dated 7 December 2011

PART A – CONTRACTUAL TERMS

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the **Conditions**) set forth in the Offering Circular dated 4 September 2026 [as supplemented by the supplemental[s] Offering Circular dated [*insert date[s]*]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Pricing Supplement and the Offering Circular [as supplemented].

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.*]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the **Conditions**) set forth in the Offering Circular dated [*original date*] which [are incorporated by reference in the Offering Circular dated [*current date*] and] are attached hereto. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [*current date*] [and the supplemental Offering Circular dated [*insert date*]], save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and

[1] To be included if the Notes are offered in Singapore to persons who are not (i) institutional investors (as defined in Section 4A of the SFA) or (ii) accredited investors (as defined in Section 4A of the SFA). Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA. If there is a change as to product classification for the relevant drawdown from the upfront classification embedded in the programme documentation, then the legend is to be completed and used (if no change as to product classification, then the legend may be deleted in its entirety).

are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Pricing Supplement[,] [and] the Offering Circular dated [*current date*] and [*original date*] [and the supplemental Offering Circular dated [*insert date*]].

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency.*]

1.	(a)	Issuer:	New Zealand Local Government Funding Agency Limited
	(b)	Guarantors:	As set out on the Issuer's website at https://www.lgfa.co.nz/investors/guarantee-arrangements
2.	(a)	Series Number:	[●]
	(b)	Tranche Number:	[●]
	(c)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about [*date*]]/[Not Applicable]
3.	Specified Currency or Currencies:		[●]
4.	Aggregate Nominal Amount:		[●]
	(a)	Series:	[●]
	(b)	Tranche:	[●]
5.	Issue Price:		[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
6.	(a)	Specified Denominations:	[●] (*Note where multiple denominations above €100,000 or equivalent are being used with respect to Bearer Notes, the following sample wording should be followed:* "*[€100,000] and integral multiples of [€1,000] in excess thereof up to and including €199,000. No Notes in definitive form will be issued with denominations above €199,000 or their equivalent in other currencies*")

			(*In the case of Registered Notes, this means the minimum integral amount in which transfers can be made*.)
	(b)	Calculation Amount:	[●] (*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations*)
7.	Trade Date:		[●]
8.	(a)	Issue Date:	[●]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] (*An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes*)
9.	Maturity Date:		[*Fixed rate—specify date/Floating rate—*Interest Payment Date falling on or about [*specify month and year*]]
10.	Interest Basis:		[[●] per cent. per annum Fixed Rate] [[EURIBOR/Compounded Daily [SONIA/SOFR/SARON]/€STR]] +/- [ ] per cent. per annum Floating Rate] [Zero Coupon] [*Specify other*] (further particulars specified below)
11.	Redemption/Payment Basis:		[Redemption at par] [*Specify other*]
12.	Change of Interest Basis or Redemption/Payment Basis:		[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*][Not Applicable]
13.	Put/Call Options:		[Investor Put] [Issuer Call] [(further particulars specified below)]
14.	(a)	Status of the Notes:	Senior
	(b)	[Date [Board] approval for issuance of Notes obtained]:	[●] [and [●], respectively] (*Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate(s) of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/other (*specify*)] in arrear on each Interest Payment Date]
	(b)	Interest Payment Date(s):	[[●] in each year up to and including the Maturity Date]/[*specify other*] (*This will need to be amended appropriately in the case of long or short coupons*)
	(c)	Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form, see Conditions):	[[●] per Calculation Amount][Not Applicable]
	(d)	Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form, see Conditions):	[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●] / [Not Applicable]
	(e)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)] [*Specify other*]
	(f)	[Determination Date(s):	[[●] in each year][Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*)
	(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
16.	Floating Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)

(a)	Specified Period(s)/Specified Interest Payment Dates:		[●][, subject to adjustment in accordance with the Business Day Convention set out in (b) below /, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
(b)	Business Day Convention:		[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]][Not Applicable] (*If the Reference Rate is Compounded Daily SARON, Modified Following Business Day Convention should be selected.*)
(c)	Additional Business Centre(s):		[●]
(d)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):		[●] (the **Calculation Agent**)
(e)	Screen Rate Determination:		[Applicable/Not Applicable] (*If not applicable, delete the remaining items of this paragraph*)
	(i)	Reference Rate:	[●] month [EURIBOR/specify other Reference Rate] [Compounded Daily SONIA] [Compounded Daily SOFR] [€STR] [Compounded Daily SARON]
	(ii)	[Term Rate:	[Applicable/Not Applicable]]
	(iii)	[Overnight Rate:	[Applicable/Not Applicable]]
	The following are relevant where the Reference Rate is Compounded Daily SONIA or Compounded Daily SOFR:		
		• Index Determination:	[Applicable/Not Applicable]
		– Relevant Number:	[[5 / [●]] [[London Banking Days]/[U.S. Government Securities Business Days]/[Not Applicable] (*If "Index Determination" is "Not Applicable", delete "Relevant Number" and complete the remaining bullets below*)

(*If "Index Determination" is "Applicable", insert number of days (expected to be five or greater [if Compounded Daily SONIA or two or greater if Compounded Daily SOFR]) as the Relevant Number, and the remaining bullets below will each be "Not Applicable"*)

- D: [360/365/[●]]/[Not Applicable]
- Observation Method: [Lag/Observation Shift/Not Applicable]
  - Lag Period: [5 / [●] [London Banking Days] [U.S. Government Securities Business Days] [Not Applicable]
  - Observation Shift Period: [5 / [●] [London Banking Days] [U.S. Government Securities Business Days] [Not Applicable]

    (*When setting the Lag Period (p) or the Observation Shift Period, the practicalities of this period should be discussed with the Principal Paying Agent or the Calculation Agent, as applicable. It is anticipated that a minimum of 5 London Banking Days if Compounded Daily SONIA, or 2 U.S. Government Securities Business Days if Compounded Daily SOFR, should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Principal Paying Agent or the Calculation Agent, as applicable*)

The following are relevant where the Reference Rate is €STR:

- Calculation Method: [Compounded Daily €STR Formula]/[€STR Index Determination]/[Average €STR]
- Observation Method: [Lag/Observation Shift/Not Applicable]
- Lag Lookback Period (*p*): [5/[*specify other*] T2 Business Days][Not Applicable]
- Observation Shift Period: [5/[*specify other*] T2 Business Days][Not Applicable]

  (*When setting the Lag Lookback Period (p) or the Observation Shift Period, the practicalities of this period should be discussed with the Principal Paying Agent or the Calculation Agent, as applicable. It is anticipated that '(p)' will be no fewer than 5 T2 Business Days unless otherwise agreed with the Principal Paying Agent or the Calculation Agent, as applicable*)

		• Relevant Number:	[5/[*specify other*] T2 Business Days][Not Applicable] (*Not applicable unless Calculation Method is €STR Index Determination*) (*When setting the Relevant Number, the practicalities of this period should be discussed with the Principal Paying Agent or the Calculation Agent, as applicable. It is anticipated that the Relevant Number will be no fewer than 5 T2 Business Days unless otherwise agreed with the Principal Paying Agent or the Calculation Agent, as applicable*)
	(iv)	Interest Determination Date(s):	[●] (*Second day on which T2 is open prior to the start of each Interest Period if EURIBOR and the [first/specify other] London Banking Day falling after the last day of the relevant Observation Period if Compounded Daily SONIA and the [first/specify other] U.S. Government Securities Business Day falling after the last day of the relevant Observation Period if Compounded Daily SOFR and the fifth Zurich Banking Day prior to each Interest Payment Date (or the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date) if Compounded Daily SARON and the [first/specify other] T2 Business Day prior to each Interest Payment Date (or the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date) if €STR*)
(f)	Relevant Screen Page:		[●][Not Applicable] (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately. Where Reference Rate is SOFR, SARON or €STR, Relevant Screen Page will be "Not Applicable"*)
(g)	Linear Interpolation:		[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*Specify for each short or long interest period*)]
(h)	Margin(s):		[+/-] [●] per cent. per annum
(i)	Minimum Rate of Interest:		[●] per cent. per annum/[Not Applicable] (*If the Reference Rate is Compounded Daily SARON, the Minimum Rate of Interest should be at least zero*)
(j)	Maximum Rate of Interest:		[●] per cent. per annum/[Not Applicable]

	(k)	Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [*Specify other*] (*If the Reference Rate is Compounded Daily SARON, Actual/360 should be selected*)
	(l)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
17.	Zero Coupon Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph 17*)
	(a)	Accrual Yield:	[●] per cent. per annum
	(b)	Reference Price:	[●]
	(c)	Any other formula/basis of determining amount payable:	[●]
	(d)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[30/360] [Actual/360] [Actual/365] [*Specify other*]

PROVISIONS RELATING TO REDEMPTION

18.	Notice periods for Condition 6.2 (*Redemption for tax reasons*):		Minimum period: [30] days Maximum period: [60] days
19.	Issuer Call:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph 19*)
	(a)	Optional Redemption Date(s):	[●]

	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/*specify other*]
	(c)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[●] per Calculation Amount
		(ii) Maximum Redemption Amount:	[●] per Calculation Amount
	(d)	Notice periods:	Minimum period: [15] days Maximum period: [30] days (*When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent*)
20.	Investor Put:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph 20*)
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/*specify other*]
	(c)	Notice period (if other than as set out in the Conditions):	Minimum period: [15] days Maximum period: [30] days (*When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent*)
21.	Final Redemption Amount:		[[●] per Calculation Amount/*specify other*/see Appendix]

22.	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[[●] per Calculation Amount/*specify other*/see Appendix] (*If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be*)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	[Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Bearer Notes: Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] (*For this option to be available, such Notes shall only be issued in denomination that are equal to, or greater than, €100,000 (or its equivalent in other currencies) and integral multiples thereof*) [Bearer Notes: Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Registered Notes: Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream]
24.	Additional Financial Centre(s) or other special provisions relating to Payment Days:	[Not Applicable/*give details*] (*Note that this paragraph 24 relates to the place of payment and not Interest Period end dates to which paragraph 16(c) relates*)
25.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
26.	Other terms or special conditions:	[Not Applicable/*give details*]

[LISTING APPLICATION

This Pricing Supplement comprises the pricing supplement required for issue and admission to trading on [the Singapore Exchange Securities Trading Limited (the **SGX-ST**)] [*or specify other exchange*] of the Notes described herein pursuant to the Issuer's U.S.$10,000,000,000 Euro Medium Term Note Programme. Application has been made by the Issuer (or on its behalf) for the Notes to be listed on [the SGX-ST][*or specify other exchange*] with effect from [●].]

[USE OF PROCEEDS

[*Specify if different from that disclosed in the Offering Circular*].]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [[*Relevant third party information*] has been extracted from [*specify source*]]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

[The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Pricing Supplement. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, its associated companies (if any), the Programme or the Notes.]

CONFIRMED

For and on behalf of

New Zealand Local Government Funding Agency Limited (as the **Issuer**)

By: _____

Name:

Title:

PART B – OTHER INFORMATION

1. LISTING

[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on the [SGX-ST/*specify other*]] [Not Applicable]

2. RATINGS

Ratings: [[The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [Fitch Australia Pty Limited] and [*insert details*] by [S&P Global Ratings, acting through S&P Global Ratings Australia Pty Limited]]/[The Notes are not expected to be rated].

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees payable to the [Managers named below/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the, Issuer in the ordinary course of business – *Amend as appropriate if there are other interests*].

4. YIELD

(In respect of Fixed Rate Notes only)

Indication of yield: [●]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

(i) ISIN: [●]

(ii) Common Code: [●]

(iii) CFI: [[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(iv) FISN: [[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(v)	Any clearing system(s) other than Euroclear and Clearstream and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
(vi)	Delivery:	Delivery [against/free of] payment
(vii)	Names and addresses of additional Paying Agent(s) (if any):	[●]

6. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(iii)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
(iv)	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
(v)	U.S. Selling Restrictions:	Reg. S Compliance Category 2; [TEFRA D/TEFRA C/TEFRA not applicable]
(vi)	Additional selling restrictions:	[Not Applicable/*give details*]
(vii)	Prohibition of Sales to EEA Retail Investors:	Applicable
(viii)	Prohibition of Sales to UK Retail Investors:	Applicable

7. [HONG KONG SFC CODE OF CONDUCT][2]

(i)	Rebates:	A rebate of [●] bps is being offered by the [Issuer] to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal)

[2] This section applies where an issue of Notes involves Hong Kong bookbuilding activities and/or placing activities, each as defined in paragraph 21 of the SFC Code.

		will not be entitled to, and will not be paid, the rebate] / [Not Applicable]
(ii)	Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	[*Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – Overall Coordinators to provide*] / [Not Applicable]
(iii)	Marketing and Investor Targeting Strategy	[As set out in the Offering Circular/[●]]

Terms and Conditions of the Notes

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Pricing Supplement" for a description of the content of Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by New Zealand Local Government Funding Agency Limited (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Note;

(c) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form; and

(d) any definitive Notes in registered form (**Registered Notes**) (whether or not issued in exchange for a Global Note in registered form).

The Notes and the Coupons (as defined below):

(a) have the benefit of the guarantee and indemnity under the guarantee and indemnity dated 7 December 2011, as amended, supplemented or restated from time to time (the **Guarantee**) given by each person who is an "Initial Guarantor" under the Guarantee (the **Initial Guarantors**) and each person who, from time to time, accedes to the Guarantee as an "Additional Guarantor" pursuant to clause 12.4 ("*Additional Guarantors*") of the Guarantee (the **Additional Guarantors**, and together with the Initial Guarantors, the **Guarantors**, provided that upon such entity being released as a "Guarantor" in accordance with the Guarantee, such entity will cease to be a Guarantor). Each Guarantor provides a Debenture Trust Deed (as defined in the Security Trust Deed) to secure its obligations under the Guarantee. TEL Security Trustee (LGFA) Limited (the **Security Trustee**, which term shall include any successor Security Trustee) and the Issuer entered into a security trust deed dated 7 December 2011 (as amended, supplemented or restated from time to time, the **Security Trust Deed**) under which the Security Trustee holds the benefit of the Guarantee and Security (as defined in the Security Trust Deed) for the Beneficiaries (which includes the Noteholders);

(b) have the benefit of an agency agreement (such agency agreement as may be modified and/or amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 22 January 2025 and made between the Issuer and Deutsche Bank AG, Hong Kong Branch as principal paying agent and registrar (the **Principal Paying Agent** and the **Registrar**, which expressions shall include any successor principal paying agent and any successor as registrar) and the other paying agents and transfer agents named therein (the **Paying Agents**

and the **Transfer Agents**, which expressions shall include any additional or successor paying agents and transfer agents). If so specified in the applicable Pricing Supplement, the Issuer will also appoint a calculation agent with respect to a Series (the **Calculation Agent**, which expression shall include any successor calculation agent and any other calculation agent specified in the applicable Pricing Supplement). The Principal Paying Agent, the Calculation Agent (if any is specified in the applicable Pricing Supplement), the Registrar, the other Paying Agents and the other Transfer Agents together referred to as the **Agents**.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purpose of this Note. References to the **applicable Pricing Supplement** are, unless otherwise stated, to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Interest bearing definitive Bearer Notes have interest coupons (**Coupons**) and, in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 22 January 2025 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream (as defined below).

Copies of the Agency Agreement, the Guarantee, the Security Trust Deed and the Deed of Covenant (i) are available for inspection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to any Paying Agents or the Issuer and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent or the Issuer, as the case may be). The applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee, the Security Trust Deed, the Deed of Covenant and the applicable Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement and the Security Trust Deed (as applicable).

Words and expressions defined in the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or

unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Pricing Supplement and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Pricing Supplement. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream**), each person (other than Euroclear or Clearstream) who is for the time being shown in the records of Euroclear or of Clearstream as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, as the case may be. References to Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in Condition 2.3 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 7 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

3. STATUS OF THE NOTES AND THE GUARANTEE

3.1 Status of the Notes

The Notes and Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank at least *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsubordinated and unsecured obligations of the Issuer, from time to time outstanding.

3.2 Status of the Guarantee

The obligations of the Issuer under the Notes and the Deed of Covenant are guaranteed by the Guarantors under the Guarantee. The obligations of each Guarantor under the Guarantee are secured by that Guarantor's Debenture Trust Deed.

3.3 Security arrangement under the Security Trust Deed

The payment of principal and interest in respect of the Notes are subject to the benefit of the Guarantee. The Guarantors each guarantee to the Security Trustee, for the benefit of each Noteholder and other creditors of the Issuer to whom the Issuer extends the benefit of the Guarantee and Security Trust Deed from time to time (each such creditor, including any Noteholder, a **Beneficiary**), the Issuer's due payment and delivery of all amounts the Issuer is or may at any time become liable to pay to the Beneficiaries under specified finance documents (including the Notes).

Each Guarantor is required to enter into a Debenture Trust Deed with a Debenture Trustee whereby a security interest is created in favour of the Debenture Trustee over all rates a Guarantor sets or assesses from time to time under certain legislation or arising under section 115 of the Local Government Act 2002 of New Zealand and all rates revenue in respect thereof. The security is limited to rates and rates revenues, and does not extend to any other assets of such Guarantor. The security interest is held by the Debenture Trustee for the benefit of all creditors of the Guarantor to whom the Guarantor has issued stock (including Security Stock).

Each Guarantor must have issued (i) Security Stock to the Security Trustee to secure its liabilities under the Guarantee; and (ii) a Security Stock Certificate to the Security Trustee in relation to the Guarantee. The Security Trustee holds the benefit of the Security Stock on behalf of each Noteholder (and the other Beneficiaries) from time to time.

If a Guarantor does not satisfy its obligations under the Guarantee, Noteholders are entitled to request the Security Trustee to request the relevant Debenture Trustee to enforce the security interest created by the Debenture Trust Deed, subject to the provisions set out in the Security Trust Deed.

A Debenture Trustee is not required to enforce the security interest created by the Debenture Trust Deed unless directed to do so by an extraordinary resolution of stockholders of the relevant Guarantor and/or in certain cases a specified percentage of "majority stockholders" of the relevant Guarantor. The Debenture Trustee is not bound to comply with such a direction if it is not first indemnified to its satisfaction against any actions, proceedings, claims, demands, costs and expenses that it may face as a result of complying with the direction. The Debenture Trustee has the power under the relevant Debenture Trust Deed to appoint a receiver to levy a special rate on the relevant Local Authority's ratepayers.

For the purposes of these Conditions:

Debenture Trust Deed means a deed entered into by a Guarantor under which (among other things) certain of the Guarantor's indebtedness may, from time to time, be secured by the issuing of Security Stock;

Debenture Trustee means the "Trustee" as specified in a Debenture Trust Deed;

Security Stock means security stock issued under a Debenture Trust Deed in respect of obligations owed by a Guarantor;

Security Stock Certificate means a certificate issued by a Guarantor pursuant to a Debenture Trust Deed in respect of Security Stock; and

Local Authority means a Local Authority as defined in the Local Government Act 2002 of New Zealand.

4. INTEREST

The applicable Pricing Supplement will indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes or whether a different interest basis applies.

4.1 Interest on Fixed Rate Notes

This Condition 4.1 applies to Fixed Rate Notes only. The applicable Pricing Supplement contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Pricing Supplement will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are Bearer Notes in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date and **Calculation Amount** has the meaning given in the applicable Pricing Supplement.

Except in the case of Bearer Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A)

the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes; or

(b) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rates Notes which are Registered Notes in definitive form or the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest, in accordance with this Condition 4.1:

(i) if "Actual/Actual (ICMA)" is specified in the applicable Pricing Supplement:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "30/360" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

4.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

This Condition 4.2 applies to Floating Rate Notes only. The applicable Pricing Supplement contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 4.2 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Pricing Supplement will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, the party who will calculate the amount of interest due if it is not the Principal Paying Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. The applicable Pricing Supplement will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of sub-paragraph (x) above, shall be the last day that is a Business Day in the

relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of sub-paragraph (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than T2) specified in the applicable Pricing Supplement;

(b) if T2 is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system (**T2**) is open; and

(c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Pricing Supplement.

(i) ***Screen Rate Determination for Floating Rate Notes - Term Rate***

This Condition 4.2(b)(i) applies where "Term Rate" is specified in the applicable Pricing Supplement to be "Applicable".

The Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR, as specified in the applicable Pricing Supplement) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of Condition 4.2(b)(i)(A), no offered quotation appears or, in the case of Condition 4.2(b)(i)(B), fewer than three offered quotations appear, in each case as at the Specified Time, the Issuer shall request each of the Reference Banks to provide the Principal Paying Agent or the Calculation Agent, as applicable, with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable, with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent or the Calculation Agent, as applicable, with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent or the Calculation Agent, as applicable, determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent or the Calculation Agent, as applicable, by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable, with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent or the Calculation Agent, as applicable, it is quoting to leading banks in the Euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions

of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than EURIBOR, the Rate of Interest in respect of the Notes will be determined as provided in the applicable Pricing Supplement.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

For the purposes of this Condition 4.2(b)(i):

Reference Banks means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case as selected by the Issuer; and

Specified Time means 11.00 a.m. (Brussels time).

(ii) ***Screen Rate Determination for Floating Rate Notes – Overnight Rate - Compounded Daily SONIA - Non-Index Determination***

This Condition 4.2(b)(ii) applies where the applicable Pricing Supplement specifies: (1) "*Overnight Rate*" to be "Applicable"; (2) "*Compounded Daily SONIA*" as the Reference Rate; and (3) "*Index Determination*" to be "Not Applicable".

(A) The Rate of Interest for an Interest Accrual Period will, subject to Condition 4.2(c) and as provided below, be Compounded Daily SONIA with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Pricing Supplement) the applicable Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

Compounded Daily SONIA means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) as calculated by the Principal Paying Agent or the Calculation Agent, as applicable as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_{\mathrm{i}}\times \mathrm{n_i}}{D}\right)-1\right]\times\frac{\mathrm{D}}{d}$$

where:

d is the number of calendar days in:

(i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Interest Accrual Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Observation Period;

D is the number specified as such in the applicable Pricing Supplement (or, if no such number is specified, 365);

d_o means:

(i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the number of London Banking Days in the relevant Interest Accrual Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the number of London Banking Days in the relevant Observation Period;

i is a series of whole numbers from one to "d_o", each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

(i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Interest Accrual Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Observation Period;

London Banking Day means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

n_i for any London Banking Day "i", means the number of calendar days from (and including) such London Banking Day "i" up to (but excluding) the following London Banking Day;

Observation Period means the period from (and including) the date falling "p" London Banking Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling "p" London Banking Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other Interest Accrual Period) the date on which the relevant payment of interest falls due;

p means:

(i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the number of London Banking Days specified as the "Lag Period" in the applicable Pricing Supplement (or, if no such number is so specified, five London Banking Days); or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the number of London Banking Days specified as the "Observation Shift Period" in the applicable Pricing Supplement (or, if no such number is specified, five London Banking Days);

the **SONIA reference rate**, in respect of any London Banking Day (**LBD_x**), is a reference rate equal to the daily Sterling Overnight Index Average (**SONIA**) rate for such LBD_x as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Banking Day immediately following LBD_x; and

$SONIA_i$ means the SONIA reference rate for:

(i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the London Banking Day falling "*p*" London Banking Days prior to the relevant London Banking Day "*i*"; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the relevant London Banking Day "*i*".

(B) Subject to Condition 4.2(c) if, where any Rate of Interest is to be calculated pursuant to Condition 4.2(b)(ii)(A) above, in respect of any London Banking Day on which an applicable SONIA reference rate is required to be determined, such SONIA reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the SONIA reference rate in respect of such London Banking Day shall be the rate determined by the Principal Paying Agent or the Calculation Agent, as applicable as:

(1) the sum of (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at 5.00 p.m. (London time) (or, if earlier, close of business) on such London Banking Day; and (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days in respect of which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or

(2) if the Bank Rate under (1)(i) above is not available at the relevant time, either (A) the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day in respect of which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (B) if this is more recent, the latest rate determined under (1) above,

and, in each case, references to "SONIA reference rate" in Condition 4.2(b)(ii)(A) above shall be construed accordingly.

(C) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 4.2(b)(ii), and without prejudice to Condition 4.2(c), the Rate of Interest shall be:

(1) that determined as at the last preceding Interest Determination Date on which the Rate of Interest was so determined (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Accrual Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Accrual Period); or

(2) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period),

in each case as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

(iii) ***Screen Rate Determination – Overnight Rate - Compounded Daily SONIA - Index Determination***

This Condition 4.2(b)(iii) applies where the applicable Pricing Supplement specifies: (1) "*Overnight Rate*" to be "Applicable"; (2) "*Compounded Daily SONIA*" as the Reference Rate; and (3) "*Index Determination*" to be "Applicable".

(A) The Rate of Interest for an Interest Accrual Period will, subject to Condition 4.2(c) and as provided below, be the Compounded Daily SONIA Rate with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Pricing Supplement) the applicable Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

Compounded Daily SONIA Rate means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) (expressed as a percentage and rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) determined by the Principal Paying Agent or the Calculation Agent, as applicable by reference to the screen rate or index for compounded daily SONIA rates administered by the administrator of the SONIA reference rate that is published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date, as further specified in the applicable Pricing Supplement (the **SONIA Compounded Index**) and in accordance with the following formula:

$$\left(\frac{SONIA\ COMPOUNDED\ INDEX_{End}}{SONIA\ COMPOUNDED\ INDEX_{Start}} - 1\right)\ x\ \frac{365}{d}$$

where:

d is the number of calendar days from (and including) the day in relation to which SONIA Compounded Index$_{\textbf{Start}}$ is determined to (but excluding) the day in relation to which SONIA Compounded Index$_{\textbf{End}}$ is determined;

London Banking Day means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

Relevant Number is the number specified as such in the applicable Pricing Supplement (or, if no such number is specified, five);

SONIA Compounded Index$_{\textbf{Start}}$ means, with respect to an Interest Accrual Period, the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the first day of such Interest Accrual Period; and

SONIA Compounded Index$_{\textbf{End}}$ means, with respect to an Interest Accrual Period, the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to (A) the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period).

If the relevant SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date, the Compounded Daily SONIA Rate for the applicable Interest Accrual Period for which the SONIA Compounded Index is not available shall be "Compounded Daily SONIA" determined in accordance with Condition 4.2(b)(ii) above as if "*Index Determination*" were specified in the applicable Pricing Supplement as being "Not Applicable", and for these purposes: (i) the "*Observation Method*" shall be deemed to be "*Observation Shift*" and (ii) the "*Observation Shift Period*" shall be deemed to be equal to the Relevant Number of London Banking Days, as if those alternative elections had been made in the applicable Pricing Supplement.

(iv) ***Screen Rate Determination – Overnight Rate – Compounded Daily SOFR – Non-Index Determination***

This Condition 4.2(b)(iv) applies where the applicable Pricing Supplement specifies: (1) "*Overnight Rate*" to be "Applicable"; (2) "*Compounded Daily SOFR*" as the Reference Rate; and (3) "*Index Determination*" to be "Not Applicable".

(A) Compounded Daily SOFR

The Rate of Interest for an Interest Accrual Period will, subject to Condition 4.2(c) and as provided below, be Compounded Daily SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Pricing Supplement) the applicable Margin (if any), all as

determined by the Principal Paying Agent or the Calculation Agent, as applicable.

Compounded Daily SOFR means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily U.S. dollars secured overnight financing rate as reference rate for the calculation of interest) as calculated by the Principal Paying Agent or the Calculation Agent, as applicable as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SOFR_{\mathrm{i}}\times \mathrm{n_i}}{D}\right)-1\right]\times\frac{\mathrm{D}}{d}$$

where:

d is the number of calendar days in:

(i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Interest Accrual Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Observation Period;

D is the number specified as such in the applicable Pricing Supplement (or, if no such number is specified, 360);

d_o means:

(i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the number of U.S. Government Securities Business Days in the relevant Observation Period;

i is a series of whole numbers from one to "d_o", each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

(i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Interest Accrual Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Observation Period;

New York Fed's Website means the website of the Federal Reserve Bank of New York (or a successor administrator of SOFR) or any successor source;

n_i for any U.S. Government Securities Business Day "*i*", means the number of calendar days from (and including) such U.S. Government Securities Business Day "*i*" up to (but excluding) the following U.S. Government Securities Business Day;

Observation Period means the period from (and including) the date falling "p" U.S. Government Securities Business Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling "p" U.S. Government Securities Business Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other Interest Accrual Period) the date on which the relevant payment of interest falls due;

p means:

(i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the number of U.S. Government Securities Business Days specified as the "Lag Period" in the applicable Pricing Supplement; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the number of U.S. Government Securities Business Days specified as the "Observation Shift Period" in the applicable Pricing Supplement;

SOFR in respect of any U.S. Government Securities Business Day (**$USBD_x$**), is a reference rate equal to the daily secured overnight financing rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Fed's Website, in each case at or around 3.00 p.m. (New York City time) on the U.S. Government Securities Business Day immediately following such $USBD_x$;

$SOFR_i$ means the SOFR for:

(i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the U.S. Government Securities Business Day falling "*p*" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "*i*";

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the relevant U.S. Government Securities Business Day "*i*"; and

U.S. Government Securities Business Day means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(B) SOFR Unavailable

Subject to Condition 4.2(c), if, where any Rate of Interest is to be calculated pursuant to this Condition 4.2(b)(iv), in respect of any U.S. Government Securities Business Day in respect of which an applicable SOFR is required to be determined, such SOFR is not available, such SOFR shall be the SOFR for the first preceding U.S. Government Securities Business Day in respect of which the SOFR was published on the New York Fed's Website.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 4.2(b)(iv) but without prejudice to Condition 4.2(c), the Rate of Interest shall be calculated in accordance, *mutatis mutandis*, with the provisions of Condition 4.2(b)(ii)(C).

(v) ***Screen Rate Determination – Overnight Rate - SOFR - Index Determination***

This Condition 4.2(b)(v) applies where the applicable Pricing Supplement specifies: (1) "*Overnight Rate*" to be "Applicable"; (2) "*Compounded Daily SOFR*" as the Reference Rate; and (3) "*Index Determination*" to be "Applicable".

(A) The Rate of Interest for an Interest Accrual Period will, subject to Condition 4.2(c) and as provided below, be the Compounded SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Pricing Supplement) the applicable Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

Compounded SOFR means, with respect to an Interest Accrual Period, the rate (expressed as a percentage and rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards) determined by the Principal Paying Agent or the Calculation Agent, as applicable in accordance with the following formula:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) x \frac{360}{d_c}$$

where:

d_c is the number of calendar days from (and including) the day in relation to which SOFR $\text{Index}_{\text{Start}}$ is determined to (but excluding) the day in relation to which SOFR $\text{Index}_{\text{End}}$ is determined;

Relevant Number is the number specified as such in the applicable Pricing Supplement;

SOFR means the daily secured overnight financing rate as provided by the SOFR Administrator on the SOFR Administrator's Website;

SOFR Administrator means the Federal Reserve Bank of New York (or a successor administrator of SOFR);

SOFR Administrator's Website means the website of the SOFR Administrator, or any successor source;

SOFR Index, with respect to any U.S. Government Securities Business Day, means the SOFR index value as published by the SOFR Administrator as such index appears on the SOFR Administrator's Website at or around 3.00 p.m. (New York time) on such U.S. Government Securities Business Day (the **SOFR Determination Time**);

SOFR $\text{Index}_{\text{Start}}$, with respect to an Interest Accrual Period, is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding the first day of such Interest Accrual Period;

SOFR Index$_{End}$, with respect to an Interest Accrual Period, is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding (A) the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period); and

U.S. Government Securities Business Day means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(vi) If, as at any relevant SOFR Determination Time, the relevant SOFR Index is not published or displayed on the SOFR Administrator's Website by the SOFR Administrator, the Compounded SOFR for the applicable Interest Accrual Period for which the relevant SOFR Index is not available shall be "Compounded Daily SOFR" determined in accordance with Condition 5.2(b)(iv) above as if "*Index Determination*" were specified in the applicable Pricing Supplement as being 'Not Applicable', and for these purposes: (i) the "*Observation Method*" shall be deemed to be "*Observation Shift*" and (ii) the "*Observation Shift Period*" shall be deemed to be equal to the Relevant Number of U.S. Government Securities Business Days, as if such alternative elections had been made in the applicable Pricing Supplement.

(vii) ***Screen Rate Determination – Overnight Rate – €STR – Compounded Daily €STR Formula***

This Condition 4.2(b)(vii) applies where the applicable Pricing Supplement specifies: (1) "*Overnight Rate*" to be "Applicable"; (2) "***€STR***" as the Reference Rate; and (3) "***Compounded Daily €STR Formula***" as the Calculation Method.

The Rate of Interest for an Interest Accrual Period will, subject to Condition 4.2(c) and as provided below, be the Compounded Daily €STR Formula Rate with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Pricing Supplement) the applicable Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

Compounded Daily €STR Formula Rate means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment in euro (with the daily euro short-term rate (**€STR**) as the reference rate for the calculation of interest) as calculated by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{€STR_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

the **€STR reference rate** means, in respect of any T2 Business Day, a reference rate equal to the daily €STR for such T2 Business Day, as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as

otherwise published by it or provided by it to authorised distributors, or as otherwise published by such authorised distributors) on the T2 Business Day immediately following such T2 Business Day (in each case at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of €STR);

€STR$_i$ means, in respect of any T2 Business Day "i":

(i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the €STR reference rate in respect of the T2 Business Day falling "*p*" T2 Business Days prior to the relevant T2 Business Day "i"; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the €STR reference rate in respect of the relevant T2 Business Day "i";

d is the number of calendar days in:

(i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Observation Period;

i is a series of whole numbers from one to d_o, each representing the relevant T2 Business Day in chronological order from, and including, the first T2 Business Day in:

(i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Observation Period;

n_i, for any T2 Business Day "i", means the number of calendar days from (and including) such T2 Business Day "i" up to (but excluding) the following T2 Business Day;

Observation Period means, in respect of an Interest Accrual Period, the period from (and including) the date falling "*p*" T2 Business Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling "*p*" T2 Business Days prior to (I) the Interest Payment Date for such Interest Accrual Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

p means:

(i) (where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the number of T2 Business Days included in the "Lag Lookback Period (*p*)" in the applicable Pricing Supplement (or, if no such number is so specified, five T2 Business Days); or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the number of T2 Business Days included in

the "Observation Shift Period" in the applicable Pricing Supplement (or, if no such number is so specified, five T2 Business Days); and

T2 Business Day means any day on which T2 (as defined in Condition 4.2(a)) is open

(viii) ***Screen Rate Determination – Overnight Rate – €STR – €STR Index Determination***

This Condition 4.2(b)(viii) applies where the applicable Pricing Supplement specifies: (1) "***Overnight Rate***" to be "Applicable"; (2) "***€STR***" as the Reference Rate; and (3) "***€STR Index Determination***" as the Calculation Method.

The Rate of Interest for an Interest Accrual Period will, subject to Condition 4.2(c) and as provided below, be the €STR Compounded Index Rate with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Pricing Supplement) the applicable Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

€STR Compounded Index Rate means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment in euro as calculated by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left(\frac{€STR\ Compounded\ Index_{End}}{€STR\ Compounded\ Index_{Start}} - 1\right) \times \frac{360}{d}$$

where:

€STR Compounded Index$_{End}$ means the €STR Compounded Index value relating to the T2 Business Day falling the Relevant Number of T2 Business Days prior to (I) the Interest Payment Date for the relevant Interest Accrual Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

€STR Compounded Index$_{Start}$ means the €STR Compounded Index value relating to the T2 Business Day falling the Relevant Number of T2 Business Days prior to the first day of the relevant Interest Accrual Period;

the **€STR Compounded Index** means, with respect to any T2 Business Day, the value of the €STR Compounded Index that is published by the European Central Bank as the administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank or any successor website, in respect of such T2 Business Day;

d is the number of calendar days from (and including) the day in relation to which "€STR Compounded Index$_{Start}$" is determined to (but excluding) the day in relation to which "€STR Compounded Index$_{End}$" is determined (being the number of calendar days in the applicable reference period);

Relevant Number is as specified in the applicable Pricing Supplement; and

T2 Business Day has the meaning set out in Condition 4.2(b)(vii) above.

If the relevant €STR Compounded Index required to determine €STR Compounded $\text{Index}_{\text{Start}}$ or €STR Compounded $\text{Index}_{\text{End}}$ is not published or displayed by the European Central Bank as the administrator of the €STR reference rate (or any successor administrator of such rate) on the website of the European Central Bank or any successor website at the Relevant Time specified in the applicable Pricing Supplement (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of €STR) on the relevant Interest Determination Date, the €STR Compounded Index Rate for the applicable Interest Accrual Period for which the €STR Compounded Index is not available shall be the "Compounded Daily €STR Formula Rate" determined in accordance with Condition 4.2(b)(vii) above as if the Calculation Method specified in the applicable Pricing Supplement were "Compounded Daily €STR Formula" (and not "€STR Index Determination"), and for these purposes: (i) the "*Observation Method*" shall be deemed to be "Observation Shift", and (ii) the "*Observation Shift Period*" shall be deemed to be equal to the Relevant Number of T2 Business Days, as if those alternative elections had been made in the applicable Pricing Supplement.

(ix) ***Screen Rate Determination – Overnight Rate – €STR – Average €STR***

This Condition 4.2(b)(ix) applies where the applicable Pricing Supplement specifies: (1) "*Overnight Rate*" to be "Applicable"; (2) "***€STR***" as the Reference Rate; and (3) "***Average €STR***" as the Calculation Method.

The Rate of Interest for an Interest Accrual Period will, subject to Condition 4.2(c) and as provided below, be the Average €STR Rate with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Pricing Supplement) the applicable Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

Average €STR Rate means, with respect to an Interest Accrual Period, the arithmetic mean of the €STR reference rate in effect during such Interest Accrual Period as calculated by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\frac{\sum_{i=1}^{d_o} €STR_i \times n_i}{d}$$

where **€STR reference rate, $€STR_i$**, **d**, **d_o**, **i** and **n_i** have the meanings set out in Condition 4.2(b)(vii) above.

For the purposes of Conditions 4.2(b)(vii) and 4.2(b)(ix) above, and subject to Condition 4.2(c) below, if, in respect of any T2 Business Day in the relevant Observation Period or the relevant Interest Accrual Period, as applicable, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) determines that the applicable €STR reference rate has not been published by the European Central Bank as the administrator of such rate (or any successor administrator of the €STR reference rate) on the website of the European Central Bank or any successor website, then the Principal Paying Agent (or such other party responsible for the calculation of the Rate

of Interest, as specified in the applicable Pricing Supplement, as applicable) shall determine the €STR reference rate in respect of such T2 Business Day as being the €STR reference rate published by the European Central Bank as the administrator of the €STR reference rate (or any successor administrator of such rate), on the website of the European Central Bank or any successor website, for the first preceding T2 Business Day in respect of which the €STR reference rate was published by the European Central Bank as the administrator of the €STR reference rate (or any successor administrator of such rate) on the website of the European Central Bank or any successor website, and "€STR reference rate" shall be interpreted accordingly.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, and subject to Condition 4.2(c) below, the Rate of Interest shall be:

(i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Accrual Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or

(ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first scheduled Interest Accrual Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period),

in each case as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

(x) ***Screen Rate Determination – Overnight Rate – SARON – Compounded Daily SARON***

This Condition 4.2(b)(x) applies where the applicable Pricing Supplement specifies: (1) "*Overnight Rate*" to be "Applicable"; and (2) "*Compounded Daily SARON*" as the Reference Rate.

(A) Compounded Daily SARON

The Rate of Interest for an Interest Accrual Period will, subject to Condition 4.2(c) and as provided below, be Compounded Daily SARON with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Pricing Supplement) the applicable Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

Compounded Daily SARON means, with respect to any Interest Accrual Period, subject to Condition 4.2(b)(x)(B) and Condition 4.2(c), the rate calculated by the Principal Paying Agent or the Calculation Agent, as applicable on the relevant Interest Determination Date in accordance with the

following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_b}\left(1+\frac{SARON_i \times n_i}{360}\right)-1\right]\times\frac{360}{d_c}$$

where:

d_b means the number of Zurich Banking Days in the relevant SARON Observation Period;

d_c means the number of calendar days in the relevant SARON Observation Period;

i indexes a series of whole numbers from one to "d_b", representing the Zurich Banking Days in the relevant SARON Observation Period in chronological order from (and including) the first Zurich Banking Day in such SARON Observation Period, to (and including) the last Zurich Banking Day in such SARON Observation Period;

n_i means, in respect of any Zurich Banking Day "i", the number of calendar days from (and including) such Zurich Banking Day "i" to (but excluding) the first following Zurich Banking Day; and

$SARON_i$ means, in respect of any Zurich Banking Day "*i*" in the relevant SARON Observation Period, SARON in respect of such Zurich Banking Day *i*.

(B) SARON Unavailable and both a SARON Index Cessation Event and a SARON Index Cessation Effective Date have occurred

(i) If the Principal Paying Agent or the Calculation Agent, as applicable, (A) is required to use a SARON Recommended Replacement Rate or the SNB Policy Rate pursuant to sub-paragraphs (iii)(1) or (iii)(2) of the definition of "SARON" for purposes of determining SARON for any Zurich Banking Day, and (B) determines that (x) any changes to the definitions of Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Interest Payment Date, Interest Accrual Period, SARON Observation Period, SARON, SARON Administrator, SARON Administrator Website, SARON Specified Time or Zurich Banking Day, and/or (y) any other technical changes to any other provision in this Condition 4.2 are necessary in order to use such SARON Recommended Replacement Rate (and any SARON Recommended Adjustment Spread) or the SNB Policy Rate (and any SNB Adjustment Spread), as the case may be, for such purposes, in a manner substantially consistent with market practice (or, if the Principal Paying Agent or the Calculation Agent, as applicable, decides that adoption of any portion of such market practice is not administratively feasible or if the Calculation Agent determines that no market practice for use of such SARON Recommended Replacement Rate (and any SARON Recommended Adjustment Spread) or the SNB Policy Rate (and any SNB Adjustment Spread) exists, in such other manner as the Principal Paying Agent or the Calculation Agent, as applicable, determines is reasonably necessary),

such definitions and other provisions will be amended pursuant to Condition 14(c) to reflect such changes, and the Issuer shall give notice as soon as practicable to the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 13, the Noteholders, specifying the SARON Recommended Replacement Rate and any SARON Recommended Adjustment Spread or any SNB Adjustment Spread, as applicable, and the amendments implemented pursuant to Condition 14(c).

(C) Definitions

For the purposes of this Condition 4.2(b)(x):

SARON means, in respect of any Zurich Banking Day,

(i) the Swiss Average Rate Overnight for such Zurich Banking Day published by the SARON Administrator on the SARON Administrator Website at the SARON Specified Time on such Zurich Banking Day; or

(ii) if such rate is not so published on the SARON Administrator Website at the SARON Specified Time on such Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have not both occurred at or prior to the SARON Specified Time on such Zurich Banking Day, the Swiss Average Rate Overnight published by the SARON Administrator on the SARON Administrator Website for the last preceding Zurich Banking Day on which the Swiss Average Rate Overnight was published by the SARON Administrator on the SARON Administrator Website; or

(iii) if such rate is not so published on the SARON Administrator Website at the SARON Specified Time on such Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have both occurred at or prior to the SARON Specified Time on such Zurich Banking Day,

(1) if there is a SARON Recommended Replacement Rate within one Zurich Banking Day of the SARON Index Cessation Effective Date, the SARON Recommended Replacement Rate for such Zurich Banking Day, giving effect to the SARON Recommended Adjustment Spread, if any, published on such Zurich Banking Day; or

(2) if there is no SARON Recommended Replacement Rate within one Zurich Banking Day of the SARON Index Cessation Effective Date, the SNB Policy Rate for such Zurich Banking Day, giving effect to the SNB Adjustment Spread, if any.

Notwithstanding the above, if the SNB Policy Rate for any Zurich Banking Day with respect to which SARON is to be determined pursuant to sub-paragraph (iii)(2) has not been published on such Zurich Banking Day, then in respect of the Interest Accrual Period relating to the SARON Observation Period in which such Zurich Banking Day (such Interest Accrual Period, the

Affected Interest Accrual Period), **Compounded Daily SARON** will mean (x) the Alternative Rate (giving effect to any Adjustment Spread) determined in accordance with Condition 4.2(c) or (y) if no such Alternative Rate has been so determined at least five Business Days prior to the Interest Determination Date for such Affected Interest Accrual Period, the Rate of Interest applicable to the Affected Interest Accrual Period shall be the Rate of Interest determined as at the Interest Determination Date in respect of the last preceding Interest Accrual Period (though substituting, where a different Margin is to be applied to the Affected Interest Period from that which applied to the last preceding Interest Accrual Period, the Margin relating to the Affected Interest Period, in place of the Margin relating to that last preceding Interest Period);

SARON Administrator means SIX Index Ltd (including any successor thereto) or any successor administrator of the Swiss Average Rate Overnight;

SARON Administrator Website means the website of the SIX Group, or any successor website or other source on which the Swiss Average Rate Overnight is published by or on behalf of the SARON Administrator;

SARON Index Cessation Effective Date means the earliest of:

(i) in the case of the occurrence of a SARON Index Cessation Event described in sub-paragraph (i) of the definition thereof, the date on which the SARON Administrator ceases to provide the Swiss Average Rate Overnight;

(ii) in the case of the occurrence of a SARON Index Cessation Event described in sub-paragraph (ii)(x) of the definition thereof, the latest of:

(x) the date of such statement or publication;

(y) the date, if any, specified in such statement or publication as the date on which the Swiss Average Rate Overnight will no longer be representative; and

(z) if a SARON Index Cessation Event described in sub-paragraph (ii)(y) of the definition thereof has occurred on or prior to either or both dates specified in sub-paragraphs (x) and (y) of this sub-paragraph (ii), the date as of which the Swiss Average Rate Overnight may no longer be used; and

in the case of the occurrence of a SARON Index Cessation Event described in sub-paragraph (ii)(y) of the definition thereof, the date as of which the Swiss Average Rate Overnight may no longer be used;

SARON Index Cessation Event means the occurrence of one or more of the following events:

(i) a public statement or publication of information by or on behalf of the SARON Administrator, or by any competent authority, announcing or confirming that the SARON Administrator has ceased or will cease to provide the Swiss Average Rate Overnight permanently or indefinitely, provided that, at the time of such

statement or publication, there is no successor administrator that will continue to provide the Swiss Average Rate Overnight; or

(ii) a public statement or publication of information by the SARON Administrator or any competent authority announcing that (x) the Swiss Average Rate Overnight is no longer representative or will as of a certain date no longer be representative, or (y) the Swiss Average Rate Overnight may no longer be used after a certain date, which statement, in the case of sub-paragraph (y), is applicable to (but not necessarily limited to) fixed income securities and derivatives;

SARON Observation Period means, in respect of an Interest Accrual Period, the period from (and including) the date falling five Zurich Banking Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling five Zurich Banking Days prior to (I) the Interest Payment Date for such Interest Accrual Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

SARON Recommended Adjustment Spread means, with respect to any SARON Recommended Replacement Rate, the spread (which may be positive, negative or zero), or formula or methodology for calculating such a spread:

(i) that the SARON Recommending Body has recommended be applied to such SARON Recommended Replacement Rate in the case of fixed income securities with respect to which such SARON Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon;

(ii) if the SARON Recommending Body has not recommended such a spread, formula or methodology as described in sub-paragraph (i) above, to be applied to such SARON Recommended Replacement Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the Swiss Average Rate Overnight with such SARON Recommended Replacement Rate for purposes of determining SARON, which spread will be determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, and be consistent with industry-accepted practices for fixed income securities with respect to which such SARON Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon;

SARON Recommended Replacement Rate means the rate that has been recommended as the replacement for the Swiss Average Rate Overnight by any working group or committee in Switzerland organised in the same or a similar manner as the National Working Group on Swiss Franc Reference Rates that was founded in 2013 for purposes of, among other things, considering proposals to reform reference interest rates in Switzerland (any such working group or committee, the **SARON Recommending Body**);

SARON Specified Time means, in respect of any Zurich Banking Day, close of trading on the trading platform of SIX Repo Ltd (or any successor thereto) on such Zurich Banking Day, which is expected to be on or around 6 p.m. (Zurich time);

SNB Adjustment Spread means, with respect to the SNB Policy Rate, the spread to be applied to the SNB Policy Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the Swiss Average Rate Overnight with the SNB Policy Rate for purposes of determining SARON, which spread will be determined by the Principal Paying Agent or the Calculation Agent, as applicable, acting in good faith and a commercially reasonable manner, taking into account the historical median between the Swiss Average Rate Overnight and the SNB Policy Rate during the two year period ending on the date on which the SARON Index Cessation Event occurred (or, if more than one SARON Index Cessation Event has occurred, the date on which the first of such events occurred);

SNB Policy Rate means, with respect to any Zurich Banking Day, the policy rate of the Swiss National Bank for such Zurich Banking Day; and

Zurich Banking Day means a day on which banks are open in the City of Zurich for the settlement of payments and of foreign exchange transactions.

(xi) ***Interest Accrual Period***

As used herein, an **Interest Accrual Period** means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the relevant Series of Notes becomes due and payable in accordance with Condition 9, shall be the date on which such Notes become due and payable).

(c) **Benchmark Discontinuation**

This Condition 4.2(c) shall apply to each issue of Floating Rate Notes.

Notwithstanding the provisions in Condition 4.2(b) above, if (x) except where the Reference Rate is specified in the applicable Pricing Supplement as being Compounded Daily SARON, the Issuer (acting in good faith and in a commercially reasonable manner) determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to that Original Reference Rate; or (y) where the Reference Rate is specified in the applicable Pricing Supplement as being Compounded Daily SARON and the conditions set out in the last paragraph of the definition of "SARON" have been satisfied, then the following provisions of this Condition 4.2(c) shall apply.

(i) *Successor Rate or Alternative Rate*

If there is a Successor Rate, then the Issuer shall, prior to the date which is five Business Days prior to the relevant Interest Determination Date, notify the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 13, the Noteholders of such Successor Rate. Such Successor Rate shall (subject to adjustment as provided in Condition 4.2(c)(ii)) subsequently be used by the Principal

Paying Agent or the Calculation Agent, as applicable, in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4.2(c)). Where the Reference Rate is specified in the applicable Pricing Supplement as being Compounded Daily SARON, this sub-paragraph shall not apply for the purposes of this Condition 4.2(c) and the sub-paragraph below applies instead.

If there is no Successor Rate but the Issuer, acting in good faith, in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines that there is an Alternative Rate, then the Issuer shall, prior to the date which is five Business Days prior to the relevant Interest Determination Date, notify the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 13, the Noteholders of such Alternative Rate. Such Alternative Rate shall (subject to adjustment as provided in Condition 4.2(c)(ii)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4.2(c)).

(ii) *Adjustment Spread*

If, in the case of a Successor Rate, an Adjustment Spread is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body, then the Issuer shall, prior to the date which is five Business Days prior to the relevant Interest Determination Date, notify the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 13, the Noteholders of such Adjustment Spread and the Principal Paying Agent or the Calculation Agent, as applicable, shall apply such Adjustment Spread to the Successor Rate for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate.

If, in the case of a Successor Rate where no such Adjustment Spread is formally recommended or provided as an option by any Relevant Nominating Body, or in the case of an Alternative Rate, the Issuer, acting in good faith, in a commercially reasonable manner and following consultation with an Independent Adviser, determines that there is an Adjustment Spread in customary market usage in the international debt capital markets for transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be), then the Issuer shall, prior to the date which is five Business Days prior to the relevant Interest Determination Date, notify the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 13, the Noteholders of such Adjustment Spread and the Principal Paying Agent or the Calculation Agent, as applicable, shall apply such Adjustment Spread to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

If no such recommendation or option has been made (or made available) by any Relevant Nominating Body, or the Issuer so determines that there is no such Adjustment Spread in customary market usage in the international debt capital markets and the Issuer further determines, acting in good faith, in a commercially reasonable manner and following consultation with an Independent Adviser, that an Adjustment

Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be), then the Adjustment Spread shall be:

(A) the Adjustment Spread determined by the Issuer, acting in good faith, in a commercially reasonable manner and following consultation with an Independent Adviser, as being the Adjustment Spread recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(B) if there is no such industry standard recognised or acknowledged, such Adjustment Spread as the Issuer, acting in good faith, in a commercially reasonable manner and following consultation with an Independent Adviser, determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

Following any such determination of the Adjustment Spread, the Issuer shall, prior to the date which is five Business Days prior to the relevant Interest Determination Date, notify the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 13, the Noteholders of such Adjustment Spread and the Principal Paying Agent or the Calculation Agent, as applicable, shall apply such Adjustment Spread to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(iii) *Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4.2(c) and the Issuer, acting in good faith, in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines in its discretion (A) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation (having regard to prevailing market practice, if any) of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (B) the terms of the Benchmark Amendments, then the Issuer and the Principal Paying Agent and/or the Calculation Agent, as applicable, shall agree without any requirement for the consent or approval of Noteholders to the necessary modifications to these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice, subject to the Issuer having to give notice thereof to the Noteholders in accordance with Condition 13 and any Benchmark Amendments not increasing the obligations or duties, or decreasing the rights or protections, of the Principal Paying Agent or the Calculation Agent, as applicable, in these Conditions and/or the Agency Agreement unless agreed between the Issuer and the Principal Paying Agent or the Calculation Agent, as applicable.

Notwithstanding any other provision of this Condition 4, if in the Principal Paying Agent's or Calculation Agent's opinion, as applicable, there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4, the Principal Paying Agent or Calculation Agent, as applicable,

shall promptly notify the Issuer thereof and the Issuer shall direct the Principal Paying Agent or Calculation Agent, as applicable, in writing as to which alternative course of action to adopt. If the Principal Paying Agent or Calculation Agent, as applicable, is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Principal Paying Agent or Calculation Agent, as applicable, shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

In connection with any such modifications in accordance with this Condition 4.2(c)(iii), if and for so long as the Notes are admitted to trading and listed on the official list of a stock exchange, the Issuer shall comply with the rules of that stock exchange.

Any Benchmark Amendments determined under this Condition 4.2(c)(iii) shall be notified promptly by the Issuer to the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 13, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of such Benchmark Amendments.

(iv) *Independent Adviser*

In the event the Issuer is to consult with an Independent Adviser in connection with any determination to be made by the Issuer pursuant to this Condition 4.2(c), the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, for the purposes of any such consultation.

If, notwithstanding the Issuer's reasonable endeavours, the Issuer is unable to appoint and consult with an Independent Adviser in accordance with the foregoing paragraph, the Issuer shall nevertheless be entitled, acting in good faith and in a commercially reasonable manner, to make any and all determinations expressed to be made by the Issuer pursuant to this Condition 4.2(c), notwithstanding that such determinations are not made following consultation with an Independent Adviser. If, however, the Issuer is unable to determine a Successor Rate or an Alternative Rate and (in either case) the applicable Adjustment Spread and any Benchmark Amendments in accordance with this Condition 4.2(c), the relevant fallback provisions set out under Condition 4.2(b) shall apply.

An Independent Adviser appointed pursuant to this Condition 4.2(c) shall act in good faith and in a commercially reasonable manner and (in the absence of fraud or wilful default) shall have no liability whatsoever to the Issuer or the Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 4.2(c) or otherwise in connection with the Notes.

If the Issuer consults with an Independent Adviser as to whether there is an Alternative Rate and/or any Adjustment Spread is required to be applied and/or in relation to the quantum of, or any formula or methodology for determining such Adjustment Spread and/or whether any Benchmark Amendments are necessary and/or in relation to the terms of any such Benchmark Amendments, a written determination of that Independent Adviser in respect thereof shall be conclusive and binding on all parties, save in the case of manifest error, and (in the absence of fraud or wilful default) the Issuer shall have no liability whatsoever to the Noteholders in respect of anything done, or omitted to be done, in relation to that matter in accordance with any such written determination.

No Independent Adviser appointed in connection with the Notes (acting in such capacity), shall have any relationship of agency or trust with the Noteholders.

(v) *Survival of Original Reference Rate Provisions*

Without prejudice to the obligations of the Issuer under this Condition 4.2(c), the Original Reference Rate and the fallback provisions provided for in Condition 4.2(b) and the applicable Pricing Supplement, as the case may be, will continue to apply unless and until the Issuer has determined the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with the relevant provisions of this Condition 4.2(c).

(vi) *Definitions*

For the purposes of this Condition 4.2(c):

Adjustment Spread means either a spread, or the formula or methodology for calculating a spread and the spread resulting from such calculation, which spread may in either case be positive, negative or zero and is to be applied to the Successor Rate or the Alternative Rate (as the case may be) where the Original Reference Rate is replaced with the Successor Rate or the Alternative Rate (as the case may be);

Alternative Rate means an alternative benchmark or screen rate which the Issuer determines in accordance with this Condition 4.2(c) is used in place of the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes;

Benchmark Event means the earlier to occur of:

(A) the Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered;

(B) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to such specified date;

(C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued, is prohibited from being used or is no longer representative, or that its use is subject to restrictions or adverse consequences or, where such discontinuation, prohibition, restrictions or adverse consequences are to apply from a specified date after the making of any public statement to such effect, the later of the date of the making of such public statement and the date falling six months prior to such specified date; and

(D) it has or will prior to the next Interest Determination Date become unlawful for the Calculation Agent, any Paying Agent or the Issuer to determine any Rate of Interest and/or calculate any Interest Amount using the Original Reference Rate;

Independent Adviser means an independent financial institution of international repute or other independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense;

Original Reference Rate means the benchmark or screen rate (as applicable) originally specified in the applicable Pricing Supplement for the purposes of determining the relevant Rate of Interest (or any component part thereof) in respect of the Notes (provided that if such originally specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate, in the case of any subsequent operation of this Condition 4.2(c) in respect of such Successor Rate or Alternative Rate, the term "Original Reference Rate" shall include any such Successor Rate or Alternative Rate);

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable):

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities, or (iv) the Financial Stability Board or any part thereof; and

(C) **Successor Rate** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(d) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(e) Determination of Rate of Interest and calculation of Interest Amounts

The Principal Paying Agent or the Calculation Agent, as applicable, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Floating Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Notes represented by such Global Note or (B) such Registered Notes; or

(ii) in the case of Floating Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest 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 D2 will be 30.

(f) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent or the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means the period of time designated in the Reference Rate.

(g) Notification of Rate of Interest and Interest Amounts

Except where the applicable Pricing Supplement specifies "*Overnight Rate*" to be "Applicable", the Principal Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

Where the applicable Pricing Supplement specifies "*Overnight Rate*" to be "Applicable", the Principal Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Accrual Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the second Business Day thereafter. Each Rate of Interest, Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the relevant Interest Accrual Period. Any such amendment or alternative arrangements will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13.

(h) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this

Condition 4.2 by the Principal Paying Agent or the Calculation Agent, as applicable, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer the Principal Paying Agent, the other Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent, as applicable, in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Other Notes

The rate or amount of interest payable in respect of Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, and provided further that the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

4.4 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 13.

5. PAYMENTS

5.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment or other laws and regulations to which the Issuer is subject, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

5.2 Presentation of definitive Bearer Notes and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

5.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented.

5.4 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

5.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, as the case may be, for their share of each payment so made by the Issuer, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

5.6 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):

(i) in the case of Notes in definitive form only, in the relevant place of presentation; and

(ii) in each Additional Financial Centre (other than T2) specified in the applicable Pricing Supplement;

(b) if T2 is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which T2 is open; and

(c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open.

5.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 7;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes; and

(e) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

6. REDEMPTION AND PURCHASE

6.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement.

6.2 Redemption for tax reasons

Subject to Condition 6.5, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement to the Principal Paying Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if:

(a) on the occasion of the next payment due under the Notes, the Issuer:

(i) has or will become obliged to pay additional amounts as provided or referred to in Condition 7; or

(ii) is or will become liable to pay the approved issuer levy at a rate higher than the rate of the approved issuer levy as at the date of issue of the Notes under section 86J of the Stamp and Cheque Duties Act 1971 (NZ), should it elect to do so in order to reduce the rate of New Zealand non-resident withholding tax applicable to payments under the Notes to zero per cent.,

in each case, as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Principal Paying Agent to make available at its specified office to the Noteholders (i) a certificate signed by two duly authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.3 Redemption at the option of the Issuer (Issuer Call)

This Condition 6.3 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an **Issuer Call**. The applicable Pricing Supplement contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6.3 for full information on any Issuer Call. In particular, the applicable Pricing Supplement will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed (Redeemed Notes) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption.

6.4 Redemption at the option of the Noteholders (Investor Put)

This Condition 6.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an **Investor Put**. The applicable Pricing Supplement contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 6.4 for full information on any Investor Put. In particular, the applicable Pricing Supplement will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement, the Issuer will, upon the expiry of such notice, redeem such Note on the

Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream (which may include notice being given on their instruction by Euroclear, Clearstream or any common depositary or common safekeeper, as the case may be for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream by a holder of any Note pursuant to this Condition 6.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.4 and instead to declare such Note forthwith due and payable pursuant to Condition 9.

6.5 Early Redemption Amounts

For the purpose of Condition 6.2 above and Condition 9:

(a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount (as specified in the applicable Pricing Supplement); and

(b) each Zero Coupon Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

Early Redemption Amount = $RP \times (1 + AY)^{y}$

where:

RP means the Reference Price;

AY means the Accrual Yield (as specified in the applicable Pricing Supplement) expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the -actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

6.6 Purchases

The Issuer may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

6.7 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6.6 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

6.8 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Conditions 6.1, 6.2, 6.3 or 6.4 above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.5(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 13.

7. TAXATION

7.1 Taxation

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or

future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

(a) on account of New Zealand resident withholding tax;

(b) presented for payment in a Tax Jurisdiction;

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.7);

(d) on account of any tax, assessment or other governmental charge that would not have been imposed in respect of such Note or Coupon but for the existence of any present or former connection (other than a connection arising solely from the ownership of such Notes or Coupons or the receipt of payments in respect of those Notes or Coupons) between the Noteholder (or the beneficial owner for whose benefit such Noteholder holds such Note) and New Zealand, including that Noteholder or beneficial owner:

(i) being or having been a citizen or resident or treated as a resident of New Zealand or being or having been engaged in trade or business or present in New Zealand or having had a fixed establishment (as defined for New Zealand tax purposes) in New Zealand;

(ii) having an interest in such Note jointly with a resident of New Zealand;

(iii) being associated (as defined for New Zealand tax purposes) with the Issuer, or a person who otherwise holds a Note as related-party debt (as defined for New Zealand tax purposes);

(e) on account of any tax, assessment or other governmental charge which would not have been imposed in respect of such Note or Coupon but for the failure of a beneficial owner or any holder of such Note or Coupon to comply with any requirement or request to satisfy certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connections with New Zealand of the beneficial owner or any holder of the Note that such beneficial owner or holder is legally able to deliver (including, but not limited to, any documentation requirement under an applicable tax treaty); or

(f) any combination of the above,

and nor will the Issuer pay any additional amounts to any Noteholders who is a fiduciary or partnership to the extent that a beneficiary or settlor with respect to that fiduciary or a member of that partnership or a beneficial owner thereof would not have been entitled to the payment of those additional amounts had that beneficiary, settlor, member or beneficial owner been the beneficial owner of those Notes.

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein:

(i) **Tax Jurisdiction** means New Zealand or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which payments made by the Issuer of principal and interest on the Notes become generally subject; and

(ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

7.2 New Zealand Owners

Any Noteholder, Couponholder or beneficial owner of a Note or Coupon who is:

(a) a resident of New Zealand for New Zealand tax purposes;

(b) a registered bank (as defined for New Zealand tax purposes) that is engaged in business in New Zealand through a fixed establishment (as defined for New Zealand tax purposes) in New Zealand and is not an associated person of the Issuer; or

(c) not resident in New Zealand for New Zealand tax purposes but holds the relevant Note or Coupon for the purposes of a business they carry on in New Zealand through a fixed establishment in New Zealand,

(a **New Zealand Owner**) must:

(d) within either 21 days of acquiring a Note or Coupon or becoming the beneficial owner of a Note or Coupon or prior to the next occurring Interest Payment Date or Maturity Date in respect of that Note or Coupon (as applicable, and whichever is the earlier date) must:

(i) notify the Issuer and the Paying Agent:

(1) that the person is a New Zealand Owner in respect of that Note or Coupon, as applicable; and

(2) whether it derives interest under a Note or Coupon jointly with another person;

(e) notify the Issuer and the Paying Agent of any circumstance, and provide the Issuer and the Paying Agent with its New Zealand tax file number and any information (including satisfactory evidence that it has RWT-exempt status (as defined for New Zealand tax

purposes)), that may enable the Issuer to make the payment of interest to the New Zealand Owner without deduction on account of New Zealand withholding tax; and

(f) if that New Zealand Owner's circumstances change, prior to the next occurring Interest Payment Date or Maturity Date in respect of that Note or Coupon (as applicable, and whichever is the earlier date) notify the Issuer and Paying Agent of those changes that could affect the Issuer's withholding, deduction or payment obligations in respect of that Note or Coupon.

7.3 Indemnity

7.4 By accepting payment of the full-face amount of any Note or any interest thereon or other amounts in respect thereof, including in respect of any Coupon, on any Interest Payment Date or the Maturity Date:

(a) any New Zealand Owner agrees to indemnify the Issuer for all purposes in respect of any liability that the Issuer may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax; and

(b) in the case of a Noteholder, Couponholder or beneficial owner of a Note or Coupon that is not a New Zealand Owner (**Non-New Zealand Owner**) and derives interest jointly with one or more persons and one or more of those persons is tax resident in New Zealand, such Non-New Zealand Owner agrees to indemnify the Issuer for all purposes in respect of any liability that the Issuer may incur for not deducting any amount from such payment on account of New Zealand non-resident withholding tax applicable to such Non-New Zealand Owner.

8. PRESCRIPTION

The Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 or any Talon which would be void pursuant to Condition 5.2.

9. EVENTS OF DEFAULT

9.1 Events of Default

Any of the following events shall, when occurred and be continuing, constitute an event of default (each an **Event of Default**):

(a) if default is made in the payment of any principal due in respect of the Notes or any of them and the default continues for a period of 7 days;

(b) if default is made in the payment of any interest due in respect of the Notes or any of them and the default continues for a period of 14 days; or

(c) if the Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure

continues for the period of 30 days following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or

(d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or if the Issuer ceases to carry on all or substantially all of its business, save for the purposes of reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved by an Extraordinary Resolution; or

(e) if (i) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or in relation to all or substantially all of the undertaking or assets of the Issuer, or an encumbrancer takes possession of all or substantially all of the undertaking or assets of the Issuer, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against all or substantially all of the undertaking or assets of the Issuer and (ii) in any case (other than the appointment of an administrator) is not discharged within 30 days; or

(f) the Issuer is declared or becomes insolvent or is or is deemed under any applicable law to be unable to pay its debts when they fall due; or

(g) any material provision of the Guarantee:

(i) ceases to have effect in whole or 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 becoming illegal; or

(h) if any event or circumstance occurs in relation to the Issuer having an analogous effect under the laws of any applicable jurisdiction to the events or circumstances referred to in paragraphs (d), (e) or (f) above (to the extent applicable).

9.2 Consequences of an Event of Default

If an Event of Default occurs then at any time thereafter, provided that event is continuing unremedied, a Noteholder may, without prejudice to any other remedies which that Noteholder may have:

(a) where that Event of Default occurs under either Conditions 9.1(a), 9.1(b) or 9.1(c) in relation to a Note held by that Noteholder; or

(b) where that Event of Default occurs under any other paragraph of Condition 9.1 and the Noteholders of the relevant Series resolve by Extraordinary Resolution to do so,

request the Security Trustee to make demand under the Guarantee and/or declare all (but not some only) of the Notes held by that Noteholder to be immediately due and payable by notice in writing to the Issuer at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

9.3 Notification

If an Event of Default occurs (or, under Condition 9.1(c), an event which, after notice and lapse of time, would become an Event of Default), the Issuer must promptly after becoming aware of it notify the Principal Paying Agent of the occurrence of the event (specifying details of it) and use its reasonable endeavours to ensure that the Principal Paying Agent promptly notifies 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 the occurrence of the event.

10. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11. AGENTS

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in the applicable Pricing Supplement.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Principal Paying Agent and a Registrar;

(b) so long as the Notes are listed on the Singapore Exchange Securities Trading Limited (the **SGX-ST**) and the rules of the SGX-ST so require, if the Notes are issued in definitive form or if any Global Note is exchanged for Notes in definitive form, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in Singapore;

(c) so long as the Notes are listed on any stock exchange or admitted to listing by any relevant authority other than the SGX-ST, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

there will at all times be a Paying Agent in a jurisdiction within Europe.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.5. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

12. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

13. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given (a) if published in a leading English language daily newspaper of general circulation in London and (b) if and for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, published in a leading English newspaper having general circulation in Singapore. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London and the *Business Times* in Singapore. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

Additionally, in the case where the Notes are listed on the SGX-ST, notices to the holders of such Notes shall also be valid if made by way of an announcement on the SGX-ST. Any such notice shall be deemed to have been given to the Noteholders on the date on which the said notice was uploaded as an announcement on the SGX-ST.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, be substituted for such publication in such newspaper(s) or such websites or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given

by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, as the case may be, may approve for this purpose.

14. MEETINGS OF NOTEHOLDERS AND MODIFICATION

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes, altering the currency of payment of the Notes or the Coupons or amending the Deed of Covenant in certain respects), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Principal Paying Agent) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Couponholders.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

(a) any modification of the Notes, the Coupons, the Deed of Covenant or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or

(b) any modification of the Notes, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law; or

(c) any modification of the Notes, the Coupons, the Deed of Covenant or the Agency Agreement as may be required in order to give effect to:

(i) any Benchmark Amendments as provided in Condition 4.2(c); or

(ii) sub-paragraph (iii)(1) or (iii)(2) of the definition of "SARON" or the last paragraph of the definition of "SARON" in connection with effecting the

implementation of any SARON Recommended Replacement Rate or the SNB Policy Rate, subject to the provisions set out in Condition 4.2(b)(x).

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

15. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note 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.

17. GOVERNING LAW AND SUBMISSION TO JURISDICTION

17.1 Governing law

The Agency Agreement, the Deed of Covenant, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and construed in accordance with, English law.

The Security Trust Deed and the Guarantee are governed by, and shall be construed in accordance with, New Zealand law.

17.2 Submission to jurisdiction

(a) Subject to Condition 17.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition 17.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

17.3 Appointment of Process Agent

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London EC2N 4AG, United Kingdom (the **Process Agent**) as its agent for service

of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of the Process Agent being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

17.4 No Crown guarantee

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

Description of the Guarantors and the Guarantee

The Issuer's obligations in relation to the Notes are guaranteed by the Local Authorities that are from time to time Guarantors under the Guarantee. Other than the New Zealand Government, each holder of ordinary shares in the Issuer must be a Guarantor. In addition, as at the date of this Offering Circular, the Issuer's policy is that:

- any Local Authority that borrows from the Issuer or has a facility agreement with the Issuer where the Issuer's commitment is more than NZD20,000,000 must be a Guarantor; and

- any CCO Shareholder must be a Guarantor, where its council-controlled organisation has entered into one or more lending arrangements with the Issuer.

In addition, under the Issuer's Foundation Policies, a council-controlled organisation may only borrow from the Issuer if 100 per cent. of the equity securities carrying voting rights at a meeting of shareholders of the council-controlled organisation are held or controlled, directly or indirectly, by one or more Local Authorities and the New Zealand Government (if applicable).

The Issuer's Foundation Policies (including this requirement in relation to council-controlled organisations) may change in the future.

The New Zealand Government does not guarantee any of the Issuer's obligations or liabilities in relation to the Notes.

A list of the current Guarantors can be found on the Issuer's website: https://www.lgfa.co.nz/investors/guarantee-arrangements.

The Guarantors each guarantee to the Security Trustee, for the benefit of each Noteholder and other Beneficiaries, the Issuer's due payment and delivery of all amounts the Issuer is or may at any time become liable to pay to the Beneficiaries.

The Security Trustee must make a demand under the Guarantee on behalf of each Noteholder when such Noteholder requests the Security Trustee to do so and confirms to the Security Trustee that an Event of Default has occurred. For this purpose, "Event of Default" has the meaning given to it in the Security Trust Deed, and includes a failure by the Issuer to make a payment under the Notes when due.

Each demand the Security Trustee makes under the Guarantee must be made on a pro-rata basis according to each Guarantor's prior year's annual rates revenues. If a Guarantor fails to pay its pro-rata share of a demand under the Guarantee, the Security Trustee shall make further demands on the other Guarantors for payment of the unpaid amount on a pro-rata basis until the outstanding amounts are paid in full.

Security arrangement and enforcement of Security

The Notes are not secured by any mortgage or other charge over the Issuer's assets.

Each Guarantor must have entered into a Debenture Trust Deed with a Debenture Trustee. In summary, each Debenture Trust Deed creates a security interest in favour of the Debenture Trustee over all rates a Local Authority (i.e. the Guarantor) sets or assesses from time to time under certain legislation or arising under section 115 of the Local Government Act 2002 of New Zealand and all rates revenue in respect thereof. The security is limited to rates and rates revenues, and does not extend to any other assets of the Local Authority. The security interest is held by the Debenture Trustee for the benefit of all creditors of the Guarantor to whom the Guarantor has issued stock (including Security Stock).

Each Guarantor must have issued Security Stock to the Security Trustee to secure its liabilities under the Guarantee. The Security Trustee holds the benefit of the Security Stock on behalf of each Noteholder and the other Beneficiaries from time to time.

Each Guarantor must have issued a Security Stock Certificate to the Security Trustee in relation to the Guarantee.

In the case of certain Guarantors, the relevant Security Stock Certificate provides that the priority amount of the Security Stock is (subject to certain exclusions specified in the relevant Debenture Trust Deed and/or Security Stock Certificate) the aggregate amount of the obligations the relevant Guarantor owes the Security Trustee under the Guarantee from time to time. That Guarantor's obligations to the Security Trustee rank equally with all other obligations of the Guarantor in respect of which "first ranking" stock (including other Security Stock) has been issued from time to time, up to the Security Trustee's priority amount. Amounts above the Security Trustee's priority amount rank behind the claims of other "first ranking" stockholders but before claims of any subsequent security holders of the relevant Guarantor.

In the case of all other Guarantors, the relevant Guarantor's obligations to the Security Trustee rank equally with all other obligations of the Guarantor in respect of which stock (including other Security Stock) has been issued from time to time, without any stock having preference or priority over any other stock, unless the terms of the relevant stock expressly subordinate it to other stock.

If a Guarantor does not satisfy its obligations under the Guarantee, the Security Trustee may request the relevant Debenture Trustee to enforce the security interest created by the Debenture Trust Deed.

Each Noteholder is a Beneficiary under the Security Trust Deed and so may request the Security Trustee to exercise its rights under a Debenture Trust Deed as a holder of Security Stock. The Security Trustee is not required to exercise its rights as holder of Security Stock unless it is requested to do so by Beneficiaries whose aggregate Exposures (as defined in the Security Trust Deed) amount to not less than 25 per cent. of the aggregate Exposures of all Beneficiaries at the relevant time and those Beneficiaries have confirmed to the Security Trustee that an Event of Default (as defined in the Security Trust Deed) has occurred.

A Debenture Trustee is not required to enforce the security interest created by the Debenture Trust Deed unless directed to do so by an extraordinary resolution of stockholders of the relevant Guarantor and/or in certain cases a specified percentage of "majority stockholders" of the relevant Guarantor. The Debenture Trustee is not bound to comply with such a direction if it is not first indemnified to its satisfaction against any actions, proceedings, claims, demands, costs and expenses that it may face as a result of complying with the direction. The Debenture Trustee has the power under the relevant Debenture Trust Deed to appoint a receiver to levy a special rate on the relevant Local Authority's ratepayers.

The provisions of the Security Trust Deed may be amended without the consent of the Beneficiaries where such amendment (in the opinion of the Security Trustee):

- is of a minor or technical nature;
- is to correct a manifest error;
- is to comply with the requirements or a modification of the requirements of any applicable law or rules of a stock exchange; or
- is in connection with the extension of the benefit of the Security Trust Deed to an additional Beneficiary or an amendment to a document that records the Issuer's exposure to a Beneficiary,

and, in any such case, two directors of the Issuer have certified that such amendment will not be materially prejudicial to the interests of the Beneficiaries.

In addition, the provisions of the Security Trust Deed may be amended if the amendment has been approved in writing by Beneficiaries whose aggregate Exposures (as defined in the Security Trust Deed) amount to not less than 66⅔ per cent. of the aggregate Exposures of all Beneficiaries at that time (provided that the Issuer's Exposure, if any, shall be deemed to be zero).

In the exercise of any of its rights, powers and discretions under the security documents (including the Debenture Trust Deeds and Security Stock Certificates), the Security Trustee shall act in accordance with the instructions of the Beneficiaries given in accordance with the Security Trust Deed. The Security Trustee is not obliged to seek instructions except where expressly required by any security document.

In the absence of any such instructions, the Security Trustee may act as it thinks fit in the best interests of the Beneficiaries as a whole or may refrain from acting until receipt of instructions.

Except where any security document otherwise expressly provides, the Security Trustee is not obliged to consult with the Beneficiaries before giving any consent, approval or agreement or making any determination under the security documents, provided that, such consent, approval, agreement or determination does not, in the opinion of the Security Trustee, prejudice the interests of the Beneficiaries as a whole.

Use of Proceeds

Unless otherwise specified in the applicable Pricing Supplement, the net proceeds from each issue of Notes will be used by the Issuer for its general corporate purposes.

If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

Description of the Issuer

Overview

The Issuer was established to raise debt on behalf of Local Authorities on terms that are more favourable to them than if they raised the debt directly. As at the date of this Offering Circular, the Issuer lends exclusively to Local Authorities and council-controlled organisations in New Zealand, including certain Water CCOs.

The Issuer was incorporated as a limited liability company under the Companies Act 1993 of New Zealand on 1 December 2011, following the enactment of the Local Government Borrowing Act 2011 of New Zealand. As the Issuer is majority owned by Local Authorities, it is a "council-controlled organisation" under the Local Government Act 2002 of New Zealand.

As the Issuer is a council-controlled organisation for the purposes of the Local Government Act 2002 of New Zealand, it is required under section 64 of that Act to prepare and adopt a Statement of Intent every year. The Issuer's annual Statement of Intent sets out the intentions and expectations, the nature and scope of activities, objectives and performance targets for the Issuer for the next three-year period.

The Local Government Borrowing Act 2011 of New Zealand, among other things, allows Local Authorities to guarantee the Issuer's obligations.

Business

The Issuer specialises in financing the New Zealand local government sector, and its primary objective is to optimise the terms and conditions of the debt funding it provides to Borrowers.

The Issuer finances itself through domestic and international wholesale and (in New Zealand only) retail debt capital markets. The Issuer's activities are governed by the Local Government Borrowing Act 2011 of New Zealand, the Local Government Act 2002 of New Zealand, and the Companies Act 1993 of New Zealand. In addition, the Issuer is required to comply with its Foundation Policies. Any change to the Foundation Policies requires Shareholder approval.

The Issuer has expanded its product suite to include short-dated lending, bespoke lending, standby facilities, cash advances facilities, sustainable financing alternatives and lending to council-controlled organisations. Since its establishment, participating Borrowers have grown to include 77 out of the 78 Local Authorities in New Zealand and 12 council-controlled organisations.

Local Government Sector

There are two tiers of government in New Zealand, central and local government. Local government in New Zealand comprises of 78 Local Authorities, being 11 regional councils, 12 city councils, 54 district councils and 1 unitary territorial authority. Under section 14 of the Local Government Act 2002 of New Zealand, "a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region". See *Information in relation to the Guarantors and the Guarantee* for further information on Local Authorities and the Guarantee arrangements.

LGFA Borrowers

To become a Borrower, a Local Authority or council-controlled organisation is required to complete a formal application. Following an application, the Issuer's management completes a review of the prospective Borrower's financial position and its ability to comply with the Issuer's financial covenants, which is considered by the Board before any decision is made by the Board to approve the relevant Local Authority or council-controlled organisation as a Borrower. All Borrowers are required to

complete a compliance certificate each year which certifies that it has complied with the Issuer's financial covenants. In addition, the Issuer monitors all Local Authority Borrower's annual reports, annual plans and long-term plans on an ongoing basis to ensure that the financial forecasts are consistent with the Issuer's financial covenants. The Issuer also monitors all council-controlled organisation Borrower's annual reports and statement of intent.

Local Water Done Well

The New Zealand Government's Local Water Done Well programme enacted in 2025 is having a significant impact on the local government sector. Local Water Done Well focuses on ensuring that drinking water, stormwater and wastewater remain in local government control, with strict water quality standards and requirements on Local Authorities to invest in the ongoing maintenance and replacement of their vital water infrastructure. The Issuer has confirmed that it will provide funding to Water CCOs established under the Local Water Done Well programme if the council-controlled organisation meets the Issuer's qualifying criteria. The Issuer will do this by extending its existing lending to council-controlled organisations to new water organisations that are council-controlled organisations and are financially supported by their parent Local Authority or Local Authorities.

There will be various types of water organisations under Local Water Done Well, and the Issuer will only be lending to water organisations that meet the qualifying criteria for a council-controlled organisation borrower as set out in the Foundation Policies. The Issuer considers Water CCOs established under the Local Water Done Well programme to be a potentially significant future borrower group and expects such entities to play an increasing role in meeting the infrastructure funding requirements of the local government sector.

As at the date of this Offering Circular, the Issuer has four borrowers that are Water CCOs and has commenced legal negotiations with several other Water CCOs to extend its existing lending to such organisations, with the onboarding process already underway and borrowing by further Water CCOs anticipated to commence during 2026.

New Zealand Government Liquidity Facility

The New Zealand Government (through New Zealand Debt Management (**NZDM**)) provides the Issuer with a committed liquidity facility that the Issuer can draw upon to meet any exceptional and temporary liquidity shortfall. The facility's maximum aggregate principal amount is set at NZ$3 billion unless the Issuer selects a lower amount and will vary depending on the Issuer's credit rating (the available facility may reduce if the Issuer's credit rating decreases). As at the date of this Offering Circular, the Issuer selected a maximum aggregate principal amount of NZ$700 million and the facility has an expiry date of June 2037.

No guarantee by the New Zealand Government

The New Zealand Government does not guarantee any liability of the Issuer and accordingly is not a guarantor of, or otherwise an obligor under, the Notes. Payments by the Issuer of principal and interest with respect to its outstanding indebtedness, including the Notes, are not supported by any guarantee by the New Zealand Government. The New Zealand Government is not obliged or legally required to provide any support in respect of the Notes.

Recent developments

On 25 March 2026, Fitch revised the outlook on the Issuer's foreign and local currency long-term ratings to 'Negative' from 'Stable'. Accordingly, the Issuer's current foreign currency long term rating is AA+ by Fitch with a negative outlook.

Board and Management

Board

The board of directors of the Issuer (**Board**) comprises six independent directors and one non-independent director. An independent director is a director who, within five years prior to appointment, was not an employee of any Shareholder, employee of a council-controlled organisation owned by a Shareholder, or a councillor of any Local Authority which is a Shareholder. The Board is responsible for the strategic direction and control of the Issuer's activities. The Board guides and monitors the business and affairs of the Issuer, in accordance with the Local Government Act 2002 of New Zealand, the Local Government Borrowing Act 2011 of New Zealand, the Companies Act 1993 of New Zealand, the Issuer's constitution, the Issuer's Shareholders' Agreement and annual Statement of Intent.

The name, appointment date and other directorships of each director of the Issuer as at the date of this Offering Circular are listed below. The business address of each director of the Issuer is Grant Thornton House, Level 8, 215 Lambton Quay, Wellington 6011, New Zealand. The directors of the Issuer may change from time to time.

Philip Cory-Wright, Independent Director, Chair

- Director since 1 December 2011.
- Principal Outside Activities: Chair at each of Papa Rererangi i Puketapu (New Plymouth Airport) and South Port New Zealand Ltd. Director at each of Matariki Forest Group and Powerco Ltd.

Alan Adcock, Non-Independent Director, Member Audit and Risk Committee

- Director since 23 November 2021.
- Principal Outside Activities: Director at Whangarei Waste Ltd. Chief Financial Officer at Whangarei District Council.

Paul Anderson, Independent Director

- Director since 18 November 2025.
- Principal Outside Activities: Director at each of Trojan Holdings Ltd, Queenstown Snow Business Ltd, Tahuna Hostel Ltd, Creative Licence Ltd and Threepwood Custodians Ltd. Chief Executive Officer of NZSki Ltd.

David Rae, Independent Director, Member Audit and Risk Committee

- Director since 23 November 2023.
- Principal Outside Activities: Director at each of Māpua Wealth Ltd, Rue de Candie Investments Ltd, Galileo Green Energy GmbH, The New Zealand Refining Nominees Ltd and David Rae Associates Ltd.

Helen Robinson, Independent Director, Member Audit and Risk Committee

- Director since 23 November 2022.

- Principal Outside Activities: Chair at each of Kara Technologies Ltd, Research and Education Advanced Network New Zealand Ltd, NZTE NZ Beachhead Advisors, JUNOFEM Ltd, Group Shared Services Auckland Council and Astrix Astronautics Ltd. Director at each of Organic Initiative Ltd, Penguin Consulting Ltd, NZTech and Generate Funds Limited (and all related companies)

Elena Trout, Independent Director

- Director since 19 November 2024.

- Principal Outside Activities: Chair of each of the Chartered Professional Engineers Council, Callaghan Innovation and Waikato Waters Ltd (Establishment Chair). Co-Chair of Ara Ake Ltd. Director of each of Citycare Ltd, Te Rahui Herenga Waka Whakatāne Ltd, Opuha Water Ltd, Tiaki Wai Limited, WET Gisborne Ltd, Pioneer Energy Ltd and subsidiaries, and member of Worksafe.

Audit and Risk Committee

The Audit and Risk Committee is a committee of the Board. The Audit and Risk Committee is governed by its own charter which states that the purpose of the Committee is to provide advice, assurance and observations to the Board relating to the effectiveness and adequacy of internal control and risk management systems, processes and activities across the Issuer. The Audit and Risk Committee assists the Board to fulfil its duties by considering, reviewing and monitoring:

- risk management framework and processes;

- internal control environment and mechanisms;

- operations and effectiveness of the internal audit function;

- preparation and audit of financial statements;

- integrity of performance information, including financial reporting;

- governance framework and process;

- policies, processes and activities to ensure compliance with legislation, policies and procedures; and

- statutory/regulatory disclosure and reporting and performance against Statement of Intent targets.

Audit and Risk Committee members are appointed by the Board. Membership comprises at least three directors, the majority of whom must be independent.

People, Performance and Culture Committee

The People, Performance and Culture Committee is a committee of the Board. The Committee is governed by its own Terms of Reference, which state that its purpose is to assist the Board in fulfilling its responsibilities and oversight relating to the Issuer's people, performance and culture policies and practices, remuneration and employment conditions for senior executives, and health and safety policies and practices. The Committee assists the Board by considering, reviewing and monitoring:

- people, performance and culture policies, frameworks and practices;

- workforce planning, talent development, succession planning and organisational resilience;
- remuneration management systems and remuneration outcomes for the Chief Executive and senior leadership team;
- senior executive performance objectives, assessment and development;
- recruitment, retention and termination policies and procedures;
- health and safety policies, practices and education programmes;
- human resources policies, including protected disclosures, whistleblower, travel, key person risk, gifts and entertainment, remote work, employment, diversity and privacy policies; and
- Board performance review, Board succession planning and director recruitment, where requested.

People, Performance and Culture Committee members are appointed by the Board. Membership comprises at least three directors, with the Chair of the Committee appointed by the Board.

Shareholders' Council

The Shareholders' Council comprises five to ten appointees from the Shareholders (including an appointee from the New Zealand Government). The role of the Shareholders' Council is to advise Shareholders on certain matters. The Shareholders' Council must (among other things):

- review the performance of the Issuer and the Board and report to Shareholders on that performance on a periodic basis;
- make recommendations to Shareholders as to the appointment, removal, replacement and remuneration of directors;
- make recommendations as to any changes to policies or the Statement of Intent requiring their approval; and
- ensure all Shareholders are fully informed on matters concerning the Issuer and coordinate Shareholders on decisions required of Shareholders relating to governance decisions.

In this Offering Circular, unless the context otherwise requires:

Shareholder means:

(a) any of the parties to the Shareholders' Agreement; and

(b) any person which acquired shares and which has executed an accession deed to the Shareholders' Agreement or is deemed to have agreed to be bound by the Shareholders' Agreement.

Shareholders' Agreement means the agreement dated 7 December 2011 (as amended from time to time) between, among others, various Local Authorities and the Issuer.

Selected Financial Information

Financial Information

The financial information set out below has been extracted from the audited financial statements contained in the Issuer's Annual Report for the financial years ended 30 June 2023, 30 June 2024, 30 June 2025 and 30 June 2026.

Statement of comprehensive revenue and expenditure

NZD $000s	**Actual 2026**	**Actual 2025**	**Actual 2024**	**Actual 2023**
Interest income	1,069,740	1,267,103	1,213,259	763,600
Interest expense	(1,017,862)	(1,232,327)	(1,193,809)	(753,308)
Net interest income	**51,878**	**34,776**	**19,450**	**10,293**
Other operating income	1,537	1,551	1,494	1,349
Gains / (losses) on financial instruments	1,780	(680)	859	-
Total operating income	**55,195**	**35,647**	**21,803**	**11,642**
Operating expenses	(20,088)	(16,653)	(11,753)	(9,138)
Net operating profit	**35,107**	**18,994**	**10,050**	**2,505**
Net change in cash flow hedge reserve	(296)	(6,477)	5,536	-
Cost of hedging	(8,421)	(2,079)	(6,531)	-
Total comprehensive income	**26,390**	**10,438**	**9,056**	**2,505**

Financial position

NZD $000s	**Actual 2026**	**Actual 2025**	**Actual 2024**	**Actual 2023**
Receivables	1,394	2,973	378	492
Cash and cash equivalents	463,393	325,728	473,609	226,222
Cash pledged as collateral	-	187,836	251,605	93,175
Marketable securities	3,051,294	2,458,427	1,397,045	1,127,879
Deposits	409,166	578,878	718,493	348,492
Derivatives in gain	718,228	255,271	116,090	63,845
Loans to members	24,130,000	22,657,300	20,549,350	16,313,562
Other assets	1,273	1,339	1,245	978
Total assets	**28,774,748**	**26,467,752**	**23,507,816**	**18,174,644**
Cash received as collateral	298,163	-	-	-
Payables and provisions	74,509	6,414	9,609	6,132
Bond repurchases	379,335	341,756	58,302	130,043
Derivatives in loss	893,239	1,067,121	1,526,526	1,628,316
Debt securities issued:	26,175,365	24,258,773	21,305,683	15,943,062
Borrower notes	803,359	669,030	492,614	360,348
Other liabilities	4,728	2,873	1,891	896
Total liabilities	**28,628,248**	**26,345,967**	**23,394,625**	**18,068,797**
Net assets	**146,500**	**121,785**	**113,190**	**105,847**
Total equity	**146,500**	**121,785**	**113,190**	**105,847**

Indebtedness

NZD $000s	Actual 2026	Actual 2025	Actual 2024	Actual 2023
Secured borrowing	26,175,365	24,258,773	21,305,683	15,943,062
Unsecured borrowing	-	-	-	-
Total borrowings	**26,175,365**	**24,258,773**	**21,305,683**	**15,943,062**
Consisting of				
Fixed rate borrowings	26,175,365	24,258,773	21,305,683	15,943,062
Floating rate borrowings	-	-	-	-
Total borrowings	**26,175,365**	**24,258,773**	**21,305,683**	**15,943,062**
Less				
Cash and cash equivalents	463,393	325,728	473,609	226,222
Marketable securities	3,051,294	2,458,427	1,397,045	1,127,879
Deposits	409,166	578,878	718,493	348,492
Net debt	**22,251,512**	**20,895,740**	**18,716,536**	**14,240,469**

Debt maturity and repayment profiles

The following schedule has been prepared based on nominal debt to be repaid and excludes unamortised premium, accrued interest and fair value hedge adjustments.

NZD $000s	As at June 2026	As at June 2025	As at June 2024	As at June 2023
	Maturing by 30 June of the year referred to below	Maturing by 30 June of the year referred to below	Maturing by 30 June of the year referred to below	Maturing by 30 June of the year referred to below
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	3,010,000
2025	-	-	4,474,052	2,409,000
2026	-	4,212,635	2,755,000	2,155,000
2027	3,570,633	2,321,000	2,261,000	2,011,000
2028	3,945,658	3,594,129	2,199,456	1,423,000
2029	3,353,918	3,069,202	3,024,912	1,722,000
2030	3,318,282	3,075,354	1,660,000	1,000,000
2031	3,921,736	2,895,181	2,805,393	1,120,000
2032	1,581,077	1,303,667	-	-
2033	2,938,282	1,835,000	1,605,000	1,350,000
2034	1,723,534	861,762	546,456	-
2035	1,243,609	640,000	550,000	450,000
2036	-	-	-	-
2037	1,380,000	1,230,000	960,000	820,000
Repayable in	**As at June 2026**	**As at June 2025**	**As at June 2024**	**As at June 2023**
0-5 years	18,110,227	16,272,320	14,714,420	11,008,000
6-10 years	7,486,502	7,535,610	6,616,849	5,192,000

11-20 years	1,380,000	1,230,000	1,510,000	1,270,000
Total	**26,976,729**	**25,037,930**	**22,841,269**	**17,470,000**

Summary of Changes

2024 Financial Year (as at 30 June 2024 and the 12 month period to 30 June 2024)

Total comprehensive income of NZ$9.1 million increased 261.5 per cent. from the 2022-23 result of NZ$2.5 million as interest rates peaked in the quarter ending September 2023.

Net interest income increased NZ$9.2 million to NZ$19.5 million:

- Total interest income for the financial year of NZ$1.21 billion increased 58.9 per cent. over the 2022-23 result of NZ$763.6 million. The key drivers for the increase in total interest income was the NZ$4.24 billion increase in the value of loans to Local Authorities and council-controlled organisations and the NZ$886.6 million increase in value of liquid assets.

- Total interest expense for the financial year of NZ$1.19 billion increased 58.5 per cent. over the 2022-23 result of NZ$753.3 million. The higher interest expense was due to the NZ$5.37 billion increase in the nominal value of debt instruments (bonds, bills, euro commercial paper and related derivatives).

Operating expenses at NZ$11.8 million increased by NZ$2.6 million over the prior year. The establishment of the euro commercial paper (ECP) programme and inaugural issuance under the ECP programme and AUD Medium Term Note programme resulted in higher legal fees. Personnel costs, director fees, and IT expenses also increased. The NZDM liquidity facility fee increased by NZ$115,000 as the Issuer elected to have a greater utilisation amount to offset the mark to market loss on the outstanding derivatives position. The amount of Approved Issuer Levy (**AIL**) payment increased by NZ$1.4 million as the Issuer also paid AIL on the outstanding AUD bonds and ECPs.

Yields were unchanged over the year, with outright yields down slightly across the OCR (unchanged), 3 month BKBM rate (down 0.08 per cent.), yield on the Issuer's NZD bonds maturing in 2025 (down 0.03 per cent.) and on the Issuer's NZD bonds maturing in 2033 (down 0.13 per cent.).

2025 Financial Year (as at 30 June 2025 and the 12 month period to 30 June 2025)

Total comprehensive income of NZ$10.4 million increased 15.3 per cent. from the 2023-24 result of NZ$9.1 million.

Net interest income increased NZ$15.3 million to NZ$34.8 million:

- Total interest income for the financial year of NZ$1.27 billion increased 4.4 per cent. over the 2023-24 result of NZ$1.21 billion. The key drivers for the increase in total interest income were the NZ$2.1 billion increase in the value of loans to Local Authorities and council-controlled organisations and the NZ$773.9 million increase in value of liquid assets.

- Total interest expense for the financial year of NZ$1.23 billion increased 3.2 per cent. over the 2023-24 result of NZ$1.19 billion. The higher interest expense was due to the NZ$2.2 billion increase in the nominal value of debt instruments (bonds, bills, euro commercial paper and related derivatives).

Operating expenses at NZ$16.7 million increased by NZ$4.9 million over the prior year. The establishment of the EMTN programme and inaugural issuance under the programme resulted in higher legal fees. Personnel costs, director fees, and IT expenses also increased. The NZDM liquidity facility

fee decreased by NZ$563,000 as the Issuer elected to have a lower utilisation amount as the mark to market loss on the outstanding derivatives position decreased. The amount of AIL payment increased by NZ$3.4 million as the Issuer also paid AIL on the outstanding foreign currency denominated bonds and ECPs.

Total comprehensive income increased NZ$1.38 million to NZ$10.44 million. While net operating profit increased NZ$8.94 million to NZ$18.994 million, there was a negative NZ$6.48 million movement in the cash flow hedge reserve and a negative NZ$2.08 million movement in the cost of hedging reserve.

Yields were lower and the yield curve was steeper over the year, with outright yields down as the RBNZ reduced the OCR from 5.50 per cent. to 3.25 per cent. The 3 month BKBM rate was down 2.34 per cent. and the yields on the Issuer's NZD bonds maturing in 2027 were down 1.50 per cent. and down 0.12 per cent. on the Issuer's NZD bond maturing in 2037.

2026 Financial Year (as at 30 June 2026 and the 12 month period to 30 June 2026)

Total comprehensive income of NZ$26.39 million increased 154 per cent. from the 2024-25 result of NZ$10.4 million.

Net interest income increased NZ$17.1 million to NZ$51.9 million:

Total interest income for the financial year of NZ$1.07 billion decreased 15.7 per cent. over the 2024-25 result of NZ$1.27 billion. The key drivers for the decrease in total interest income despite the growth in the balance sheet was the fall in interest rates over the 12-month period. There was a NZ$1.5 billion increase in the value of loans to Local Authorities and council-controlled organisations and a NZ$561 million increase in value of liquid assets (cash, marketable securities and deposits).

Total interest expense for the financial year of NZ$1.02 billion decreased 17.1 per cent. over the 2024-25 result of NZ$1.23 billion. The lower interest expense occurred despite the increase in liabilities was due to the fall in interest rates over the 12 month period. There was a NZ$662 million decrease in the nominal value of domestic bonds, a NZ$2.9 billion increase in the nominal value of foreign currency denominated bonds and a NZ$300.9 million decrease in the nominal value of NZD bills and euro commercial paper over the period.

Operating expenses at NZ$20.1 million increased by NZ$3.4 million over the prior year. Work relating to the onboarding of new water CCO as members and the development of new loan products resulted in higher legal fees. Credit rating agency fees increased as historical agreements were renewed while personnel costs, director fees, and IT expenses also increased. The NZDM liquidity facility fee decreased by NZ$287,000 as the Issuer elected to have a lower utilisation amount as the mark to market loss on the outstanding derivatives position decreased. The amount of AIL payment increased by NZ$1.7 million as the Issuer also paid AIL on the outstanding foreign currency denominated bonds and ECPs.

Total comprehensive income increased NZ$15.95 million to NZ$26.39 million. While net operating profit increased NZ$16.12 million to NZ$35.11 million, there was an adverse NZ$0.30 million movement in the cash flow hedge reserve and an adverse NZ$8.42 million movement in the cost of hedging reserve.

Yields were lower and the yield curve was flatter over the year, with outright yields down as the RBNZ reduced the OCR from 3.25 per cent. to 2.25 per cent. The 3 month BKBM rate was down 0.54 per cent. and the yields on the Issuer's NZD bonds maturing in 2028 were down 0.26 per cent. and down 0.47 per cent. on the Issuer's NZD bond maturing in 2037.

Taxation

NEW ZEALAND TAXATION SUMMARY

The following is a summary of the New Zealand withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. The comments do not deal with other tax aspects of acquiring, holding or disposing of Notes. The following is a general guide and should be treated with appropriate caution. All persons contemplating acquiring Notes should consult a professional adviser as to the tax consequences (including withholding tax consequences) relating to the acquisition, retention and disposition of the Notes.

New Zealand resident withholding tax

To the extent New Zealand law requires, a deduction on account of New Zealand resident withholding tax will be made from a payment of interest (as defined for New Zealand tax purposes) in respect of a Note or Coupon where:

(a) the Noteholder, Couponholder or beneficial owner of a Note or Coupon is:

(i) a resident of New Zealand for New Zealand tax purposes;

(ii) a registered bank (as defined for New Zealand tax purposes) that is engaged in business in New Zealand through a fixed establishment (as defined for New Zealand tax purposes) in New Zealand and is not an associated person of the Issuer; or

(iii) not resident in New Zealand for New Zealand tax purposes but holds the relevant Note or Coupon for the purposes of a business they carry on in New Zealand through a fixed establishment in New Zealand,

(each, a **New Zealand Owner**); and

(b) at the time of such payment the New Zealand Owner does not have RWT-exempt status (as defined for New Zealand tax purposes) for New Zealand resident withholding tax purposes.

Prior to any Interest Payment Date or Maturity Date in respect of that Note or Coupon (as applicable, and whichever is the earliest date), any New Zealand Owner must:

(c) notify the Issuer and the Paying Agent:

(i) that the New Zealand Owner is a Noteholder, Couponholder or beneficial owner in respect of that Note or Coupon, as applicable; and

(ii) whether it derives interest under a Note or Coupon jointly with any other person;

(d) notify the Issuer and the Paying Agent of any circumstances, and provide the Issuer and the Paying Agent with its New Zealand tax file number and any information (including satisfactory evidence that it has RWT-exempt status (as defined for New Zealand tax purposes)), that may enable the Issuer to make the payment of interest to the New Zealand Owner without deduction on account of New Zealand resident withholding tax; and

(e) if that New Zealand Owner's circumstances change, prior to the next occurring Interest Payment Date or Maturity Date in respect of that Note or Coupon (as applicable, and whichever is the earlier date) notify the Issuer and the Paying Agent of those changes that could affect the Issuer's withholding, deduction or payment obligations in respect of that Note or Coupon.

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

New Zealand non-resident withholding tax

In respect of any Note or Coupon not held by a New Zealand Owner (**Non-New Zealand Owner**), New Zealand law requires a deduction on account of New Zealand non-resident withholding tax from the payment of interest in respect of such Note or Coupon, as applicable. Where such deduction is required, the Issuer intends (for so long as it does not incur any increased cost or detriment from so doing and is legally able to do so) to reduce the applicable rate of non-resident withholding tax to zero per cent. by registering the Programme with the New Zealand Inland Revenue and paying, on its own account, an approved issuer levy equal to two per cent. of the relevant interest payment.

Where interest is paid in respect of a Note or Coupon and the holder of that Note or Coupon:

(a) is a Non-New Zealand Owner; and

(b) is associated (as defined for New Zealand tax purposes) with the Issuer, or derives such interest jointly with one or more persons and one or more of those persons is a New Zealand resident for New Zealand income tax purposes,

the approved issuer regime will not apply to reduce the rate of non-resident withholding tax to nil in respect of interest paid to the Non-New Zealand Owner. In the case of a Non-New Zealand Owner who is associated with the Issuer, the rate of New Zealand non-resident withholding tax (subject to any applicable double tax treaty) is 15 per cent.. In the case of a Non-New Zealand Owner who derives interest under a Note or Coupon jointly with one or more persons and one or more of those persons is resident in New Zealand for income tax purposes (subject to any applicable double tax treaty) the New Zealand non-resident withholding tax imposed will equate to the applicable rate of New Zealand resident withholding tax.

Taxation indemnity

By accepting payment of the full-face amount of any Note or any interest thereon or other amounts in respect thereof, including in respect of any Coupon, on any Interest Payment Date or the Maturity Date:

(a) a New Zealand Owner agrees to indemnify the Issuer for all purposes in respect of any liability that the Issuer may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax; and

(b) in the case of a Non-New Zealand Owner who derives interest jointly with one or more persons and one or more of those persons is tax resident in New Zealand, such Non-New Zealand Owner agrees to indemnify the Issuer for all purposes in respect of any liability that the Issuer may incur for not deducting any amount from such payment on account of New Zealand non-resident withholding tax applicable to such Non-New Zealand Owner.

Other taxes

No stamp, registration, documentary or other similar tax is payable in New Zealand in respect of the issue of Notes or in relation to any enforcement proceedings in respect of the Notes brought in the Courts of New Zealand.

Subscription and Sale

The Arranger and Dealers have, in a programme agreement (such programme agreement as may be modified and/or amended and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 4 September 2026, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe for Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Issuer may also from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third party commissions (including, without limitation, rebates to private banks as specified in the applicable Pricing Supplement).

The Dealers and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities (**Banking Services or Transactions**). The Dealers and their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services and/or Transactions with the Issuer for which they have received, or will receive, fees and expenses.

In connection with any offering of Notes, the relevant Dealers and/or their respective affiliates may place orders, receive allocations and purchase Notes for their own account (without a view to distributing such Notes). Such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Notes or other securities otherwise than in connection with the offering. Accordingly, references herein to the Notes being "offered" should be read as including any offering of Notes to the relevant Dealer and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so. The Issuer and any relevant Dealers are under no obligation to disclose the extent of the distribution of any Notes amongst individual investors.

In the ordinary course of their various business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Such investment and securities activities may involve securities and instruments of the Issuer, including Notes and could adversely affect the trading prices of Notes. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views (positive or negative) in respect of Notes or other financial instruments of the Issuer, and may hold, or recommend to their clients that they acquire, long and/or short positions in Notes or such other financial instruments.

United States

The offer and sale of the Notes and the Guarantee have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations (the **Treasury regulations**). Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the Treasury regulations promulgated thereunder. The applicable Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed that, and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Programme Agreement, it has not offered or sold, and will not offer, sell or, in the case of Notes in bearer form, deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with Regulation S. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer 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 or to, or for the account or benefit of, U.S. persons.

Accordingly, the Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

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

Terms used in this section have the meanings given to them by Regulation S.

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 Offering Circular as completed by the applicable Pricing Supplement in relation thereto, to any retail investor in the EEA. For the purposes of this provision, the expression **retail investor** means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

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, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes, which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Pricing Supplement in relation thereto, to any retail investor in the UK. For the purposes of this provision, the expression **retail investor** means a person who is either one (or both) of the following:

(a) not a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; or

(b) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs.

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) in relation to any Notes which have 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;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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 any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) 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.

Republic of Italy

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Offering Circular, any applicable Pricing Supplement or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017 (the **Prospectus Regulation**) and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and *Italian Commissione Nazionale per le Società e la Borsa* (**CONSOB**) regulations; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular, any applicable Pricing Supplement or any other document relating to the Notes in the Republic of Italy under sub-paragraphs (a) or (b) above must:

(i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and

(ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy and/or any other Italian authority (including (x) any restrictions on taking deposits and other repayable funds applicable to the Issuer under the Italian implementation of Directive 2024/1619 (i.e., the CRD VI) and (y) the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time.

Australia

No "prospectus" or other "disclosure document" (each as defined in the Corporations Act 2001 (Cth) of Australia (**Corporations Act**)) in relation to the Programme or any Notes has been, or will be, lodged with the Australian Securities and Investments Commission (**ASIC**). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that in connection with the distribution of the Notes it:

(a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, the Notes in, to or from 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 offering circular or any other offering material or advertisement relating to the Notes in Australia,

unless:

(i) the aggregate consideration payable for such Notes on acceptance of the offer or invitation by the person to whom the relevant offer or invitation is made, is at least A$500,000 (or its equivalent in any other currency in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure in accordance with Parts 6D.2 or 7.9 of the Corporations Act;

(ii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act;

(iii) the offer or invitation complies with all other applicable Australian laws, regulations and directives; and

(iv) such action does not require any document to be lodged with ASIC or any successor entity thereto.

New Zealand

No action has been taken to permit the Notes to be directly or indirectly offered, sold or delivered to any retail investor, or otherwise under any regulated offer, in terms of the Financial Markets Conduct Act 2013 of New Zealand (**FMC Act**). In particular, no product disclosure statement or limited

disclosure document under the FMC Act has been or will be prepared or lodged in New Zealand in relation to the Notes.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that: (1) it has not directly or indirectly offered, sold or delivered and will not directly or indirectly offer, sell or deliver any Note; and (2) it has not distributed and will not distribute any offering circular or advertisement in relation to any offer of Notes, in New Zealand other than to "wholesale investors" within the meaning of clauses 3(2)(a), (c) and (d) of Schedule 1 to the FMC Act, being a person who is:

(a) an "investment business";

(b) "large"; or

(c) a "government agency",

in each case as defined in Schedule 1 to the FMC Act. For the avoidance of doubt, the Notes may not be directly or indirectly offered, sold or delivered to among others, any "eligible investors" (as defined in clause 41 of Schedule 1 to the FMC Act) or to any person who, under clause 3(2)(b) of Schedule 1 to the FMC Act, meets the investment activity criteria specified in clause 38 of Schedule 1 to the FMC Act.

In addition, no person may publish or distribute any offering material or advertisement (as defined in the FMC Act) in relation to any offer of the Notes in New Zealand other than to such permitted persons as referred to above.

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 directly or indirectly offered or transferred, and will not directly or indirectly offer or transfer, any Notes or Coupons to persons whom it believes to be:

(i) a resident of New Zealand for New Zealand tax purposes;

(ii) a registered bank (as defined for New Zealand tax purposes) engaged in business in New Zealand through a fixed establishment (as defined for New Zealand tax purposes) in New Zealand and is not an associated person of the Issuer; or

(iii) not resident in New Zealand for New Zealand tax purposes but holds the relevant Note or Coupon for the purposes of a business they carry on in New Zealand through a fixed establishment in New Zealand,

unless such persons certify that they have RWT-exempt status (as defined for New Zealand tax purposes) for New Zealand resident withholding tax purposes and provide a New Zealand tax file number to such Dealer (in which event the Dealer shall provide details thereof to the Issuer and the Paying Agent).

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. 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 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 Offering Circular 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 person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of 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.

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 **FIEA**). 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, directly or indirectly, 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, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer, 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 (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**)) other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) 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 (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) 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 or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of 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.

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Switzerland

(a) Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, subject to paragraph (b) below:

(A) the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act of 15 June 2018, amended (the **FinSA**) and will not be admitted to trading on a trading venue (exchange or multilateral trading facility) in Switzerland;

(B) neither this Offering Circular nor any Pricing Supplement nor any other offering or marketing material relating to any Notes (x) constitutes a prospectus as such term is understood pursuant to the FinSA or (y) has been or will be filed with or approved by a Swiss review body within the meaning of article 52 of the FinSA; and

(C) neither this Offering Circular nor any Pricing Supplement nor any other offering or marketing material relating to any Notes may be publicly distributed or otherwise made publicly available in Switzerland.

(b) Notwithstanding paragraph (a) above, in respect of any Tranche of Notes to be issued, the Issuer and the relevant Dealers may agree that (x) such Notes may be publicly offered in Switzerland within the meaning of the FinSA and/or (y) an application will be made by (or on behalf of) the Issuer to admit such Notes to trading on a trading venue (exchange or multilateral trading facility) in Switzerland, *provided* that (i) the Issuer is able to rely, and is relying, on an exemption from the requirement to prepare and publish a prospectus under the FinSA in connection with such public offer and/or application for admission to trading, (ii) in the case of any such public offer, the relevant Dealers have agreed to comply with any restrictions applicable to the offer and sale of such Notes that must be complied with in order for the Issuer to rely on such exemption, and (iii) the applicable Pricing Supplement will specify that such Notes may publicly offered in Switzerland within the meaning of the FinSA and/or the trading venue in Switzerland to which an application will be made by (or on behalf of) the Issuer to admit such Notes to trading thereon.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (i) no key or basic information document (*Basisinformationsblatt*) pursuant to article 58 (1) FinSA (or any equivalent document under the FinSA) has been or will be prepared in relation to any Notes and (ii) therefore, any Notes with a derivative character within the meaning of article 86 (2) of the Swiss Financial Services Ordinance of 6 November 2019, as amended, may not be offered or recommended to private clients within the meaning of the FinSA in Switzerland.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it

for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, any other Dealer or the Agents shall have any responsibility therefor.

None of the Issuer or any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions agreed between the Issuer and the relevant Dealer and set out in the applicable Pricing Supplement.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- the name of each underlying investor;
- a unique identification number for each investor;
- whether an underlying investor has any "Associations" (as used in the SFC Code);
- whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code); and
- whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus orders should be sent to the Dealers named in the applicable Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering.

The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealers with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the relevant Dealers that it is not a Sanctions Restricted Person. A **Sanctions Restricted Person** means an individual or entity (a **Person**): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/sdnlist.pdf) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/fse/fselist.pdf) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at:

https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-andentities-subject-to-eu-financial-sanctions?locale=en); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of the following (i) - (vi) to the extent that it will not result in violation of any sanctions by the CMIs: (i) their inclusion in the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf) (the **SSI List**), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the **EU Annexes**), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce's Bureau of Industry and Security (**BIS**) under which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled "Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China" (known as the Non-SDN Chinese Military-Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled "Addressing the threat from Securities Investments that Finance Chinese Military Companies"; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organised or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the Donetsk People's Republic or Luhansk People's Republic. **Sanctions Authority** means: (a) the United Nations; (b) the United States; (c) the European Union (or any of its member states); (d) the UK; (e) the People's Republic of China; (f) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (g) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury.

General Information

Authorisation

The establishment and subsequent updates of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 21 January 2025.

Listing of Notes

Application has been made to the SGX-ST for permission to deal in, and for the listing and quotation of any Notes that may be issued pursuant to the Programme and which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. The approval-in-principle from, and admission of any Notes to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its associated companies (if any), the Programme or such Notes. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies). In addition, for so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a Paying Agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that any of the Global Notes representing such Notes are exchanged for definitive Notes. In the event that any Global Note is exchanged for definitive Notes, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the Paying Agent in Singapore.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection on request by a Noteholder:

(a) the Issuer's constitution;

(b) audited financial statements of the Issuer in respect of FY2025 and FY2026 (in each case together with the audit reports prepared in connection therewith);

(c) all future published audited financial statements and interim financial statements of the Issuer;

(d) the Guarantee and the Security Trust Deed;

(e) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;

(f) a copy of this Offering Circular; and

(g) any future offering circulars, prospectuses, information memoranda and supplements including any Pricing Supplement (save that the above will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Paying Agent as to its holdings of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

For so long as any Notes remain outstanding, upon prior written request and proof of holding satisfactory to the Principal Paying Agent, the documents listed from paragraphs (d) to (g) above will be available during normal business hours (being between 9.00 a.m. and 3.00 p.m. Monday to Friday, other than public holidays) to Noteholders (i) from the specified office of the Principal Paying Agent from time to time; or (ii) electronically via e-mail from the Principal Paying Agent; in each case, provided the Principal Paying Agent has been supplied with the relevant documents by the Issuer.

Euroclear and Clearstream

The Notes have been accepted for clearance through Euroclear and Clearstream (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer or Dealers at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

Save as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer since 30 June 2026 and there has been no material adverse change in the financial position or prospects of the Issuer since 30 June 2026.

Litigation

The Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

Auditors

The independent auditor of the Issuer is the Auditor-General of New Zealand (**Auditor-General**). The Auditor-General has appointed KPMG to carry out the audit of the financial statements and performance information of the Issuer on the Auditor-General's behalf for FY2025 and FY2026, the audited financial statements of which are incorporated by reference in this Offering Circular.

Potential Conflicts of Interest

The Dealers and the Agents (together with the Issuer, the **Relevant Parties**) and their affiliates in the course of each of their respective businesses may provide services to other Relevant Parties and to third parties and in the course of the provision of such services it is possible that conflicts of interest may arise between such Relevant Parties and their affiliates or between such Relevant Parties and their affiliates and such third parties. Each of the Relevant Parties (other than the Issuer) and their affiliates may provide such services and enter into arrangements with any person without regard to or constraint as a result of any such conflicts of interest arising as a result of it being a Relevant Party.

Dealers Transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business. See "*Subscription and Sale*" for further information

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