

Document No: A468439

**Report To: Audit, Risk and Finance Committee**



**Meeting Date:** 5 May 2020

**Subject:** Local Government Funding Agency  
Changes to Foundation Policies

**Type:** Decision Required

## Purpose of Report

- 1.1 The purpose of this business paper is to seek approval from the Committee for the execution of legal documents proposed by the Local Government Funding Agency (LGFA) which give effect to changes to the LGFA's foundation policies and documents.

## Background

- 2.1 The LGFA provide the majority of Council's borrowing requirements. Council joined the LGFA on 10 April 2017 through a process of acceding to a number of foundation documents that govern the operation and mechanism of transacting with the agency.
- 2.2 There are four foundation documents that were acceded to;
  - 1 Multi-issuer Deed: which allows councils to issue securities to LGFA and thereby borrow from it,
  - 2 Notes Subscription Deed: When borrowing from the LGFA, 1.6% of the amount borrowed is retained by the LGFA as "Borrower Notes", which provides capital to the LGFA. The notes are repaid when the council repays its debt to the LGFA. They are subordinated and in some circumstances be converted to shares.
  - 3 Guarantee and Indemnity: is where council and other local authorities provide a guarantee of the indebtedness of the LGFA and other guarantors,
  - 4 Equity Commitment Deed: which gives the LGFA the option to require guaranteeing councils to subscribe for Commitment Shares at an issue price of \$1.00 per share. Certain events may occur, where the company needs additional capital.
- 2.3 LGFA seek to change three of the foundation documents to enable lending directly to council's CCO's and improve LGFA's capital structure.

## Commentary

- 3.1 LGFA seek to change the Notes Subscription Deed, Guarantee and Indemnity and the Multi-Issuer Deed, leaving the Equity Commitment Deed in its present form.

- 3.2 **Increasing Borrower Notes Percentage from 1.6% to 2.5%**
- 3.3 The Notes Subscription Deed requires councils who borrow from the LGFA on a long term basis (greater than one year) to subscribe to Borrower Notes at a rate of 1.60% of the principal amount advanced to the borrowing council.
- 3.4 The LGFA Board considered the capital structure of the company at its March 2020 Strategy Day and concluded that the capital of the company needed to be increased. Following discussions with the LGFA Shareholder Council the LGFA Board resolved to increase the Borrower Notes percentage to 2.5%.
- 3.5 The reasons given for the increase is due to an increasing size of LGFA's balance sheet, a global trend for lending agencies to increase their capital base, NZ domestic banks having been directed to increase their capital by the Reserve Bank and for the retention of investors and credit agencies confidence in LGFA.
- 3.6 Of the small number of options available to increase capital, increasing the percentage of Borrower Notes required was selected. Other options included issuing paid up or unpaid shares to existing or new shareholders, increase lending margins to borrowing councils or reduce the dividend payment to existing shareholders.
- 3.7 Although not articulated in the briefing document the likely reasons why the other options were not used is for fairness and equity reasons across all shareholding and non-shareholding councils and reduced dynamism in issuing shares and/or reducing dividends. By changing the percentage of Borrowing Notes insures a change in capital in the same proportion as LGFA's loan book grows or contracts.
- 3.8 Interest is accrues on the Borrower Notes and will be received on maturity date which is same date as the related loan to Council also matures. The basis of the interest amount is similar to the loan to Council, however the lending margins are different, reflective of the difference in credit risk profile of the borrowing council and the LGFA.
- 3.9 The percentage will apply going forward to new lending undertaken by councils after the legal framework is in place. It will not apply to existing loans councils have with LGFA.
- 3.10 Waitomo District Council currently has \$480,000 of Borrower Notes on its balance sheet. This amount relates to \$30 million of LGFA long term debt. Under the new arrangement assuming the same level of long term debt; the amount of Borrower Notes will eventually be \$750,000.
- 3.11 The funding of Borrower Notes held by Council, is principally though borrowing from the LGFA. In other words both the financial asset (Borrower Notes) and LGFA debt increase by equal amounts. This increase in borrowings does not affect the financial covenant Council has with LGFA, being Net Debt to Total Revenue (which must be less than 175%) due to the value of Borrower Notes to be included in the calculation of Net Debt.
- 3.12 There is an additional cost of carrying more Borrower Notes, which is the difference in credit margin paid by Council on the loans and credit margin received from LGFA Borrower Notes.
- 3.13 The approximate additional interest cost to Council of holding Borrower Notes under the current percentage requirement is approximately \$1,500 per year. It is will increase by approximately \$900 as the new percentage gradually comes into effect.
- 3.14 To effect to this new arrangement all shareholder, guarantor and borrowing councils and borrower only councils are being asked to execute the "Amendment and Restatement Deed (Notes Subscription Agreement)" (Attachment 1).

- 3.15 A summary and rationale for increasing the Borrower Notes percentage is provided in attachment 9.
- 3.16 The Deed sets the percentage at 2.5%, however the LGFA Board may approve a change in the percentage in the future should it be deemed necessary.

3.17 **Lending to Council Controlled Organisations**

3.18 LGFA can only lend to parent councils, it cannot lend to Council Controlled Organisations (CCOs). There are number of councils that borrow from the LGFA and on lend to their CCOs and some councils deliver some of their services through their CCOs. The LGFA at their 21 November 2018 Annual Meeting concluded this was not ideal and resolved to change their foundation documents to allow lending to CCOs under certain conditions.

3.19 Examples provided, where the council borrows and on lends include;

Parent Council	Council Controlled Organisation
Christchurch City Council	Christchurch City Holdings Limited
New Plymouth District Council	New Plymouth Airport
Rotorua District Council	Rotorua Regional Airport
Marlborough District Council	Marlborough District Council Holdings
Auckland Council	Watercare

- 3.20 Lending to CCOs will give greater flexibility for these councils in structuring their borrowing and on-lending activities.
- 3.21 LGFA cannot lend to multiple owned CCOs and Dunedin City Council is not member of LGFA, because it does all its borrowing via a subsidiary company (Dunedin City Treasury Limited), which cannot borrow from the LGFA.
- 3.22 To ensure no additional risk is born by the LGFA or its guaranteeing councils a number of arrangements will be put in place;
- 1 The parent council of the CCO must each be a guarantor of the loan in favour of LGFA.
  - 2 LGFA will only lend to the CCO if;
    - (a) There is uncalled capital from the parent council that is at least equal to the financial obligations of the CCO; or
    - (b) There is a guarantee from the parent council in respect of the CCO.
  - 3 LGFA will undertake a credit analysis on the CCO and parent council.
  - 4 LGFA board approval will be required before a CCO can borrow from the LGFA.
  - 5 LGFA would apply bespoke financial covenants to the CCO, taking into consideration a number of factors such as ownership structure, cash flow, balance sheet quality and services and activities undertaken by the CCO.
- 3.23 To give effect to enable LGFA to lend to CCOs, all shareholder, guarantors and borrowers and borrower only councils are being asked to execute an "Amendment and Restatement Deed (Guarantee and Indemnity)" (Attachment 2) and "Amendment and Restatement Deed (Multi-issuer Deed)" (Attachment 3).
- 3.24 A summary and rationale for lending to CCOs is provided in the Notice of Annual Meeting for 21 November 2018, attachment 7.

3.25 **Enabling Council's subsidiary Inframax Construction Limited (the company) to borrow from the LGFA**

3.26 Under the new arrangements with CCOs enabled to borrow from the LGFA, no consideration has been given in this business paper for the company to borrow from the LGFA.

3.27 Currently as at 30 June 2019 the company provides security in the form of a General Security Deed over all present and after acquired property of the company and a Senior Facility Agreement in favour of ASB Bank Limited.

3.28 Council does not guarantee any debt or liabilities of the company.

3.29 Council will need to consider whether it will effectively provide a guarantee for the company's debt obligation before the company could apply to join and borrow from the LGFA. That consideration is outside the scope of this Business Paper and could be considered at later date.

3.30 **Deeds to Execute**

3.31 There are three deeds to be executed;

- 1 Amendment and Restatement Deed (Notes Subscription Agreement) (Attachment 1),
- 2 Amendment and Restatement Deed (Guarantee and Indemnity) (Attachment 2),
- 3 Amendment and Restatement Deed (Multi-issuer Deed) (Attachment 3).

3.32 All the legal documentation has been reviewed and approved by LGFA, with the assistance of Russell McVeagh and by the LGFA Shareholders' Council with the assistance of Simpson Grierson.

3.33 Simpson Grierson acted under the instructions of the Shareholders' Council only and not the borrowers or guarantors.

3.34 Council has been advised if it wishes to obtain its own assurance or advice about the changes, Simpson Grierson has offered to assist. Alternatively if Council wishes to discuss the documents with LGFA, Mark Butcher (CEO) and Andrew Michl (Senior Manager, Credit & External Relationships) are available.

3.35 To give a better understanding of what will be changed in the Deeds that have been acceded to, attachments 4, 5 and 6 provide marked up versions of the original deeds showing what will be changed.

3.36 The three deeds are to be executed by two elected members.

3.37 A section 118 of the Local Government Act 2002 certificate is signed by the Chief Executive, certifying that all necessary resolutions have been passed, sufficient delegated authority to execute has been given and the documents have been signed in compliance with the Act.

3.38 **Arrangements under COVID-19 Pandemic**

3.39 Under normal circumstances after due passing of Council's necessary resolutions, execution would be by two elected members signing the same copies of the deeds.

3.40 In these unprecedented times, where two elected members cannot be in the same location, electronic execution can be carried out. More specific guidance will be provided to the two nominated elected members at the appropriate time.

## Analysis of Options

- 4.1 There are two options;
- 1 Execute the documents as requested, or
  - 2 Decline to execute the documents.
- 4.2 Execution of the documents will strengthen LGFA capital base, through increasing the percentage of Borrower Notes the borrowing council is required to subscribe to for its underlying borrowing from the LGFA. This will enable LGFA to continue to lend at favorable margins and interest rates to councils and itself to maintain a high credit rating, which is the as the NZ government, thereby pass interest savings onto borrower councils.
- 4.3 Enabling the LGFA to lend to CCOs improve LGFA's service to the local government sector, without unduly increasing risk to guarantors and will allow some parent councils to better streamline their borrowing and on-lending to their CCOs.
- 4.4 Declining to execute the documents will frustrate the LGFA in its endeavors to continue to provide lending at favourable interest rates and its service to the sector.
- 4.5 Declining to execute is likely to lead to reputational damage for Council, and possibly loss of membership to the LGFA. This would lead to need to rely on commercial banks for borrowing requirements since there is likely to still be little appetite for debt issued in Councils' name and interest cost will very likely to be higher.

## Considerations

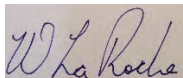
- 5.1 **RISK**
- 5.2 No adverse risks for Council have been identified by executing the deed to increase the Borrower Note percentage, except for a very minor increase in net interest costs.
- 5.3 Additional risks have been identified by LGFA for lending to CCOs, however a number of mitigations have been put in place to nullify the apparent risk is detailed in paragraph 3.22 above. There is no additional risk to Waitomo District Council that is not born by all other councils who are members of the LGFA.
- 5.4 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**
- 5.5 The decision being asked for is not inconsistent with Council's plans and policies due to the plans not contemplating additional requirements to subscribe to Borrower Notes or enabling the LGFA to lend to CCOs.
- 5.6 The decision is consistent with Council's policy to remain as a borrower and guarantor with the LGFA, as articulated in its Financial Strategy (Reference LTP 2018-28, page 95).
- 5.7 **SIGNIFICANCE AND COMMUNITY VIEWS**
- 5.8 Execution of the Deeds affects the financing arrangement of Council as a whole and no particular persons or groups of people have been identified as being directly affected by this decision.
- 5.9 Execution of the Deeds is unlikely to be considered significant in accordance with Council's Significance and Engagement Policy.

## Recommendation

- 6.1 It is recommended that the Committee and Council approve, pass a resolution and delegate the appropriate authority to two elected members to execute all three Deeds.

## Suggested Resolutions

- 1 The business paper on Local Government Funding Agency Changes to Foundation Policies be received.
- 2 That the Audit, Risk and Finance Committee resolve to execute the following Deeds which make changes to the Local Government Funding Agency foundation policies;
  - Amendment and Restatement Deed (Notes Subscription Agreement) (Attachment 1).
  - Amendment and Restatement Deed (Guarantee and Indemnity) (Attachment 2).
  - Amendment and Restatement Deed (Multi-issuer Deed) (Attachment 3).
- 3 Authority to execute the three Deeds is delegated to two elected members;  
\_\_\_\_\_and\_\_\_\_\_.



**WAYNE LA ROCHE**  
**SENIOR ACCOUNTANT**

22 April 2020

Attachments	1	Amendment and Restatement Deed (Notes Subscription Agreement)(zA7771)
	2	Amendment and Restatement Deed (Guarantee and Indemnity) (zA7773)
	3	Amendment and Restatement Deed (Multi-issuer Deed) (zA7774)
	4	Comparison – Notes Subscription Agreement (zA7775)
	5	Comparison – Guarantee and Indemnity (zA7776)
	6	Comparison – Multi-issuer Deed (zA7777)
	7	NZ Local Government Funding Agency Limited: Notice of Annual Meeting: Which provides a summary and rationale for lending to CCOs (zA7778)
	8	Section 118 Certificate for Guarantor and Borrower Councils (zA7772)
	9	LGFA Background Briefing Paper: Increasing Borrower Notes Percentage from 1.6% to 2.5%. (zA7780)

# Amendment and Restatement Deed (Notes Subscription Agreement)

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## **PARTIES**

New Zealand Local Government Funding Agency Limited

### **Issuer**

The Local Authorities listed in Schedule 1

### **Subscribers**

DEED dated 2020

## PARTIES

New Zealand Local Government Funding Agency Limited  
("Issuer")

The Local Authorities listed in Schedule 1  
("Subscribers" and each a "Subscriber")

## INTRODUCTION

The parties wish to amend and restate the Notes Subscription Agreement as set out in this deed.

## COVENANTS

### 1. INTERPRETATION

#### 1.1 Definitions: In this deed:

"Notes Subscription Agreement" means the notes subscription agreement dated 7 December 2011 (as amended and restated on 4 June 2015) between the Issuer and the Subscribers.

"Effective Date" means the date notified by the Issuer as the Effective Date in accordance with clause 2.1.

#### 1.2 Notes Subscription Agreement definitions: Words and expressions defined in the Notes Subscription Agreement (as amended by this deed) have, except to the extent the context requires otherwise, the same meaning in this deed.

#### 1.3 Miscellaneous:

- (a) Headings are inserted for convenience only and do not affect interpretation of this deed.
- (b) References to a person include that person's successors, permitted assigns, executors and administrators (as applicable).
- (c) Unless the context otherwise requires, the singular includes the plural and vice versa and words denoting individuals include other persons and vice versa.
- (d) A reference to any legislation includes any statutory regulations, rules, orders or instruments made or issued pursuant to that legislation and any amendment to, re-enactment of, or replacement of, that legislation.
- (e) A reference to any document includes reference to that document as amended, modified, novated, supplemented, varied or replaced from time to time.



- (f) Unless otherwise stated, reference to a clause or schedule is a reference to a clause of or schedule to this deed.
- (g) A reference to "including", "for example" or "such as", when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

## 2. CONDITIONS PRECEDENT

- 2.1 **Effective Date:** The Effective Date shall be the date the Issuer confirms to the Subscribers that it has received, and found satisfactory to it in form and substance, the documents and evidence specified in schedule 2.

## 3. AMENDMENT AND RESTATEMENT

- 3.1 **Amendment and restatement:** With effect on and from the Effective Date, the Notes Subscription Agreement shall be amended and restated in the form set out in the appendix to this deed in accordance with clause 14.1 of the Notes Subscription Agreement.
- 3.2 **Full force and effect:** Except to the extent amended by this deed, the Notes Subscription Agreement remains in full force and effect.

## 4. SUBSCRIBERS ACKNOWLEDGEMENTS AND CONFIRMATIONS

- 4.1 **Notice details:** Each Subscriber confirms that its current notice details for the purposes of clause 13 of the Notes Subscription Agreement are as set out in schedule 1.
- 4.2 **Existing Borrower Notes:** Each Subscriber and the Issuer agrees that the Notes Subscription Agreement (as amended by this deed) applies to all existing Borrower Notes issued by the Issuer to that Subscriber.

## 5. GENERAL

- 5.1 **Counterparts:** This deed may be executed in any number of counterparts, and this shall have the same effect as if the signatures on the counterparts were on a single copy of this deed.
- 5.2 **Governing law:** This deed is governed by, and construed in accordance with, New Zealand law. The parties submit to the non-exclusive jurisdiction of the courts of New Zealand.

**EXECUTED AS A DEED**

**The Subscribers**

**ASHBURTON DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**AUCKLAND COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**BAY OF PLENTY REGIONAL COUNCIL**  
by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**BULLER DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**CANTERBURY REGIONAL COUNCIL** by:

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Signature of elected member

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Name of elected member

**CARTERTON DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

**CENTRAL HAWKE'S BAY DISTRICT  
COUNCIL** by:

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Signature of elected member

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**CHRISTCHURCH CITY COUNCIL** by:

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Signature of elected member

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**CLUTHA DISTRICT COUNCIL** by:

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Signature of elected member

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**FAR NORTH DISTRICT COUNCIL** by:

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**GISBORNE DISTRICT COUNCIL** by:

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**GORE DISTRICT COUNCIL** by:

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**GREY DISTRICT COUNCIL** by:

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**HAMILTON CITY COUNCIL** by:

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**HASTINGS DISTRICT COUNCIL** by:

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**HAURAKI DISTRICT COUNCIL** by:

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**HAWKE'S BAY REGIONAL COUNCIL** by:

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Signature of elected member

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**HOROWHENUA DISTRICT COUNCIL** by:

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**HURUNUI DISTRICT COUNCIL** by:

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**HUTT CITY COUNCIL** by:

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**INVERCARGILL CITY COUNCIL** by:

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**KAIKOURA DISTRICT COUNCIL** by:

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Signature of elected member

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**KAIPARA DISTRICT COUNCIL** by:

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**KAPITI COAST DISTRICT COUNCIL** by:

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**MACKENZIE DISTRICT COUNCIL** by:

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**MANAWATU DISTRICT COUNCIL** by:

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**MANAWATŪ-WHANGANUI REGIONAL  
COUNCIL** by:

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**MARLBOROUGH DISTRICT COUNCIL** by:

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**MASTERTON DISTRICT COUNCIL** by:

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**MATAMATA-PIAKO DISTRICT COUNCIL**  
by:

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**NELSON CITY COUNCIL** by:

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**NEW PLYMOUTH DISTRICT COUNCIL** by:

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Signature of elected member

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Name of elected member

**NORTHLAND REGIONAL COUNCIL** by:

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**ŌPŌTIKI DISTRICT COUNCIL** by:

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**ŌTOROHANGA DISTRICT COUNCIL** by:

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**PALMERSTON NORTH CITY COUNCIL**

by:

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Signature of elected member

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**PORIRUA CITY COUNCIL** by:

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Signature of elected member

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**QUEENSTOWN-LAKES DISTRICT  
COUNCIL** by:

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**RANGITIKEI DISTRICT COUNCIL** by:

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**ROTORUA DISTRICT COUNCIL** by:

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**RUAPEHU DISTRICT COUNCIL** by:

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**SELWYN DISTRICT COUNCIL** by:

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**SOUTH TARANAKI DISTRICT COUNCIL**  
by:

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Signature of elected member

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**SOUTH WAIRARAPA DISTRICT COUNCIL**  
by:

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Signature of elected member

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**STRATFORD DISTRICT COUNCIL** by:

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**TARANAKI REGIONAL COUNCIL** by:

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**TARARUA DISTRICT COUNCIL** by:

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**TASMAN DISTRICT COUNCIL** by:

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**TAUPO DISTRICT COUNCIL** by:

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Signature of elected member

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**TAURANGA CITY COUNCIL** by:

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Signature of elected member

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**THAMES-COROMANDEL DISTRICT  
COUNCIL** by:

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**TIMARU DISTRICT COUNCIL** by:

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**UPPER HUTT CITY COUNCIL** by:

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Signature of elected member

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**WAIKATO DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

\_\_\_\_\_  
Name of elected member

**WAIKATO REGIONAL COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

\_\_\_\_\_  
Name of elected member

**WAIMAKARIRI DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

\_\_\_\_\_  
Name of elected member

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Name of elected member

**WAIPA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WAIROA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WAITOMO DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WELLINGTON CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member



**WELLINGTON REGIONAL COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WEST COAST REGIONAL COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WESTERN BAY OF PLENTY DISTRICT  
COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WESTLAND DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WHAKATANE DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WHANGANUI DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WHANGAREI DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

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Signature of elected member

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Name of elected member

\_\_\_\_\_  
Name of elected member

**The Issuer**

**NEW ZEALAND LOCAL GOVERNMENT  
FUNDING AGENCY LIMITED** by:

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Name of director

\_\_\_\_\_  
Name of director

**SCHEDULE 1**

**Subscribers**

<b>Local Authority name:</b>	<b>Debenture Trust Deed, Agency Agreement and Registrar details:</b>	<b>Details for notices:</b>
Ashburton District Council	<p>Debenture Trust Deed between Ashburton District Council and Trustees Executors Limited dated 23 April 2010.</p> <p>Registrar and Paying Agency Agreement between Ashburton District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 13 April 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Ashburton District Council 5 Baring Square West Ashburton</p> <p>Postal Address: Ashburton District Council PO Box 94 Ashburton 7740</p> <p>Email: Rachel.Sparks@adc.govt.nz Attention: Finance Manager</p>
Auckland Council	<p>Debenture Trust Deed between Auckland Council and Trustees Executors Limited dated 2 December 2010, as amended from time to time and most recently on 25 May 2016.</p> <p>Registrar and Paying Agency Agreement between Auckland Council and Computershare Investor Services Limited dated 5 November 2010, as amended from time to time and most recently on 12 December 2017.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: 135 Albert Street Auckland 1010</p> <p>Postal Address: Private Bag 92300 Victoria Street West Auckland 1142</p> <p>Email: john.bishop@aucklandcouncil.govt.nz Attention: John Bishop, Group Treasurer</p>
Bay Of Plenty Regional Council	<p>Debenture Trust Deed between Bay of Plenty Regional Council and Trustees Executors Limited dated on or about 30 November 2011.</p>	<p>Delivery Address: 5 Quay Street Whakatāne</p>

	<p>Registrar and Paying Agency Agreement between Bay of Plenty Regional Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Postal Address: P O Box 364 Whakatāne 3158</p> <p>Email: mat.taylor@boprc.govt.nz</p> <p>Attention: Mat Taylor</p>
Buller District Council	<p>Debenture Trust Deed between Buller District Council and Corporate Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 20 October 2015.</p> <p>Registry Customer Agreement between Buller District Council and Link Market Services Limited dated 20 October 2015.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: Buller District Council 6-8 Brougham Street Westport</p> <p>Attention: Wendy Thompson, Financial Accountant</p>
Canterbury Regional Council	<p>Debenture Trust Deed between Canterbury Regional Council and Trustees Executors Limited dated 21 September 2015.</p> <p>Registry Customer Agreement between Canterbury Regional Council and Link Market Services Limited dated 21 September 2015.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: 200 Tuam Street Christchurch 8140</p> <p>Attention: Chief Financial Officer</p> <p>Postal Address: PO Box 345 Christchurch</p>
Carterton District Council	<p>Debenture Trust Deed between Carterton District Council and</p>	<p>Delivery Address: Carterton District Council</p>

	<p>Covenant Trustee Services Limited dated 18 February 2020.</p> <p>Registry Customer Agreement between Carterton District Council and Link Market Services Limited dated 18 February 2020.</p> <p>Registrar: Link Market Services Limited</p>	<p>28 Holloway Street CARTERTON 5713</p> <p>Attention: Jane Davis</p> <p>Email: jane.davis@cdc.govt.nz</p> <p>Postal Address: Carterton District Council PO Box 9 CARTERTON 5713</p>
<p>Central Hawke's Bay District Council</p>	<p>Debenture Trust Deed between Central Hawke's Bay District Council and Covenant Trustee Services Limited dated 12 July 2016.</p> <p>Registrar and Paying Agency Agreement between Central Hawke's Bay District Council and Computershare Investor Services Limited dated 2 April 2004, as amended from time to time and most recently on 12 July 2016.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Central Hawke's Bay District Council 28-32 Ruataniwha Street Waipawa 4240</p> <p>Attention: Chief Executive Officer</p> <p>Facsimile: (06) 857 7179</p> <p>Email: info@chbdc.govt.nz</p>
<p>Christchurch City Council</p>	<p>Debenture Trust Deed between Christchurch City Council and Trustees Executors Limited dated 26 March 2007, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Christchurch City Council and Computershare</p>	<p>Delivery Address: Civic Offices 53 Hereford Street Christchurch</p> <p>Postal Address: P O Box 73016 Christchurch 8154</p> <p>Email: Treasury@ccc.govt.nz</p>

	<p>Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Attention: Andrew Jefferies</p>
<p>Clutha District Council</p>	<p>Debenture Trust Deed between Clutha District Council and Trustees Executors Limited dated 21 December 2018.</p> <p>Registry Customer Agreement between Clutha District Council and Link Market Services Limited dated 21 December 2018.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: Clutha District Council 1 Rosebank Terrace Balclutha 9230</p> <p>Attention: John Scott</p> <p>Email: john-scott@cluthadc.govt.nz</p> <p>Postal Address: PO Box 25 Rosebank Terrace Balclutha 9240</p>
<p>Far North District Council</p>	<p>Debenture Trust Deed between Far North District Council and Trustees Executors Limited dated 31 May 2011, as amended from time to time and most recently on 13 February 2013.</p> <p>Registrar and Paying Agency Agreement between Far North District Council and Computershare Investor Services Limited dated 14 April 2004, as amended from time to time and most recently on 14 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Memorial Avenue, Kaikohe</p> <p>Postal Address: Private Bag 752, Kaikohe 0440</p> <p>Email: William.taylor@fndc.govt.nz Janice.smith@fndc.govt.nz</p> <p>Attention: General Manager, Corporate Services</p>

<p>Gisborne District Council</p>	<p>Debenture Trust Deed between Gisborne District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 6 August 2003, as amended from time to time and most recently on 28 November 2012.</p> <p>Registrar and Paying Agency Agreement between Gisborne District Council and Link Market Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: 15 Fitzherbert Street Gisborne</p> <p>Postal Address: PO Box 747 Gisborne 4010</p> <p>Email: <a href="mailto:treasury@gdc.govt.nz">treasury@gdc.govt.nz</a></p> <p>Attention: Pauline Foreman</p>
<p>Gore District Council</p>	<p>Debenture Trust Deed between Gore District Council and Trustees Executors Limited dated 9 March 2016.</p> <p>Registry Customer Agreement between Gore District Council and Link Market Services Limited dated 9 March 2016.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: Gore District Council 29 Bowler Avenue Gore 9740</p> <p>Attention: Chief Financial Officer</p> <p>Facsimile: (03) 209 0330</p> <p>Email: <a href="mailto:info@goredc.govt.nz">info@goredc.govt.nz</a></p> <p>Postal Address: PO Box 8 Gore 9740</p>

<p>Grey District Council</p>	<p>Debenture Trust Deed between Grey District Council and Trustees Executors Limited dated 28 March 2013.</p> <p>Registrar and Paying Agency Agreement between Grey District Council and Computershare Investor Services Limited dated 28 March 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 105 Tainui Street Greymouth 7805</p> <p>Postal Address: PO Box 382 Greymouth 7840</p> <p>Email: <a href="mailto:finance@greydc.govt.nz">finance@greydc.govt.nz</a> Attention: Corporate Services Manager</p>
<p>Hamilton City Council</p>	<p>Debenture Trust Deed between Hamilton City Council and Trustees Executors Limited dated 19 June 2001, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Hamilton City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 260 Anglesea Street Council Building Garden Place Hamilton 3240</p> <p>Postal Address: Private Bag 3010 Hamilton 3240</p> <p>Email: <a href="mailto:david.bryant@hcc.govt.nz">david.bryant@hcc.govt.nz</a> Attention: David Bryant</p>
<p>Hastings District Council</p>	<p>Debenture Trust Deed between Hastings District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 16 March 2007, as amended from time to time and most recently on 30 November 2011.</p>	<p>Delivery Address: 207 Lyndon Road East Hastings 4122</p> <p>Postal Address: Private Bag 9002 Hastings 4156</p> <p>Email: <a href="mailto:brucea@hdc.govt.nz">brucea@hdc.govt.nz</a></p>



	<p>Registrar and Paying Agency Agreement between Hastings District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Attention: Bruce Allan</p>
<p>Hauraki District Council</p>	<p>Debenture Trust Deed between Hauraki District Council and Trustees Executors Limited dated 29 November 2012.</p> <p>Registrar and Paying Agency Agreement between Hauraki District Council and Computershare Investor Services Limited dated 29 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: William Street Paeroa 3600</p> <p>Postal Address: PO Box 17 Paeroa 3640</p> <p>Email: info@hauraki-dc.govt.nz</p> <p>Attention: Corporate Services Group Manager</p>

<p>Hawke's Bay Regional Council</p>	<p>Debenture Trust Deed between Hawke's Bay Regional Council and Covenant Trustee Services Limited dated 20 March 2019.</p> <p>Registrar and Paying Agent Services Agreement between Hawke's Bay Regional Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 20 March 2019.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Hawke's Bay Regional Council 159 Dalton Street Napier 4110</p> <p>Attention: Bronda Smith</p> <p>Email: bronda.smith@hbrc.govt.nz</p> <p>Postal Address: Hawke's Bay Regional Council Private Bag 6006 Napier 4142</p>
<p>Horowhenua District Council</p>	<p>Debenture Trust Deed between Horowhenua District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 27 April 2010, as amended from time to time and most recently on 28 November 2012.</p> <p>Registrar and Paying Agency Agreement between Horowhenua District Council and Computershare Investor Services Limited dated 23 March 2004, as amended from time to time and most recently on 28 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 126 - 148 Oxford Street Levin 5510</p> <p>Postal Address: Private Bag 4002 Levin 5540</p> <p>Email: dougl@horowhenua.govt.nz</p> <p>Attention: Doug Law</p>
<p>Hurunui District Council</p>	<p>Debenture Trust Deed between Hurunui District Council and Perpetual Trust Limited (and now between the Council and Covenant</p>	<p>Delivery Address: 66 Carters Road (SH1) Amberley 7410</p>

	<p>Trustee Services Limited) dated 27 May 2010, as amended from time to time and most recently on 31 October 2013.</p> <p>Registrar and Paying Agency Agreement between Hurunui District Council and Computershare Investor Services Limited dated 27 May 2010, as amended from time to time and most recently on 31 October 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Postal Address: PO Box 13 Amberley 7441 North Canterbury</p> <p>Email: <a href="mailto:jason.beck@hurunui.govt.nz">jason.beck@hurunui.govt.nz</a></p> <p>Attention: Jason Beck</p>
<p>Hutt City Council</p>	<p>Debenture Trust Deed between Hutt City Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 6 August 1998, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar and Paying Agency Agreement between Hutt City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 18 February 2014.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 30 Laings Road Lower Hutt</p> <p>Postal Address: Private bag 31912 Lower Hutt 5040</p> <p>Email: <a href="mailto:glenn.phillips@huttcity.govt.nz">glenn.phillips@huttcity.govt.nz</a></p> <p>Attention: Glenn Usoali'i-Phillips</p>
<p>Invercargill City Council</p>	<p>Debenture Trust Deed between Invercargill City Council and Trustees Executors Limited dated 22 October 2015, as amended from</p>	<p>Delivery Address: Invercargill City Council</p> <p>Attention: Dave Foster</p> <p>Email: <a href="mailto:dave.foster@icc.govt.nz">dave.foster@icc.govt.nz</a></p>

	<p>time to time and most recently on 2 April 2019.</p> <p>Registrar and Paying Agent Services Agreement between Invercargill City Council and Computershare Investor Services Limited dated 22 October 2015, as amended from time to time and most recently on 2 April 2019.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Postal Address: Invercargill City Council Private Bag 90104 Invercargill 9840</p>
<p>Kaikoura District Council</p>	<p>Debenture Trust Deed between Kaikoura District Council and Covenant Trustee Services Limited dated 20 December 2019.</p> <p>Registry Customer Agreement between Kaikoura District Council and Link Market Services Limited dated 20 December 2019.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: Kaikoura District Council 96 West End Kaikoura 7340</p> <p>Attention: Sheryl Poulsen</p> <p>Email: Sheryl.poulsen@kaikoura.govt.nz</p> <p>Postal Address: Kaikoura District Council PO Box 6 Kaikoura 7340</p>
<p>Kaipara District Council</p>	<p>Debenture Trust Deed between Kaipara District Council and Corporate Trust Limited (trading as Foundation Corporate Trust) (and now between the Council and Covenant Trustee Services Limited) dated 13 September 2013.</p> <p>Registrar and Paying Agency Agreement between Kaipara District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time</p>	<p>Delivery Address: 42 Hokianga Road Dargaville</p> <p>Attention: General Manager Sustainable Growth and Investment</p> <p>Email: sdavidson@kaipara.govt.nz</p> <p>Postal Address: Private Bag 1001</p>

	<p>to time and most recently on 22 March 2016.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Dargaville 0340</p>
<p>Kapiti Coast District Council</p>	<p>Debenture Trust Deed between Kāpiti Coast District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 19 September 2012.</p> <p>Registrar and Paying Agency Agreement between Kāpiti Coast District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 28 June 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Council Offices 175 Rimu Road Paraparaumu 5032</p> <p>Postal Address: Private Bag 60-601 Paraparaumu 5254</p> <p>Email: wayne.maxwell@kapiticoast.govt.nz Attention: Wayne Maxwell</p> <p>Email: mark.dehaast@kapiticoast.govt.nz Attention: Mark de Haast</p> <p>Email: david.wilson@kapiticoast.govt.nz Attention: David Wilson</p>
<p>Mackenzie District Council</p>	<p>Debenture Trust Deed between Mackenzie District Council and Trustees Executors Limited dated 21 December 2018.</p> <p>Registry Customer Agreement between Mackenzie District Council and Link Market Services Limited dated 21 December 2018.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: Mackenzie District Council 53 Main Street FAIRLIE 7925</p> <p>Attention: Adrian Hodgett</p> <p>Email: adrian@mackenzie.govt.nz</p>

		<p>Postal Address:</p> <p>PO Box 52</p> <p>Main Street</p> <p>FAIRLIE 7949</p>
<p>Manawatu District Council</p>	<p>Debenture Trust Deed between Manawatu District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 26 September 2012.</p> <p>Registrar and Paying Agency Agreement between Manawatu District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 28 September 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>135 Manchester Street</p> <p>Fielding</p> <p>Postal Address:</p> <p>Private Bag 10001</p> <p>Fielding 4743</p> <p>Email:</p> <p>amanda.calman@mdc.govt.nz</p> <p>Attention: Amanda Calman</p>
<p>Manawatū-Whanganui Regional Council (which trades as Horizons Regional Council)</p>	<p>Debenture Trust Deed between Horizons Regional Council and Trustees Executors Limited dated 28 July 2008, as amended from time to time and most recently on 9 September 2013.</p> <p>Registrar and Paying Agency Agreement between Horizons Regional Council and Computershare Investor Services Limited dated 28 July 2008, as amended from time to time and most recently on 4 September 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>11-15 Victoria Avenue</p> <p>Palmerston North</p> <p>Postal Address:</p> <p>Private Bag 11025</p> <p>Manawatu Mail Centre</p> <p>Palmerston North</p> <p>Email: treasury@horizons.govt.nz</p> <p>Attention: Adrian Smith</p>

<p>Marlborough District Council</p>	<p>Debenture Trust Deed between Marlborough District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 10 December 2010, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar and Paying Agency Agreement between Marlborough District Council and Computershare Investor Services Limited dated 5 October 2010, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 15 Seymour Street Seymour Square Blenheim 7201</p> <p>Postal Address: PO Box 443 Blenheim 7240</p> <p>Email: Martin.Fletcher@marlborough.govt.nz Borrowings@marlborough.govt.nz Attention: Martin Fletcher/Adrian Ferris</p>
<p>Masterton District Council</p>	<p>Debenture Trust Deed between Masterton District Council and Trustees Executors Limited dated 26 June 2007, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Masterton District Council and Computershare Investor Services Limited dated 18 June 2007, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 27 Lincoln Road Masterton 5810</p> <p>Postal Address: PO Box 444 Masterton 5840</p> <p>Email: davidp@mstn.govt.nz Attention: Manager Finance</p>
<p>Matamata-Piako District Council</p>	<p>Debenture Trust Deed between Matamata-Piako District Council and Trustees Executors Limited dated 9 May 2011, as amended from time to</p>	<p>Delivery Address: 35 Kenrick Street Te Aroha</p>

	<p>time and most recently on 13 February 2013.</p> <p>Registrar and Paying Agency Agreement between Matamata-Piako District Council</p> <p>Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 13 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Postal Address:</p> <p>PO Box 266</p> <p>Te Aroha</p> <p>Email: danglesey@mpdc.govt.nz lrushbrooke@mpdc.govt.nz</p> <p>Attention: Finance and Business Service Manager / Deputy Finance Manager</p>
<p>Nelson City Council</p>	<p>Debenture Trust Deed between Nelson City Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 10 December 2010, as amended from time to time and most recently on 2 April 2013.</p> <p>Registry Customer Agreement between Nelson City Council and Link Market Services Limited dated 10 December 2010, as amended from time to time and most recently on 2 April 2013.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:</p> <p>Civic House</p> <p>110 Trafalgar Street</p> <p>Nelson 7010</p> <p>Postal Address:</p> <p>PO Box 645</p> <p>Nelson 7040</p> <p>Email: Nikki.harrison@ncc.govt.nz</p> <p>Attention: Group Manager Corporate Services</p>
<p>New Plymouth District Council</p>	<p>Debenture Trust Deed between New Plymouth District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 21 May 2009, as amended from time to time and most recently on 30 November 2011.</p>	<p>Delivery Address:</p> <p>Liardet St</p> <p>New Plymouth</p> <p>Postal Address:</p> <p>Private Bag 2025</p> <p>New Plymouth 4342</p>



	<p>Registrar and Paying Agency Agreement between New Plymouth District Council and Computershare Investor Services Limited dated 16 March 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Email: alison.trustrumrainey@npdc.govt.nz / carla.freeman@npdc.govt.nz</p> <p>Attention: Alison TrustrumRainey / Carla Freeman</p>
<p>Northland Regional Council</p>	<p>Debenture Trust Deed between Northland Regional Council and Trustees Executors Limited dated 6 July 2015.</p> <p>Registry Customer Agreement between Northland Regional Council and Link Market Services Limited dated 6 July 2015.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: Northland Regional Council 36 Water St Whangarei 0110</p> <p>Attention: Chief Executive Officer</p> <p>Facsimile: (09) 470 1202</p> <p>Email: malcolmn@nrc.govt.nz, with a copy to mailroom@nrc.govt.nz</p> <p>Postal Address: 36 Water St Whangarei 0110</p>
<p>Ōpōtiki District Council</p>	<p>Debenture Trust Deed between Ōpōtiki District Council and Trustees Executors Limited dated 11 November 2014.</p> <p>Registrar and Paying Agency Agreement between Ōpōtiki District Council and Computershare Investor Services Limited dated 1</p>	<p>Delivery Address: Ōpōtiki District Council 108 St John Street Ōpōtiki 3122</p> <p>Postal Address: PO Box 44</p>

	<p>April 2004, as amended from time to time and most recently on 11 November 2014.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Ōpōtiki 3162</p> <p>Email: GregoryR@odc.govt.nz</p> <p>Attention: Gregory Robertson</p>
<p>Ōtorohanga District Council</p>	<p>Debenture Trust Deed between Ōtorohanga District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Ōtorohanga District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>17 Maniapoto Street Ōtorohanga 3940</p> <p>Postal Address PO Box 11 Ōtorohanga 3940</p> <p>Email: grahamb@otodc.govt.nz</p> <p>Attention: Graham Bunn</p>
<p>Palmerston North City Council</p>	<p>Debenture Trust Deed between Palmerston North City Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 18 February 1999, as amended from time to time and most recently on 4 April 2012.</p> <p>Registrar and Paying Agency Agreement between Palmerston North City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 10 April 2012.</p>	<p>Delivery Address:</p> <p>32 The Square Palmerston North 4410</p> <p>Postal Address: Private Bag 11034 Palmerston North</p> <p>Email: steve.paterson@pncc.govt.nz</p> <p>Attention: Strategy Manager Finance</p>

	Registrar: Computershare Investor Services Limited	
Porirua City Council	<p>Debenture Trust Deed between Porirua City Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 16 September 1997, as amended from time to time and most recently on 1 August 2014).</p> <p>Registrar and Paying Agency Agreement between Porirua City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 July 2014.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 16 Cobham Court Porirua 5022</p> <p>Postal Address: PO Box 50218 Porirua 5240</p> <p>Email: stephen.woolley@porirua.govt.nz</p> <p>Attention: Stephen Woolley</p>
Queenstown-Lakes District Council	<p>Debenture Trust Deed between Queenstown Lakes District Council and Perpetual Trust Limited (trading as Foundation Corporate Trust) (and now between the Council and Covenant Trustee Services Limited) dated 28 September 2009, as amended from time to time and most recently on 14 February 2013.</p> <p>Registrar and Paying Agency Agreement between Queenstown Lakes District Council and Computershare Investor Services Limited dated 3 December 2003, as amended from time to time and most recently on 13 February 2013.</p>	<p>Delivery Address: 10 Gorge Road Queenstown 9300</p> <p>Postal Address: Private Bag 50072 Queenstown 9348</p> <p>Email: services@qldc.govt.nz</p> <p>Attention: Chief Financial Officer</p>

	Registrar: Computershare Investor Services Limited	
Rangitikei District Council	<p>Debenture Trust Deed between Rangitikei District Council and Trustees Executors Limited dated 18 December 2017.</p> <p>Registry Customer Agreement between Rangitikei District Council and Link Market Services Limited dated 18 December 2017.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: Rangitikei District Council 46 High Street Marton 4741</p> <p>Attention: Joanne Devine</p> <p>Email: jo.devine@rangitikei.govt.nz</p> <p>Postal Address: Private Bag 1102 Marton 4741</p>
Rotorua District Council	<p>Debenture Trust Deed between Rotorua District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 22 December 1998, as amended from time to time and most recently on 14 February 2013.</p> <p>Registrar and Paying Agency Agreement between Rotorua District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 18 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Civic Centre 1061 Haupapa Street Rotorua</p> <p>Postal Address: Private Bag 3029 Rotorua Mail Centre Rotorua</p> <p>Email: Thomas.colle@rdc.govt.nz Attention: Thomas Colle</p>
Ruapehu District Council	Debenture Trust Deed between Ruapehu District Council and	Delivery Address: Ruapehu District Council

	<p>Trustees Executors Limited dated 3 July 2018.</p> <p>Registrar and Paying Agency Agreement between Ruapehu District Council and Computershare Investor Services Limited dated 3 July 2018.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>59 - 63 Huia Street Taumarunui 3920</p> <p>Attention: Alan Young</p> <p>Email: Alan.young@ruapehudc.govt.nz</p> <p>Postal Address: Private Bag 1001 Taumarunui 3946</p>
<p>Selwyn District Council</p>	<p>Debenture Trust Deed between Selwyn District Council and Trustees Executors Limited dated 17 July 2009, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Selwyn District Council and Computershare Investor Services Limited dated 17 July 2009, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: 2 Norman Kirk Drive Rolleston</p> <p>Postal Address: P O Box 90 Rolleston 7643</p> <p>Email: Treasury.management@selwyn.govt.nz</p> <p>Attention: Greg Bell</p>
<p>South Taranaki District Council</p>	<p>Debenture Trust Deed between South Taranaki District Council and Trustees Executors Limited dated 21 December 2007, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between South Taranaki District Council and</p>	<p>Delivery Address: 105-111 Albion Street Hawera 4610</p> <p>Postal Address: Private Bag 902 Hawera 4640</p> <p>Email: Vipul.mehta@stdc.govt.nz</p>

	<p>Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Attention: Vipul Mehta</p>
<p>South Wairarapa District Council</p>	<p>Debenture Trust Deed between South Wairarapa District Council and Trustees Executors Limited dated 10 March 2016.</p> <p>Registrar and Paying Agency Agreement between South Wairarapa District Council and Computershare Investor Services Limited dated 10 March 2016.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: South Wairarapa District Council 19 Kitchener Street Martinborough 5711</p> <p>Attention: Harry Wilson/Katrina Neems</p> <p>Email: harry.wilson@swdc.govt.nz / katrina.neems@swdc.govt.nz</p> <p>Postal Address: PO Box 6 Martinborough 5741</p>
<p>Stratford District Council</p>	<p>Debenture Trust Deed between Stratford District Council and Trustees Executors Limited dated 22 May 2018.</p> <p>Registrar and Paying Agency Agreement between Stratford District Council and Computershare Investor Services Limited dated 22 May 2018.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: Stratford District Council 61-63 Miranda Street Stratford 4332</p> <p>Attention: Tiffany Radich</p> <p>Email: TRadich@stratford.govt.nz</p> <p>Postal Address: PO Box 320 Stratford 4352</p>

<p>Taranaki Regional Council</p>	<p>Debenture Trust Deed between Taranaki Regional Council and Trustees Executors Limited dated 9 October 2019.</p> <p>Registrar and Paying Agent Services Agreement between Taranaki Regional Council and Computershare Investor Services Limited dated 9 October 2019.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: Taranaki Regional Council 47 Cloten Road Stratford 4332</p> <p>Attention: Mike Nield</p> <p>Fax: +64 6 765 5097</p> <p>Postal Address: Taranaki Regional Council Private Bag 713 Stratford 4352</p>
<p>Tararua District Council</p>	<p>Debenture Trust Deed between Tararua District Council and Trustees Executors Limited dated 31 May 2013.</p> <p>Registry Customer Agreement between Tararua District Council and Link Market Services Limited dated 31 May 2013.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: 26 Gordon Street Dannevirke</p> <p>Postal Address: 26 Gordon Street PO Box 115 Dannevirke 4942</p> <p>Email: cameron.mckay@tararuadc.govt.nz raj.suppiah@tararuadc.govt.nz</p> <p>Attention: Finance Manager</p>
<p>Tasman District Council</p>	<p>Debenture Trust Deed between Tasman District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 7 July 2010, as amended from time to time and most recently on 30 November 2011.</p>	<p>Delivery Address: 189 Queen Street, Richmond, Nelson 7050</p> <p>Postal Address Private Bag 4 Richmond, Nelson 7050</p> <p>Email: treasury@tasman.govt.nz</p>

	<p>Registry Customer Agreement between Tasman District Council and Link Market Services Limited dated 7 July 2010, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Link Market Services Limited.</p>	<p>Attention: Corporate Services Manager</p>
Taupo District Council	<p>Debenture Trust Deed between Taupo District Council and Trustees Executors Limited dated 19 October 2009, as amended from time to time and most recently on 30 November 2011.</p> <p>Registry Customer Agreement between Taupo District Council and Link Market Services Limited dated 13 July 2009, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Link Market Services Limited.</p>	<p>Delivery Address: 72 Lake Terrace Taupo 3330</p> <p>Postal Address: Private Bag 2005 Taupo 3352</p> <p>Email: nward@taupo.govt.nz</p> <p>Attention: Neil Ward</p>
Tauranga City Council	<p>Debenture Trust Deed between Tauranga District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 11 August 1998, as amended from time to time and most recently on 7 September 2012.</p> <p>Registry and Payment Services Agreement between Tauranga District Council and Link Market Services Limited dated 1 April 2004, as amended from time to</p>	<p>Delivery Address: 91 Willow Street Tauranga 3143</p> <p>Postal Address: Private Bag 12022 Tauranga 3143</p> <p>Email: treasury.settlements@tauranga.govt.nz</p> <p>Attention: Mohan De Mel</p>



	<p>time and most recently on 30 November 2011.</p> <p>Registrar: Link Market Services Limited.</p>	
<p>Thames-Coromandel District Council</p>	<p>Debenture Trust Deed between Thames-Coromandel District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 12 March 2007, as amended from time to time and most recently on 28 November 2012.</p> <p>Registry and Paying Agency Agreement between Thames-Coromandel District Council and Computershare Investor Services Limited dated 21 November 2006, as amended from time to time and most recently on 28 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 515 Mackay Street Thames</p> <p>Postal Address: Private Bag Thames 3540</p> <p>Email: donna.holland@tcdc.govt.nz</p> <p>Attention: Donna Holland</p>
<p>Timaru District Council</p>	<p>Debenture Trust Deed between Timaru District council and PGG Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 15 May 1998, as amended from time to time and most recently on 14 February 2013.</p> <p>Registrar and Paying Agency Agreement between Timaru District Council and Computershare Investor Services Limited dated 10 March 2010, as amended from time</p>	<p>Delivery Address: 2 King George Place Timaru</p> <p>Postal Address: PO Box 522 Timaru 7940</p> <p>Email: enquiry@timdc.govt.nz</p> <p>Attention: Chief Financial Officer</p>

	<p>to time and most recently on 18 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	
Upper Hutt City Council	<p>Debenture Trust Deed between Upper Hutt City Council and Trustees Executors Limited (formerly the Trustees Executors and Agency Company of New Zealand Limited (trading as Tower Trust)) dated 28 November 2000, as amended from time to time and most recently on 17 February 2014.</p> <p>Registrar and Paying Agency Agreement between Upper Hutt City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 18 February 2014.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Civic Administration Building 838 - 842 Fergusson Drive Upper Hutt</p> <p>Postal Address: Private Bag 907 Upper Hutt 5140</p> <p>Email: Julia.Fink@uhcc.govt.nz</p> <p>Attention: Julia Fink</p>
Waikato District Council	<p>Debenture Trust Deed between Waikato District Council and Trustees Executors Limited dated 12 February 2013.</p> <p>Registrar and Paying Agency Agreement between Waikato District Council and Computershare Investor Services Limited dated 18 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Head Office 15 Galileo Street Ngaruawahia</p> <p>Postal Address: Private Bag 544 Ngaruawahia 3742</p> <p>Email: tony.whittaker@waidc.govt.nz</p> <p>Attention: Tony Whittaker</p>

<p>Waikato Regional Council</p>	<p>Debenture Trust Deed between Waikato Regional Council and Trustees Executors Limited dated 2 July 2018.</p> <p>Registrar and Paying Agent Services Agreement between Waikato Regional Council and Computershare Investor Services Limited dated 2 July 2018.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Waikato Regional Council 401 Grey Street HAMILTON 3240</p> <p>Attention: Janine Becker</p> <p>Email: janine.becker@waikatoregion.govt.nz</p> <p>Postal Address: Private Bag 3038 Waikato Mail Centre HAMILTON 3240</p>
<p>Waimakariri District Council</p>	<p>Debenture Trust Deed between Waimakariri District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 23 February 2010, as amended from time to time and most recently on 8 June 2012.</p> <p>Registry and Payment Services Agreement between Waimakariri District Council and Link Market Services Limited dated 1 April 2004, as amended from time to time and most recently on 8 June 2012.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: 215 High Street Rangiora</p> <p>Postal Address: Private Bag 1005 Rangiora 7440</p> <p>Email: jeff.millward@wmk.govt.nz Attention: Jeff Millward</p>
<p>Waipa District Council</p>	<p>Debenture Trust Deed between Waipa District Council and Trustees Executors Limited dated 16 May 2007, as amended from time to</p>	<p>Delivery Address: 101 Bank Street Te Awamutu</p> <p>Postal Address:</p>

	<p>time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Waipa District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Private Bag 2402 Te Awamutu 3800</p> <p>Email: Farrah.Templeton@waipadc.govt.nz z Sarah.Davies@waipadc.govt.nz Ken.Morris@waipadc.govt.nz</p> <p>Attention: Ken Morris</p>
<p>Wairoa District Council</p>	<p>Debenture Trust Deed between Wairoa District Council and Trustees Executors Limited dated 10 September 2013.</p> <p>Registrar and Paying Agency Agreement between Wairoa District Council and Computershare Investor Services Limited dated 10 September 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Wairoa District Council Coronation Square 97 Queen Street Wairoa 4108</p> <p>Attention: Gary Borg</p> <p>Email: gary@wairoadc.govt.nz</p> <p>Postal Address: PO Box 54, Wairoa 4160</p>
<p>Waitomo District Council</p>	<p>Debenture Trust Deed between Waitomo District Council and Trustees Executors Limited dated 6 August 2010, as amended from time to time and most recently on 10 April 2017.</p> <p>Registry Customer Agreement between Waitomo District Council and Link Market Services Limited dated 6 August 2010, as amended from time to time and most recently on 10 April 2017.</p>	<p>Delivery Address: Waitomo District Council Queen Street Te Kuiti 3910</p> <p>Email: info@waitomo.govt.nz</p> <p>Postal Address: Waitomo District Council PO Box 404 Te Kuiti 3941</p>

	Registrar: Link Market Services Limited	Attention: Chief Executive
Wellington City Council	<p>Debenture Trust Deed between Wellington City Council and Trustees Executors Limited dated 11 May 2005, as amended from time to time and most recently on 5 December 2011.</p> <p>Registrar and Paying Agency Agreement between Wellington City Council and Computershare Investor Services Limited dated 11 May 2005, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Wellington City Council 113 The Terrace Wellington</p> <p>Postal Address: PO Box 2199 Wellington 6140</p> <p>Email: martin.read@wcc.govt.nz</p> <p>Attention: Martin Read</p>
Wellington Regional Council	<p>Debenture Trust Deed between Wellington Regional Council and Trustees Executors Limited dated 23 November 2011.</p> <p>Registrar and Paying Agency Agreement between Wellington Regional Council and Computershare Investor Services Limited dated 7 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: Shed 39, 2 Fryatt Quay, Pipitea Wellington 6011</p> <p>Postal Address: P O Box 11646 Manners Street Wellington 6142</p> <p>Email: mike.timmer@gw.govt.nz matthias.zuschlag@gw.govt.nz</p> <p>Attention: Mike Timmer</p>
West Coast Regional Council	<p>Debenture Trust Deed between West Coast Regional Council and Covenant Trustee Services Limited dated 26 February 2019.</p>	<p>Delivery Address: West Coast Regional Council 388 Main South Road Paroa GREYMOUTH 7805</p>

	<p>Registrar and Paying Agent Services Agreement between West Coast Regional Council and Computershare Investor Services Limited dated 26 February 2019.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Attention: Robert Mallinson</p> <p>Email: rm@wcr.govt.nz</p> <p>Postal Address: West Coast Regional Council PO Box 66 GREYMOUTH 7840</p>
<p>Western Bay Of Plenty District Council</p>	<p>Debenture Trust Deed between Western Bay of Plenty District Council and Trustees Executors Limited dated 8 October 1999, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Western Bay of Plenty District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: Barkes Corner Greerton Tauranga</p> <p>Postal Address: Private Bag 12803 Tauranga 3143</p> <p>Email: kumaren.perumal@westernbay.govt.nz</p> <p>Attention: Kumaren Perumal</p>
<p>Westland District Council</p>	<p>Debenture Trust Deed between Westland District Council and Covenant Trustee Services Limited dated 29 March 2018.</p> <p>Registry Customer Agreement between Westland District Council and Link Market Services Limited dated 29 March 2018.</p>	<p>Delivery Address: Westland District Council 36 Weld Street Hokitika 7810</p> <p>Attention: Lesley Crichton</p> <p>Email:</p>

	<p>Registrar: Link Market Services Limited</p>	<p>Lesley.Crichton@westlanddc.govt.nz</p> <p>Postal Address: Private Bag 704 Hokitika 7842</p>
<p>Whakatane District Council</p>	<p>Debenture Trust Deed between Whakatane District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 20 June 2007, as amended from time to time and most recently on 30 March 2012.</p> <p>Registrar and Paying Agency Agreement between Whakatane District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 20 January 2020.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Civic Centre Commerce Street Whakatane</p> <p>Postal Address: Private Bag 1002 Whakatane 3158</p> <p>Email: julie.caverhill@whakatane.govt.nz / Heidi.mccallum@whakatane.govt.nz</p> <p>Attention: Julie Caverhill / Heidi McCallum</p>
<p>Whanganui District Council</p>	<p>Debenture Trust Deed between Whanganui District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 26 May 2000, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar and Paying Agency Agreement between Whanganui District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time</p>	<p>Delivery Address: 101 Guyton Street Whanganui</p> <p>Postal Address: PO Box 637 Whanganui 4540</p> <p>Email: mike.fermor@whanganui.govt.nz</p> <p>Attention: Mike Fermor</p>

	<p>to time and most recently on 29 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	
<p>Whangarei District Council</p>	<p>Debenture Trust Deed between Whangarei District Council and Trustees Executors Limited (formerly Tower Trust Limited) dated 10 June 2002, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Whangarei District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address:</p> <p>Forum North Rust Avenue Whangarei</p> <p>Postal Address:</p> <p>Private Bag 9023 Whangarei 0148</p> <p>Email: alan.adcock@wdc.govt.nz</p> <p>Attention: Alan Adcock</p>



## SCHEDULE 2

### Conditions Precedent

1. A duly executed copy of each of the following documents:
  - (a) this deed;
  - (b) an amendment and restatement deed dated on or about the date of this deed in relation to a guarantee and indemnity deed dated 7 December 2011;
  - (c) an amendment and restatement deed dated on or about the date of this deed in relation to a multi-issuer deed dated 7 December 2011 (as amended and restated on 5 June 2015); and
  - (d) an amendment and restatement deed dated on or about the date of this deed in relation to a shareholders' agreement dated 7 December 2011 (as amended from time to time).
2. A certificate of compliance for the purposes of s118 of the Local Government Act 2002 (in a form acceptable to the Issuer) given by the Chief Executive of each Subscriber in relation to the entry into this deed and each other deed referred to in items 1(b) and (c) above.
3. A legal opinion from Russell McVeagh, solicitors to the Issuer, in relation to the enforceability of this deed and each other deed referred to in items 1(b) and (c) above.
4. A legal opinion from Simpson Grierson, solicitors to the Subscribers, in relation to each Subscriber's entry into this deed and each other deed referred to in items 1(b) and (c) above.

**APPENDIX**

**Amended and Restated Notes Subscription Agreement**

# Notes Subscription Agreement

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## **PARTIES**

New Zealand Local Government Funding Agency Limited

**Issuer**

The Local Authorities Listed in Schedule 1

**Principal Shareholders**

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**AGREEMENT** dated 7 December 2011 (as amended and restated by the deed to which this agreement is attached as an appendix)

## **PARTIES**

New Zealand Local Government Funding Agency Limited  
("Issuer")

The Local Authorities Listed in Schedule 1  
("Principal Shareholders")

## **INTRODUCTION**

- A. The Issuer and the Principal Shareholders wish to record the arrangements agreed between them in relation to the issue of Borrower Notes by the Issuer from time to time to the Principal Shareholders, and other Local Authorities or CCOs that may accede to this agreement, as Subscribers.
- B. This agreement records those arrangements.

## **AGREEMENT**

### **1. INTERPRETATION**

1.1 **Definitions:** In this agreement, unless the context otherwise requires:

"**Accession Deed**" means a deed in the form, or substantially in the form, of schedule 2.

"**Amortising Security**" has the meaning given to it in the Conditions.

"**Amortised Redemption Amount**" means, in relation to an Amortising Security, as at any date, the aggregate LG Redemption Amount that the relevant Subscriber (in its capacity as issuer of that LG Security) has repaid to the Issuer in respect of that LG Security in accordance with its terms.

"**Borrowed Money Indebtedness**" means any indebtedness of the Issuer to a person (other than indebtedness owed to a Subscriber in respect of Borrower Notes) in respect of money borrowed or raised or any other financial accommodation whatsoever in the nature of, or having a similar economic effect to, borrowing or raising money, including indebtedness under or in respect of a negotiable or other financial instrument, guarantee, interest or currency exchange hedge or other arrangement of any kind (calculated on a net and marked to market basis).

"**Borrower Note**" means each note issued by the Issuer under this agreement.

"**BN Percentage**" means, in respect of a date:

- (a) from 7 December 2011 until (and excluding) the Initial BN Change Date, 1.6%; and

- (b) from (and including) the Initial BN Change Date, 2.5% or such other percentage approved by the board of the Issuer and notified (in writing) by the Issuer to all Subscribers from time to time as being applicable from (and including) the date specified in such notification.

**"BN Percentage Period"** means, in relation to a BN Percentage, the period during which that BN Percentage applies (in respect of the then current BN Percentage) or was applicable (in respect of any historic BN Percentage).

**"Business Day"** means a day (other than a Saturday, Sunday or public holiday) on which registered banks are generally open for business in Christchurch, Wellington and Auckland.

**"CCO Subscriber"** means a Subscriber that is a CCO.

**"Commercial Paper"** means in relation to a Subscriber, any securities issued by the Subscriber under the Multi-issuer Deed which have a maturity date falling no more than 364 days after the issue date of those securities.

**"Companies Act"** means the Companies Act 1993.

**"Constitution"** means the Issuer's constitution.

**"Conversion"** means the conversion of Borrower Notes into Redeemable Shares in accordance with this agreement and **"Convert"**, **"Convertible"** and **"Converted"** shall be construed accordingly.

**"Conversion Date"** means the date specified as such in a Conversion Notice, which may be a day on or following the date of the Conversion Notice.

**"Conversion Notice"** has the meaning given to it in clause 8.1.

**"Early Redemption Date"** has the meaning given to it in clause 7.1(c).

**"Extension Notice"** has the meaning given to it in clause 8.6.

**"FMC Act"** means the Financial Markets Conduct Act 2013.

**"Initial BN Change Date"** means, and includes, the date of the deed to which this agreement is attached as an appendix.

**"Issue Date"** means, in relation a Borrower Note, the date on which the Borrower Note is issued, as recorded as such in the Register. The Issue Date of a Borrower Note shall be the same as the "Issue Date" of the related LG Securities issued by the Subscriber under the Multi-issuer Deed.

**"Issue Price"** means:

- (a) in relation to Borrower Notes issued to a Subscriber on a particular date under clause 4.1, an amount equal to the aggregate Principal Amount of those Borrower Notes determined in accordance with clause 4.1(a); and
- (b) in relation to Borrower Notes issued to a Subscriber following the giving of a Top-up Notice, an amount equal to the aggregate Principal Amount of the Borrower Notes to be issued to the Subscriber as specified in the Top-up Notice.

**"Interest Rate"** means the interest rate applicable to a Borrower Note from time to time as determined by the Issuer, which interest rate shall be a percentage rate (p.a.) and shall be determined by the Issuer by reference to the applicable interest rate which is (or would be) payable by the Issuer in respect of the Borrowed Money Indebtedness it incurs to subscribe for the LG Securities to which the Borrower Note relates, and includes the Issuer's "issuance margin", being all of the Issuer's costs and expenses relating to that Borrowed Money Indebtedness (including, without limitation, dealer fees, commissions, listing fees and any Approved Issuer Levy which is or may be payable by the Issuer under the terms of that Borrowed Money Indebtedness). The interest rate determined by the Issuer must not include any additional spread to its issuance margin which it applies in determining the interest rate for the applicable LG Security.

**"LG Interest Rate"** means:

- (a) in relation to an LG Security which is a Floating Rate Security or Fixed Rate Security, the "Interest Rate" for that LG Security; and
- (b) in relation to an LG Security which is a Zero Coupon Security, the "annual yield" for the LG Security.

**"LG Issue Price"** means, in relation to a Tranche of LG Securities, the "Issue Price" as specified in the applicable Final Terms, expressed as a dollar amount.

**"LG Redemption Amount"** means, in relation to a LG Security, the "Principal Amount" as specified in the applicable Final Terms.

**"LG Securities"** means, in relation to a Subscriber, the securities issued by the Subscriber under the Multi-issuer Deed, but excluding any Commercial Paper.

**"Local Authority"** means a local authority as defined in the Local Government Act 2002.

**"Maturity Date"** means, in relation to any Borrower Notes issued to a Subscriber, the date specified as such in the Register. Subject to clause 8.6, the Maturity Date of a Borrower Note shall be the same as the "Maturity Date" of the related LG Securities issued by the Subscriber under the Multi-issuer Deed.

**"Multi-issuer Deed"** means the deed dated on or about the date of this agreement between New Zealand Local Government Funding Agency Limited and various Local Authorities entitled "Multi-issuer Deed".

**"Principal Amount"** means, for each Borrower Note, \$1.00.

**"Redeemable Share"** has the meaning given to it in the Constitution.

**"Redemption Amount"** means, in relation to a Borrower Note, an amount equal to:

- (a) the Principal Amount or, in the case of a Borrower Note that is issued in relation to a LG Security that is an Amortising Security, the amount of the Principal Amount that remains outstanding as at the Maturity Date, Early Redemption Date, Sale Redemption Date or Conversion Date (as applicable); and

- (b) the aggregate of interest accrued and unpaid on the Borrower Note from (and including) the Issue Date to (but excluding) the Maturity Date, Early Redemption Date, Sale Redemption Date or Conversion Date (as applicable).

**"Registrar"** means the Issuer or such other person appointed by the Issuer to maintain the Register on the Issuer's behalf.

**"Register"** means the register of Borrower Notes established and maintained by the Issuer in accordance with this agreement.

**"Repo Arrangement"** has the meaning given to it in clause 7.1(b).

**"RWT-Exempt Status"** has the meaning given to it in the Taxation (Annual Rates for 2017–18, Employment and Investment Income, and Remedial Matters) Act 2018.

**"Sale Redemption Date"** has the meaning given to it in clause 7.1(b).

**"Securities Act"** means the Securities Act 1978.

**"Senior Creditors"** means all creditors (present and future) of the Issuer:

- (a) whose claims are or would be admitted in the Winding-Up of the Issuer; and
- (b) who are not the holders of indebtedness, the right to payment of which by its terms is, or is expressed to be, subordinated in the event of the Winding-Up of the Issuer to the claims of all unsubordinated creditors of the Issuer.

**"Shareholders' Agreement"** has the meaning given to it in the Constitution.

**"Subscriber"** means a Local Authority set out in schedule 1 or any other Local Authority or CCO which is or becomes a Subscriber in accordance with clause 2.3 or 2A.3 (as applicable).

**"Subscription Price"** means, in relation to a Subscriber, an amount equal to the Redemption Amount of the Borrower Notes held by that Subscriber that are required to be Converted as determined under clauses 8.1 and 8.2.

**"Top-up Notice"** has the meaning given to it in clause 4.3(a).

**"Winding Up"** means any procedure, brought or instigated by any person, for the dissolution of the Issuer otherwise than for the purposes of, and followed by, an amalgamation or solvent reconstruction on terms previously approved by the Subscribers, and **"Wound Up"** shall have a corresponding meaning.

1.2 **Multi-issuer Deed:** Words and expressions defined in the Multi-issuer Deed and used in this agreement shall have the same meanings in this agreement, unless the context requires otherwise.

1.3 **References:** Except to the extent that the context otherwise requires, any reference in this agreement to:

an **"authorisation"** includes:



- (a) any consent, authorisation, registration, filing, agreement, notarisation, certificate, permission, licence, approval, authority or exemption from, by or with a governmental agency; or
- (b) in relation to anything which will be proscribed or restricted in whole or part by law if a governmental agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of such period without such intervention or action.

a "**clause**" or "**schedule**" is a reference to a clause of, or schedule to, this agreement.

"**dollars**" and "\$" means the lawful currency of New Zealand.

the "**dissolution**" of any person includes the bankruptcy, winding up or liquidation of that person, and any equivalent or analogous procedure under the law of any jurisdiction in which that person is incorporated, domiciled or resident or carries on business or has assets.

"**indebtedness**" means any obligation (whether present or future, actual or contingent, secured or unsecured, as principal or surety or otherwise) for the payment or repayment of money.

#### 1.4 **Miscellaneous:**

- (a) The introduction to and headings in this agreement are inserted for convenience only and shall be ignored in construing this agreement.
- (b) Unless the context otherwise requires words denoting only the singular number shall include the plural and vice versa and words denoting any gender shall include all genders.
- (c) References to any legislation or to any provision of any legislation are deemed to be references to that legislation or provision as from time to time amended, re-enacted or substituted and, unless the context otherwise requires, shall also include any statutory instruments issued under any such legislation or provision.
- (d) References to any document (however described) shall include references to such document as modified, novated, supplemented, varied or replaced from time to time.
- (e) References to any party to this agreement or any other document shall include its successors or permitted assigns.
- (f) References to a time of day are references to New Zealand time unless otherwise stated.
- (g) Anything which may be done at any time may also be done from time to time.

## 2. **ACCESSION OF LOCAL AUTHORITY AS A SUBSCRIBER**

2.1 **Local Authority to sign Accession Deed:** A Local Authority may become a Subscriber under this agreement by:

- (a) completing and signing an Accession Deed and delivering it to the Issuer;

- (b) delivering to the Issuer a legal opinion from counsel acceptable to the Issuer in a form satisfactory to the Issuer;
- (c) providing the Issuer with evidence (in a form satisfactory to the Issuer) that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to its entry into this agreement and the Accession Deed have been obtained and are current and satisfactory; and
- (d) providing the Issuer with such evidence or documentation as the Issuer may require so as to be satisfied that the Subscriber is permitted to be a party to this agreement and subscribe for Borrower Notes in accordance with clause 15.4(a).

2.2 **Subscriber to countersign Accession Deed:** On receipt of the documents described in clause 2.1 in form and substance satisfactory to the Issuer, the Issuer shall:

- (a) countersign the counterpart of the Accession Deed;
- (b) enter the Accession Deed in a register kept by it (which shall be conclusive); and
- (c) retain one counterpart and deliver the other to the relevant Local Authority.

2.3 **Accession effective:** On an Accession Deed being countersigned by the Issuer in accordance with clause 2.2, the Local Authority shall be bound by this deed as if it were a party hereto and named herein as a Subscriber.

## 2A. ACCESSION OF CCO AS A SUBSCRIBER

2A.1 **CCO to sign Accession Deed:** A CCO may become a Subscriber under this agreement by:

- (a) completing and signing and procuring each LA shareholder to sign an Accession Deed and delivering it to the Issuer;
- (b) delivering to the Issuer a legal opinion from counsel acceptable to the Issuer in a form satisfactory to the Issuer;
- (c) providing the Issuer with evidence (in a form satisfactory to the Issuer) that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to its and each LA Shareholder's entry into this agreement and the Accession Deed have been obtained and are current and satisfactory; and
- (d) providing the Issuer with such evidence or documentation as the Issuer may require so as to be satisfied that the Subscriber is permitted to be a party to this agreement and subscribe for Borrower Notes in accordance with clause 15.4(a).

2A.2 **Subscriber to countersign Accession Deed:** On receipt of the documents described in clause 2A.1 in form and substance satisfactory to the Issuer, the Issuer shall:

- (a) countersign the counterpart of the Accession Deed;
- (b) enter the Accession Deed in a register kept by it (which shall be conclusive); and
- (c) retain one counterpart and deliver the other to the relevant CCO.

2A.3 **Accession effective:** On an Accession Deed being countersigned by the Issuer in accordance with clause 2A.2, the CCO shall be bound by this deed as if it were a party hereto and named herein as a Subscriber.

### 3. OBLIGATIONS SEVERAL

3.1 The obligations of each Subscriber under this agreement are several. No Subscriber shall be responsible for the obligations of any other Subscriber under this agreement. The failure of a Subscriber to perform its obligations under this agreement shall not release any other Subscriber from its obligations under this agreement.

### 4. ISSUE AND SUBSCRIPTION

4.1 **Issue and subscription relating to issue of LG Securities:** Subject to clause 15.4, on each date on which a Subscriber issues LG Securities to the Issuer under the Multi-issuer Deed:

- (a) the Issuer shall issue to the Subscriber Borrower Notes in an aggregate Principal Amount (rounded to the nearest dollar, with \$0.50 being rounded up) equal to the BN Percentage on that date of the LG Issue Price of the related LG Securities; and
- (b) the Subscriber shall subscribe for those Borrower Notes and pay to the Issuer the Issue Price for those Borrower Notes.

4.2 **Set-off:** On each Issue Date, unless the Issuer and the relevant Subscriber agree otherwise, the Subscriber's obligation to pay the Issue Price to the Issuer automatically shall be set-off against the Issuer's obligation to pay the LG Issue Price to the Subscriber for the related Tranche of LG Securities.

4.3 **Issue and subscription following Conversion:**

- (a) If, following the Conversion of Borrower Notes in accordance with clause 8.1, in respect of each BN Percentage Period and a Subscriber:
  - (i) the aggregate Principal Amount of Borrower Notes (in respect of related LG Securities issued by the Subscriber during that BN Percentage Period) held by the Subscriber;  
  
is less than:
  - (ii) the BN Percentage for that BN Percentage Period of the LG Issue Price of the related LG Securities (issued by the Subscriber during that BN Percentage Period) and then held by the Issuer (less, where the related LG Securities are Amortising Securities, the aggregate Amortised Redemption Amount of such Amortising Securities on the date of the Top-up Notice),

(such a BN Percentage Period a "**Relevant BN Percentage Period**") the Issuer may, by giving written notice to the Subscriber ("**Top-up Notice**") require the Subscriber on the date specified in the Top-up Notice (which must be a date not less than 3 months after the date of the Top-up Notice) to subscribe for such

number of additional Borrower Notes as are required to be issued to the Subscriber so that:

- (iii) the aggregate Principal Amount of Borrower Notes (in respect of related LG Securities issued by the Subscriber during that BN Percentage Period) held by the Subscriber;

will be equal to:

- (iv) the BN Percentage for that BN Percentage Period of the LG Issue Price of those related LG Securities (issued by the Subscriber during that BN Percentage Period) and then held by the Issuer (less, where the related LG Securities are Amortising Securities, the aggregate Amortised Redemption Amount of such Amortising Securities on the date of the Top-up Notice).

- (b) If a Subscriber receives a Top-up Notice in accordance with clause 4.3(a), on the date specified in the Top-up Notice as the date on which the additional Borrower Notes are to be issued:
  - (i) the Issuer shall, subject to the board of directors of the Issuer complying with section 49 of the Companies Act, issue to the Subscriber the amount of Borrower Notes as is specified in the Top-up Notice; and
  - (ii) the Subscriber shall subscribe for those Borrower Notes and pay to the Issuer the Issue Price for those Borrower Notes.
- (c) The Issuer shall not give a Top-up Notice to a Subscriber in accordance with clause 4.3(a) unless it gives a Top-up Notice in respect of all Relevant BN Percentage Periods of that Subscriber and at the same time to all other Subscribers who meet the criteria set out in clause (a) in respect of all Relevant BN Percentage Periods of those other Subscribers, with the intent that the requirement to subscribe for additional Borrower Notes is made to all applicable Subscribers, provided that the Issuer is not obliged to deliver a Top-up Notice to a Subscriber that does not meet the criteria set out in clause 15.4(a) as at the date of the Top-Up Notice.
- (d) For the purposes of this clause 4.3, LG Securities which have been sold by the Issuer pursuant to a Repo Arrangement shall be treated as being held by the Issuer.
- (e) Where the Issuer proposes to give Top-up Notice(s) under clause (a) it may require a Subscriber to provide evidence or documentation in accordance with clause 15.4(b).

4.4 **Creation and issue:** Borrower Notes are issued and created by the Registrar entering into the Register the particulars of the Borrower Notes.

4.5 **Warranty:** Each Subscriber warrants:

- (a) as at the date it becomes a Subscriber, that it is permitted to be a party to this agreement in accordance with clause 15.4(a); and

- (b) as at the date it subscribes for any Borrower Notes, it met the criteria set out in clause 15.4(a) as at the date the offer of the Borrower Notes was made to it by the Issuer and continues to meet the criteria as at the date it subscribes for the Borrower Notes.

## 5. LIMITED RIGHTS FOR SUBSCRIBERS

- 5.1 **No voting rights:** The Borrower Notes do not confer on a Subscriber any right to attend and/or vote at any meeting of the Issuer.
- 5.2 **Corporate events:** The Borrower Notes do not confer on any Subscriber the right to participate in any rights issue or bonus issues of the Issuer.
- 5.3 **Transfer:** The Borrower Notes are not transferrable by a Subscriber, except with the prior written approval of the Issuer or in accordance with clause 8.5(ia).

## 6. INTEREST

- 6.1 Interest shall accrue on the Principal Amount of each Borrower Note at the applicable Interest Rate. Interest shall accrue daily, shall not compound and, subject to clause 8.3, shall be paid to the relevant Subscriber on the Maturity Date.

## 7. REDEMPTION

- 7.1 **Redemption:** The Issuer shall redeem each Borrower Note (in full) on the earliest of:
- (a) its Maturity Date;
  - (b) the date the Issuer ceases to be the holder of the related LG Security (other than pursuant to a repurchase arrangement with the Reserve Bank of New Zealand ("**Repo Arrangement**") ("**Sale Redemption Date**")); and
  - (c) the date the Subscriber redeems the related LG Security (in full), other than on the "Maturity Date" of that LG Security, in accordance with the terms and conditions applicable to that LG Security ("**Early Redemption Date**").

Such redemption is to be made in accordance with this clause 7, provided however that, clause 7.1(c) shall not apply to any Borrower Note to which clause 8.6 applies.

- 7.2 **Redemption by set-off:** Where a Borrower Note is being redeemed on its Maturity Date or Early Redemption Date, unless:
- (a) the Issuer and the relevant Subscriber agree otherwise; or
  - (b) clause 8.6 applies to the Borrower Note,

(in which case clause 7.4 shall apply), and subject to clause 12.1, the Issuer's obligation to pay the Redemption Amount to the Subscriber automatically shall be set-off against the Subscriber's obligation to pay the LG Redemption Amount (or portion thereof) for the related LG Securities and accrued and unpaid interest thereon (if any).

7.3 **Payment in instalments:** If a Borrower Note is issued in relation to a LG Security that is an Amortising Security:

- (a) the Principal Amount of the Borrower Note shall be repayable in instalments on each of the same dates (each an "**instalment date**") that a portion of the LG Redemption Amount of the related LG Security is repayable;
- (b) the amount of the Principal Amount of the Borrower Note that is repayable on each instalment date shall be an amount that bears the same proportion to the Principal Amount as the amount of the LG Redemption Amount repayable on the instalment date bears to the LG Redemption Amount of the related LG Security; and
- (c) unless the Issuer and the relevant Subscriber agree otherwise or the Issuer has ceased to be the holder of the corresponding LG Security and subject to clause 12.1, the Issuer's obligation to repay a portion of the Principal Amount of the Borrower Note on an instalment date automatically shall be set-off against the Subscriber's obligation to repay the portion of the LG Redemption Amount of the related LG Security on the instalment date.

7.4 **Redemption other than by set-off:** Where a Borrower Note is being redeemed on its Sale Redemption Date or, if in accordance with clause 7.2, this clause 7.4 applies to the redemption of a Borrower Note, on the applicable redemption date the Issuer shall, subject to clause 12.1, redeem the Borrower Note by paying the Redemption Amount to the Subscriber.

## 8. CONVERSION

8.1 **Right to Convert:** If, following the Issuer having made calls for all unpaid capital of the Issuer to be paid in full, the board of directors of the Issuer has determined that there is a risk of imminent default by the Issuer under the terms of any of its Borrowed Money Indebtedness the Issuer may, by giving written notice to each Subscriber ("**Conversion Notice**") elect to Convert such number of the Borrower Notes as the Issuer determines.

8.2 **Pro rata Conversion:** If a Conversion Notice is given in accordance with clause 8.1, the Conversion shall be made proportionally across all Borrower Notes so that the proportionate holdings of Borrower Notes by each Subscriber remains unchanged (subject, in the case of a CCO Subscriber, to the transfers of Borrower Notes required to its LA Shareholders under clause 8.5) following the Conversion (unless all Borrower Notes are Converted).

8.3 **Conversion:** If a Conversion Notice is given in accordance with clause 8.1, on the Conversion Date, the number of Redeemable Shares to be issued to each Subscriber that is a Local Authority (including, in respect of a CCO Subscriber, each LA Shareholder, as contemplated by clause 8.5(ia)) on Conversion of the relevant Borrower Notes shall be determined by the Issuer in accordance with the following formula:

$$N = RA \div IP$$

Where:

N = the number of Redeemable Shares to be issued to the Subscriber (rounded to the nearest whole unit, with 0.5 being rounded up);

RA = the aggregate Redemption Amount of the Borrower Notes held by the Subscriber that are to be Converted on the Conversion Date; and

IP = \$1.00, being the issue price per Redeemable Share.

8.4 **Selection by Issuer:** The Issuer shall select the Borrower Notes held by each Subscriber that are to be Converted on a Conversion Date in accordance with clause 8.2 and, if it is not also the Registrar, shall notify the Registrar of the selection.

8.5 **Settlement:** On the relevant Conversion Date without the need for any further act or step by the Issuer, any Subscriber or any other person:

(ia) first, each Borrower Note held by a CCO Subscriber (that is to be Converted on the Conversion Date) shall be automatically and immediately transferred to each LA Shareholder in the number determined by the following formula:

$$N = \text{TBN} \times (\text{SH} / \text{TSH})$$

Where:

N = the number of Borrower Notes to be transferred to the LA Shareholder (rounded up or down to the nearest whole unit at the Issuer's discretion);

TBN = the total number of Borrower Notes held by the CCO Subscriber that are to be Converted on the Conversion Date;

SH = the number of equity securities in the CCO Subscriber held by the LA Shareholder; and

TSH = the aggregate number of equity securities in the CCO Subscriber held by the LA Shareholders.

The consideration for such transfer shall be as agreed between the CCO Subscriber and relevant LA Shareholder;

(a) second:

(i) each Borrower Note to be Converted will immediately be required to be redeemed for its Redemption Amount;

(ii) each Subscriber holding such Borrower Note that is to be Converted agrees to subscribe for the number of Redeemable Shares to be issued to it (calculated in accordance with clause 8.3);

(iii) each Subscriber agrees to pay the Subscription Price to the Issuer on the Conversion Date in consideration for the Issuer issuing Redeemable Shares to it on the Conversion Date;

(iv) the Issuer will immediately and irrevocably apply, on the Subscriber's behalf, the Redemption Amount of the Borrower Notes required to be Converted in satisfaction of the Subscription Price for the Redeemable Shares to be issued to that Subscriber (calculated in accordance with clause 8.3); and

- (v) the Issuer shall (in respect of each Subscriber) issue to that Subscriber the number of Redeemable Shares to be issued to it (calculated in accordance with clause 8.3), enter the name of that Subscriber in the share register of the Issuer as the holder of such Redeemable Shares, and issue to that Subscriber a share certificate for such Redeemable Shares; and
- (b) if requested by the Issuer, each Subscriber shall (if that Subscriber is not an existing shareholder of the Issuer) deliver a signed deed of accession to the Shareholders' Agreement. The Subscriber shall (upon entry of its name in the share register in accordance with clause (a)) be deemed to have agreed to be bound by the terms of the Shareholders' Agreement in the event it does not sign such a deed of accession.

8.6 **Exception:** If the board of directors of the Issuer determines:

- (a) having taken legal advice, that the Issuer cannot, with sufficient certainty, determine that it is able to (in compliance with all laws) Convert Borrower Notes; or
- (b) that the Issuer cannot, with sufficient certainty, determine that it is able to (in compliance with all laws) Convert Borrower Notes on or before a date it considers appropriate having regard to the risk of default referred to in clause 8.1,

then the Issuer may, in lieu of Converting Borrower Notes under clause 8.1, by giving written notice to each Subscriber ("**Extension Notice**"), elect to extend the Maturity Date (for such period as the Issuer determines) of such number of Borrower Notes as the Issuer determines. If an Extension Notice is given under this clause 8.6, the extension shall be made in respect of the Borrower Notes that would otherwise have been Converted in accordance with clause 8.2.

8.7 **Effect of Conversion:** Notwithstanding anything to the contrary in any Transaction Document:

- (a) if a Borrower Note is transferred to a LA Shareholder in accordance with clause 8.5(ia), then with effect from the Conversion Date:
  - (i) the LA Shareholder will be the holder of the Borrower Note; and
  - (ii) the Borrower Note will immediately be required to be Converted in accordance with clause 8.5(a); and
- (b) if a Borrower Note is required to be Converted in accordance with clause 8.5(a):
  - (i) all of the Issuer's obligations to pay, and the relevant Subscriber's rights to receive, interest on the Borrower Note (including any accrued but unpaid interest) are immediately and irrevocably terminated, and interest will cease to accrue on the Borrower Note; and
  - (ii) clause 7 will cease to apply to the Borrower Note.



**9. PAYMENTS**

- 9.1 **Payments:** Unless otherwise agreed in writing between the parties and subject to clauses 4.2, 7.2, 7.3(c), 8.5(a) and 9.4, all amounts payable under this agreement shall be paid in dollars in immediately available funds to the respective bank account each party may nominate from time to time.
- 9.2 **Payments to be free and clear:** All amounts payable under this agreement shall be paid:
- (a) on an irrevocable basis free and clear of any restriction or condition;
  - (b) free and clear of and (except to the extent required by law) without any deduction or withholding on account of any tax. If any such deduction or withholding is required, the Issuer shall not be required to pay any additional amounts in respect of the amounts deducted or withheld; and
  - (c) unless otherwise agreed in writing and subject to clauses 4.2, 7.2, 7.3(c), 8.5(a) and 9.4, without any deduction or withholding on account of any other amount, whether by way of set-off, counterclaim or otherwise.
- 9.3 **Resident Withholding Tax:** New Zealand resident withholding tax will be deducted from payments of interest (or payments deemed by law to be interest) to Subscribers who are tax resident unless an appropriate exemption certificate is produced to the Issuer (or, on or after 1 April 2020, the Issuer is satisfied that the relevant Subscriber has RWT-Exempt Status) on or before the date 10 days before the date of the relevant payment.
- 9.4 **No gross-up:** The Issuer will not be required to and will not make any additional payment by way of gross-up or otherwise with respect to the deduction or withholding from any payment made in respect of the Borrower Notes under clause 9.3. If, in respect of any Borrower Note, the Issuer becomes liable to make any payment of, or on account of, tax payable by any Subscriber, then the Issuer shall be indemnified by the relevant Subscriber in respect of such liability. Any moneys paid by the Issuer in respect of such liability may be recovered from the Subscriber as a debt due to the Issuer and may be withheld from any further payments to that Subscriber. Nothing in this clause will prejudice or affect any other right or remedy of the Issuer.
- 9.5 **Maximum rate:** Deductions of resident withholding tax will be made at the maximum rates from time to time applicable unless a Subscriber provides evidence to the Issuer (acceptable to it) that a lesser rate is applicable.
- 9.6 **Tax status:** The Issuer shall be entitled for the purposes of this clause 9 to rely, without further enquiry, upon any statement made by or on behalf of a Subscriber in relation to that Subscriber's tax status or tax residency.
- 9.7 **Refund of payments:** If any payment received or recovered by a Subscriber or any other person on behalf of the Subscriber is or may be avoided, whether by law or otherwise, then:
- (a) such payment shall be deemed not to have affected or discharged the liability of the Issuer under this agreement and the Subscriber shall, to the maximum extent permitted by law, be restored to the position in which it would have been if such payment had not been received or recovered; and

- (b) the Subscriber shall be entitled to exercise all rights which the Subscriber would have been entitled to exercise if such payment had not been received or recovered.

9.8 **Business Days:** Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

## 10. REGISTER

10.1 **Register:** The Issuer agrees to establish and maintain the Register in which the Issuer will record such details as it considers fit, including:

- (a) the name and address of each Subscriber;
- (b) the Issue Date and Maturity Date (and any extension made under clause 8.6) of the Borrower Notes;
- (c) the related LG Securities; and
- (d) each redemption or Conversion of the Borrower Notes.

10.2 **Register conclusive:** Each Subscriber and the Issuer is:

- (a) entitled to rely upon the entries in the Register as constituting the sole and conclusive record of each Borrower Note and as to the person entitled to the Borrower Notes; and
- (b) to have the power, in its absolute discretion, to correct (or, in the case of the Subscriber and in respect of its Borrower Notes only, require correction of) the Register if the Register is incorrect.

10.3 **Inspection:** The Issuer shall make that part of the Register that relates to a Subscriber available for inspection by a Subscriber at the Issuer's principal place of business during normal office hours upon receiving reasonable notice from the Subscriber.

10.4 **Appointment of Registrar:** The Issuer shall be entitled to appoint an appropriately qualified person to maintain the Register in accordance with clause 10.1 on its behalf.

## 11. RANKING OF NOTES

11.1 The Borrower Notes are unsecured debt securities issued by the Issuer, subordinated in accordance with clause 12, and an unsecured liability of the Issuer. The Borrower Notes rank pari passu without any preference among themselves. The Issuer may issue securities ranking equally with or in priority to the Borrower Notes.

## 12. SUBORDINATION

12.1 **Subordination:** The rights and claims of Subscribers are, in a Winding Up of the Issuer, subordinated to the claims of the Senior Creditors (with the intent that all claims of Senior

Creditors shall be paid in full before any claims of the Subscribers are paid), and prior to the commencement of a Winding Up of the Issuer:

- (a) the obligation of the Issuer to make any payment in respect of the Borrower Notes is conditional upon the Issuer being solvent at the time the relevant payment falls due; and
- (b) no payment shall be made in respect of the Borrower Notes except to the extent that the Issuer may make such payment and still be solvent immediately thereafter.

12.2 **Solvency:**

- (a) For the purposes of clause 12.1, the Issuer shall be considered to be solvent at any time if at that time it is able to meet the solvency test in section 4 of the Companies Act.
- (b) A certificate as to whether the Issuer is solvent signed by two authorised signatories of the Issuer shall be prima facie evidence of the information contained therein.

12.3 **Contingent debt:** On a Winding Up of the Issuer, the Subscribers shall only be entitled to prove for any sum payable in respect of the Borrower Notes as a debt which is subject to and contingent upon prior payment in full of the Senior Creditors. Each Subscriber agrees, and by subscribing for a Borrower Note each Subscriber of the Borrower Note will be deemed to agree, that:

- (a) in accordance with section 313(3) of the Companies Act, it is accepting a lower priority in respect of the debt represented by the Borrower Note than that which it would otherwise have under section 313; and
- (b) nothing in section 313 will prevent this agreement from having effect in accordance with its terms.

12.4 **No set-off:** No Subscriber shall be entitled to set-off against any amounts due in respect of the Borrower Notes held by that Subscriber any amount held by the Subscriber to the credit of the Issuer or otherwise to reduce the amount due to such Subscriber in respect of a Borrower Note by merger of accounts or lien or the exercise of any other rights of like effect, except to the extent permitted by clause 7.2 or 7.3(c). To the extent any set-off (other than a set-off permitted by clause 7.2 or 7.3(c)), merger, lien or other right is required by law to be exercised that exercise shall be subject to clause 12.5.

12.5 **Trust:** Any payment, whether voluntarily or in any other circumstances, received by a Subscriber from or on account of the Issuer (including by way of credit, set-off or otherwise) or from any liquidator, receiver, manager or statutory manager of the Issuer in breach of this clause 12 will be held by the relevant Subscriber in trust for and to the order of the Senior Creditors. The trust hereby created shall be for a term expiring on the earlier of the date on which all Senior Creditors have been paid in full or eighty years (or such longer period as permitted by law) from the date of this agreement. No Subscriber shall have any obligation under this clause 12 in respect of any payment received by anyone other than itself.

12.6 **Contract and Commercial Law Act:** For the purposes of the Contract and Commercial Law Act 2017 the provisions of this clause 12 are intended to confer a benefit upon the Senior Creditors and to be enforceable by the Senior Creditors directly, but no consent of the

Senior Creditors shall be required to any modification or amendment to this clause 12 in accordance with clause 14.

## 13. NOTICES

13.1 **Writing:** Each notice or other communication to be given or made under this agreement to any person must:

- (a) **Writing:** be given or made in writing by email or letter and be signed by the sender or an authorised officer of the sender;
- (b) **Address:** be given or made to the recipient at the address or email address, and marked for the attention of the person (if any), from time to time designated by the recipient to the other for the purposes of this agreement;
- (c) **Deemed delivery:** not be effective until received by the recipient, and any such notice or communication shall be deemed to be received:
  - (i) (if given or made by letter) when left at the address of the recipient or 5 Business Days after being put in the post, postage prepaid, and addressed to the recipient at that address; or
  - (ii) (if given or made by email) when dispatched in tangible, readable form by the sender to the email address advised by the recipient from time to time,

provided that any notice or communication received or deemed received after 5pm on a working day in the place to which it is sent, or on a day which is not a working day in that place, shall be deemed not to have been received until the next working day in that place.

13.2 **Initial address and numbers:** The initial address, email address and person (if any) designated for the purposes of this agreement, are set out below:

(a) **The Subscribers:** those details set out under the heading "Details for notices" for the relevant Subscriber in schedule 1 or otherwise provided in the relevant Accession Deed.

(b) **The Issuer:**

City Chambers  
Level 8, 142 Featherston Street  
PO Box 5704, Wellington, 6145

Email: lgfa@lgfa.co.nz  
Attention: Chief Executive

## 14. AMENDMENTS

14.1 This agreement shall not be amended except with the written agreement of the Issuer and all of the Subscribers, provided that the Issuer may, by notice to all parties to this

agreement, vary clause 15.4 to permit persons to become parties to this agreement and Subscribers to subscribe for Borrower Notes (as applicable) if they satisfy the terms of any exemption obtained by the Issuer from the requirements of the FMC Act with respect to this agreement, but any such variation shall not affect the status of any existing Subscriber as a Subscriber under this agreement.

## 15. MISCELLANEOUS

- 15.1 **Waivers and remedies:** Time shall be of the essence of this agreement but no delay in acting, or failure to act, by the Issuer is a waiver of any of the Issuer's rights. The rights provided in this agreement do not exclude any rights provided by law.
- 15.2 **Partial invalidity:** An invalid provision in this agreement shall not affect the enforceability of the remaining provisions of this agreement.
- 15.3 **Sections 40 and 49 of the Companies Act:** This agreement is subject to the board of directors of the Issuer complying with section 49 of Companies Act.
- 15.4 **Securities Act and FMC Act:**
- (a) The only persons which are permitted to become parties to this agreement and/or subscribe for Borrower Notes are:
    - (i) prior to 1 June 2015:
      - (aa) "eligible persons" for the purposes of sections 5(2CB) and 5(2CBA) of the Securities Act, as defined in section 5(2CC) of the Securities Act; and
      - (bb) persons who fall within 1 or more of the categories set out in subparagraphs (i) to (iii) of section 3(2)(a) of the Securities Act, and
    - (ii) on and from 1 June 2015, "wholesale investors" as that term is defined in clauses 3(2)(a), (c) and (d) and (in the case of a CCO Subscriber only) clause 3(3)(a) of Schedule 1 to the FMC Act, being a person who is:
      - (aa) an "investment business";
      - (bb) "large";
      - (cc) a "government agency"; or
      - (dd) an "eligible investor" (in the case of a CCO Subscriber only),

in each case as defined in Schedule 1 to the FMC Act (each a "**wholesale investor**"), or an entity controlled by a wholesale investor where "control" has the meaning given in clause 48 of Schedule 1.
  - (b) Prior to the Issuer offering to issue Borrower Notes to a Subscriber and/or a Subscriber subscribing for any Borrower Notes in each case in accordance with clauses 4.1 or 4.3, the Subscriber must promptly (if requested by the Issuer) provide the Issuer with evidence or documentation (in a form satisfactory to the

Issuer) which satisfies the Issuer that the Subscriber meets the criteria set out in sub-clauses (a)(i) or (a)(ii) as at the date of the offer by the Issuer and subscription by the Subscriber.

15.5 **Counterparts:** This agreement may be signed in any number of counterparts, all of which together constitute one and the same instrument, and any of the parties may execute this agreement by signing any such counterpart.

## 16. GOVERNING LAW

16.1 This agreement shall be governed by New Zealand law.

## 17. NO CROWN GUARANTEE

17.1 The parties acknowledge that the obligations and liabilities of the Issuer under this agreement are not guaranteed by the Crown.

**SIGNATURES**  
**[ORIGINAL EXECUTION BLOCKS INTENTIONALLY DELETED]**

## SCHEDULE 1 - PRINCIPAL SHAREHOLDERS

**Local Authority name:**

**Details for notices:**

Auckland Council	<p>Delivery Address: 135 Albert Street Auckland 1010</p> <p>Postal Address: Private Bag 92300 Victoria Street West Auckland 1142</p> <p>Email: john.bishop@aucklandcouncil.govt.nz</p> <p>Attention: John Bishop, Group Treasurer</p>
Bay Of Plenty Regional Council	<p>Delivery Address: 5 Quay Street Whakatāne</p> <p>Postal Address: P O Box 364 Whakatāne 3158</p> <p>Email: mat.taylor@boprc.govt.nz</p> <p>Attention: Mat Taylor</p>
Christchurch City Council	<p>Delivery Address: Civic Offices 53 Hereford Street Christchurch</p> <p>Postal Address: P O Box 73016 Christchurch 8154</p> <p>Email: Treasury@ccc.govt.nz</p> <p>Attention: Andrew Jefferies</p>
Hamilton City Council	<p>Delivery Address: 260 Anglesea Street Council Building Garden Place Hamilton 3240</p> <p>Postal Address: Private Bag 3010 Hamilton 3240</p> <p>Email: david.bryant@hcc.govt.nz</p>



	Attention: David Bryant
Hastings District Council	<p>Delivery Address: 207 Lyndon Road East Hastings 4122</p> <p>Postal Address: Private Bag 9002 Hastings 4156</p> <p>Email: brucea@hdc.govt.nz</p> <p>Attention: Bruce Allan</p>
Masterton District Council	<p>Delivery Address: 27 Lincoln Road Masterton 5810</p> <p>Postal Address: PO Box 444 Masterton 5840</p> <p>Email: davidp@mstn.govt.nz</p> <p>Attention: Manager Finance</p>
New Plymouth District Council	<p>Delivery Address: Liardet St New Plymouth</p> <p>Postal Address: Private Bag 2025 New Plymouth 4342</p> <p>Email: alison.trustrumrainey@npdc.govt.nz / carla.freeman@npdc.govt.nz</p> <p>Attention: Alison TrustrumRainey / Carla Freeman</p>
Ōtorohanga District Council	<p>Delivery Address: 17 Maniapoto Street Ōtorohanga 3940</p> <p>Postal Address PO Box 11 Ōtorohanga 3940 Email: grahamb@otodc.govt.nz</p> <p>Attention: Graham Bunn</p>
Selwyn District Council	<p>Delivery Address: 2 Norman Kirk Drive Rolleston</p> <p>Postal Address: P O Box 90 Rolleston 7643</p>

	<p>Email: Treasury.management@selwyn.govt.nz</p> <p>Attention: Greg Bell</p>
South Taranaki District Council	<p>Delivery Address: 105-111 Albion Street Hawera 4610</p> <p>Postal Address: Private Bag 902 Hawera 4640</p> <p>Email: Vipul.mehta@stdc.govt.nz</p> <p>Attention: Vipul Mehta</p>
Tasman District Council	<p>Delivery Address: 189 Queen Street, Richmond, Nelson 7050</p> <p>Postal Address Private Bag 4 Richmond, Nelson 7050</p> <p>Email: treasury@tasman.govt.nz</p> <p>Attention: Corporate Services Manager</p>
Taupo District Council	<p>Delivery Address: 72 Lake Terrace Taupo 3330</p> <p>Postal Address: Private Bag 2005 Taupo 3352</p> <p>Email: nward@taupo.govt.nz</p> <p>Attention: Neil Ward</p>
Tauranga City Council	<p>Delivery Address: 91 Willow Street Tauranga 3143</p> <p>Postal Address: Private Bag 12022 Tauranga 3143</p> <p>Email: treasury.settlements@tauranga.govt.nz</p> <p>Attention: Mohan De Mel</p>
Waipa District Council	<p>Delivery Address: 101 Bank Street Te Awamutu</p> <p>Postal Address:</p>

	<p>Private Bag 2402 Te Awamutu 3800</p> <p>Email: Farrah.Templeton@waipadc.govt.nz Sarah.Davies@waipadc.govt.nz Ken.Morris@waipadc.govt.nz</p> <p>Attention: Ken Morris</p>
Wellington City Council	<p>Delivery Address: Wellington City Council 113 The Terrace Wellington</p> <p>Postal Address: PO Box 2199 Wellington 6140</p> <p>Email: martin.read@wcc.govt.nz</p> <p>Attention: Martin Read</p>
Wellington Regional Council	<p>Delivery Address: Shed 39, 2 Fryatt Quay, Pipitea Wellington 6011</p> <p>Postal Address: P O Box 11646 Manners Street Wellington 6142</p> <p>Email: mike.timmer@gw.govt.nz matthias.zuschlag@gw.govt.nz</p> <p>Attention: Mike Timmer</p>
Western Bay Of Plenty District Council	<p>Delivery Address: Barkes Corner Greerton Tauranga</p> <p>Postal Address: Private Bag 12803 Tauranga 3143</p> <p>Email: kumaren.perumal@westernbay.govt.nz</p> <p>Attention: Kumaren Perumal</p>
Whangarei District Council	<p>Delivery Address: Forum North Rust Avenue Whangarei</p> <p>Postal Address: Private Bag 9023</p>

	<p>Whangarei 0148</p> <p>Email: alan.adcock@wdc.govt.nz</p> <p>Attention: Alan Adcock</p>
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## SCHEDULE 2 - FORM OF ACCESSION DEED

DEED dated [●].

### PARTIES

[●]

("Acceding Party")

New Zealand Local Government Funding Agency Limited

("Issuer")

pursuant to the Notes Subscription Agreement defined below.

### INTRODUCTION

- A. The Issuer has agreed that the Acceding Party may accede to the Notes Subscription Agreement as a "Subscriber".
- B. This deed records the accession.

### AGREEMENT:

#### 1. INTERPRETATION

- 1.1 **Interpretation:** In this deed:

"**Local Authority**" means has the meaning given to it in the Local Government Act 2002.

"**Notes Subscription Agreement**" means the notes subscription agreement dated 7 December 2011 (as amended from time to time) between the Issuer and various Local Authorities.

- 1.2 **Notes Subscription Agreement:** Terms defined in the Notes Subscription Agreement have the same meaning in this deed unless the context requires otherwise.

#### 2. ACCESSION

- 2.1 **Accession:** The Acceding Party hereby agrees with the Issuer that with effect on and from the date this deed is counter-signed by the Issuer, it will be bound by the Notes Subscription Agreement as a Subscriber as if it had been an original party thereto and named therein as a Subscriber, and agrees to be bound by the terms of, and perform its obligations under, the Notes Subscription Agreement.

- 2.2 **Acknowledgement:** The Issuer acknowledges and agrees to the accession made under this deed.

- 2.3 **Implied provisions:** For the purposes of section 14 of the Property Law Act 2007, the Acceding Party acknowledges that this deed is, and for all purposes and at all times shall be construed as being, supplemental to the Notes Subscription Agreement.

### 3. NOTICE

The details for notices for the Acceding Party for the purposes of the Notes Subscription Agreement are: *[specify]*

### 4. GOVERNING LAW

This deed shall be governed by the laws of New Zealand.

### 5. NO CROWN GUARANTEE

The obligations and liabilities of the *[Acceding Party and]* Issuer under this deed and the Notes Subscription Agreement are not guaranteed by the Crown. *[Note: Delete reference to Acceding Party if CCO is acceding as no equivalent to section 122 of the Act for CCO.]*

### 6. COUNTERPARTS

This deed may be signed in any number of counterparts, all of which together constitute one and the same instrument, and any of the parties may execute this deed by signing any such counterpart.

**EXECUTED AS A DEED**

**Acceding Party**

**[Local Authority/CCO] by:**

\_\_\_\_\_  
Signature of [Elected Member/Director]

\_\_\_\_\_  
Signature of [Elected Member/Director]

\_\_\_\_\_  
Name of [Elected Member/Director]

\_\_\_\_\_  
Name of [Elected Member/Director]

**Issuer**

**NEW ZEALAND Local Government Funding**

**AGENCY LIMITED by:**

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Director

\_\_\_\_\_  
Name of Director

By signing the acknowledgement below, each entity identified in the annexure to this deed as a "LA Shareholder":

- (a) acknowledges the terms of this deed and the Notes Subscription Agreement; and
- (b) agrees to the automatic and immediate transfer to it of any Borrower Notes held by the Acceding Party in the manner contemplated by clause 8 of the Notes Subscription Agreement.

**ACKNOWLEDGED BY:**

**[LA SHAREHOLDER] by:**

\_\_\_\_\_  
Signature of Elected Member

\_\_\_\_\_  
Signature of Elected Member

\_\_\_\_\_  
Name of Elected Member

\_\_\_\_\_  
Name of Elected Member

## ANNEX TO THE ACCESSION DEED

1. **LA Shareholder:** As at the date of this deed, for the purposes of the Notes Subscription Agreement, the LA Shareholder[s] in respect of the Acceding Party is: *[specify]*.



# Amendment and Restatement Deed (Guarantee and Indemnity)

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## PARTIES

The Local Authorities listed in Schedule 1  
Guarantors

TEL Security Trustee (LGFA) Limited  
Security Trustee

DEED dated 2020

## PARTIES

The Local Authorities Listed in Schedule 1  
("Guarantors")

TEL Security Trustee (LGFA) Limited  
("Security Trustee")

## INTRODUCTION

The parties wish to amend and restate the Guarantee and Indemnity as set out in this deed.

## COVENANTS

### 1. INTERPRETATION

#### 1.1 Definitions: In this deed:

"**Effective Date**" means the date notified by the Security Trustee as the Effective Date in accordance with clause 2.1.

"**Guarantee and Indemnity**" means the guarantee and indemnity dated 7 December 2011 between the Guarantors and the Security Trustee.

#### 1.2 **Guarantee and Indemnity definitions:** Words and expressions defined in the Guarantee and Indemnity (as amended by this deed) have, except to the extent the context requires otherwise, the same meaning in this deed.

#### 1.3 **Miscellaneous:**

- (a) Headings are inserted for convenience only and do not affect interpretation of this deed.
- (b) References to a person include that person's successors, permitted assigns, executors and administrators (as applicable).
- (c) Unless the context otherwise requires, the singular includes the plural and vice versa and words denoting individuals include other persons and vice versa.
- (d) A reference to any legislation includes any statutory regulations, rules, orders or instruments made or issued pursuant to that legislation and any amendment to, re-enactment of, or replacement of, that legislation.
- (e) A reference to any document includes reference to that document as amended, modified, novated, supplemented, varied or replaced from time to time.

- (f) Unless otherwise stated, reference to a clause or schedule is a reference to a clause of or schedule to this deed.
- (g) A reference to "including", "for example" or "such as", when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

## 2. CONDITIONS PRECEDENT

- 2.1 **Effective Date:** The Effective Date shall be the date the Security Trustee confirms to the Guarantors and the Principal Debtor that it has received, and found satisfactory to it in form and substance, the documents and evidence specified in schedule 2.

## 3. AMENDMENT AND RESTATEMENT

- 3.1 **Amendment and restatement:** With effect on and from the Effective Date, the Guarantee and Indemnity shall be amended and restated in the form set out in the appendix to this deed.
- 3.2 **Full force and effect:** Except to the extent amended by this deed, the Guarantee and Indemnity remains in full force and effect.

## 4. ISSUER ACKNOWLEDGEMENTS AND CONFIRMATIONS

- 4.1 **Debenture Trust Deed:** Each Guarantor acknowledges and agrees that nothing in this deed shall prejudice the rights of the Security Trustee under the Debenture Trust Deed and confirms and agrees that its liabilities and obligations under the Debenture Trust Deed, all Security Stock issued, and all Security Stock Certificates delivered, to the Security Trustee continue in full force and effect.
- 4.2 **Notice details:** Each Guarantor confirms that its current notice details for the purposes of clause 13 of the Guarantee and Indemnity are as set out in schedule 1.

## 5. GENERAL

- 5.1 **Counterparts:** This deed may be executed in any number of counterparts, and this shall have the same effect as if the signatures on the counterparts were on a single copy of this deed.
- 5.2 **Governing law:** This deed is governed by, and construed in accordance with, New Zealand law. The parties submit to the non-exclusive jurisdiction of the courts of New Zealand.

**EXECUTED AS A DEED**

**The Guarantors**

**ASHBURTON DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

**AUCKLAND COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

**BAY OF PLENTY REGIONAL COUNCIL**

by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

**CANTERBURY REGIONAL COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

**CHRISTCHURCH CITY COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

**FAR NORTH DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**GISBORNE DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**GORE DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**HAMILTON CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**HASTINGS DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**HURAKI DISTRICT COUNCIL** by:

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Signature of elected member

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Name of elected member

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Signature of elected member

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Name of elected member

**HAWKE'S BAY REGIONAL COUNCIL** by:

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Signature of elected member

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Name of elected member

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Signature of elected member

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Name of elected member

**HOROWHENUA DISTRICT COUNCIL** by:

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Signature of elected member

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Name of elected member

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Signature of elected member

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Name of elected member

**HURUNUI DISTRICT COUNCIL** by:

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Signature of elected member

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Name of elected member

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Signature of elected member

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Name of elected member

**HUTT CITY COUNCIL** by:

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Signature of elected member

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Name of elected member

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Signature of elected member

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Name of elected member

**INVERCARGILL CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**KAIPARA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**KAPITI COAST DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**MANAWATU DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**MANAWATŪ-WHANGANUI REGIONAL  
COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**MARLBOROUGH DISTRICT COUNCIL** by:

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Signature of elected member

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Name of elected member

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Signature of elected member

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Name of elected member

**MASTERTON DISTRICT COUNCIL** by:

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Signature of elected member

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Name of elected member

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Signature of elected member

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Name of elected member

**MATAMATA-PIAKO DISTRICT COUNCIL**

by:

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Signature of elected member

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Name of elected member

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Signature of elected member

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Name of elected member

**NELSON CITY COUNCIL** by:

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Signature of elected member

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Name of elected member

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Signature of elected member

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Name of elected member

**NEW PLYMOUTH DISTRICT COUNCIL** by:

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Signature of elected member

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Name of elected member

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Signature of elected member

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Name of elected member



**ŌTOROHANGA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**PALMERSTON NORTH CITY COUNCIL**

by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**PORIRUA CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**QUEENSTOWN-LAKES DISTRICT  
COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**ROTORUA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**RUAPEHU DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**SELWYN DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**SOUTH TARANAKI DISTRICT COUNCIL**

by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**SOUTH WAIRARAPA DISTRICT COUNCIL**

by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**STRATFORD DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**TARANAKI REGIONAL COUNCIL** by:

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Signature of elected member

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Name of elected member

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Name of elected member

**TARARUA DISTRICT COUNCIL** by:

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Name of elected member

**TASMAN DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**TAUPO DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**TAURANGA CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**THAMES-COROMANDEL DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**TIMARU DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

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Name of elected member

\_\_\_\_\_  
Name of elected member

**UPPER HUTT CITY COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WAIKATO DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WAIKATO REGIONAL COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WAIMAKARIRI DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WAIPA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WAITOMO DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WELLINGTON CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WELLINGTON REGIONAL COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WESTERN BAY OF PLENTY DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**WHAKATANE DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**WHANGANUI DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**WHANGAREI DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**Security Trustee**

**SIGNED FOR AND ON BEHALF OF TEL  
SECURITY TRUSTEE (LGFA) LIMITED** by:

\_\_\_\_\_  
Signature of Authorised Signatory

\_\_\_\_\_  
Signature of Authorised Signatory

\_\_\_\_\_  
Name of Authorised Signatory

\_\_\_\_\_  
Name of Authorised Signatory

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
City/town of residence

## SCHEDULE 1

### Guarantors

GUARANTORS	ADDRESS FOR NOTICES
Ashburton District Council	<p>Delivery Address: 5 Baring Square West Ashburton</p> <p>Postal Address: P O Box 94 Ashburton 7740</p> <p>Attention: Finance Manager</p>
Auckland Council	<p>Delivery Address: 135 Albert Street Auckland 1010</p> <p>Postal Address: Private Bag 92300 Victoria Street West Auckland 1142</p> <p>Attention: John Bishop, Group Treasurer</p>
Bay Of Plenty Regional Council	<p>Delivery Address: 5 Quay Street Whakatāne</p> <p>Postal Address: P O Box 364 Whakatāne 3158</p> <p>Attention: Mat Taylor</p>
Canterbury Regional Council	<p>Delivery Address: 200 Tuam Street Christchurch 8140</p> <p>Postal Address: P O Box 345 Christchurch 8140</p> <p>Attention: Chief Financial Officer</p>
Christchurch City Council	<p>Delivery Address: Civic Offices 53 Hereford Street Christchurch</p>



Postal Address:  
P O Box 73016  
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Attention: Andrew Jefferies

Far North District Council

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Gisborne District Council

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Chief Financial Officer

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---

Hamilton City Council

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Attention: David Bryant

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---

---

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Attention: Martin Fletcher/Adrian Ferris

Masterton District Council

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Masterton 5810

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Attention: Finance and Business Service Manager /  
Deputy Finance Manager

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Attention: Chief Financial Officer

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info@waitomo.govt.nz

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Waitomo District Council  
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Attention:  
Chief Executive

## Wellington City Council

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113 The Terrace  
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Matthias.zuschlag@gw.govt.nz

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Western Bay Of Plenty District  
Council

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Greerton  
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Attention: Julie Caverhill / Heidi McCallum

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Attention: Mike Fermor

Whangarei District Council

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Forum North  
Rust Avenue  
Whangarei

Postal Address:  
Private Bag 9023  
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Email: [alan.adcock@wdc.govt.nz](mailto:alan.adcock@wdc.govt.nz)

Attention: Alan Adcock

## SCHEDULE 2

### Conditions Precedent

1. A duly executed copy of each of the following documents:
  - (a) this deed;
  - (b) an amendment and restatement deed dated on or about the date of this deed in relation to an multi-issuer deed dated 7 December 2011 (as amended and restated on 5 June 2015);
  - (c) an amendment and restatement deed dated on or about the date of this deed in relation to a notes subscription agreement dated 7 December 2011 (as amended and restated on 5 June 2015); and
  - (d) an amendment and restatement deed dated on or about the date of this deed in relation to a shareholders' agreement dated 7 December 2011 (as amended from time to time).
2. A certificate of compliance for the purposes of s118 of the Local Government Act 2002 (in a form acceptable to the Principal Debtor) given by the Chief Executive of each Issuer in relation to the entry into this deed and each other deed referred to in items 1(b) and (c) above.
3. A legal opinion from Russell McVeagh, solicitors to the Principal Debtor, in relation to the enforceability of this deed and each other deed referred to in items 1(b) and (c) above.
4. A legal opinion from Simpson Grierson, solicitors to the Guarantors, in relation to each Guarantor's entry into this deed and each other deed referred to in items 1(b) and (c).

**APPENDIX**

**Amended and Restated Guarantee and Indemnity**

# Guarantee and Indemnity

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## **PARTIES**

The Local Authorities Listed in Schedule 1

### **Initial Guarantors**

TEL Security Trustee (LGFA) Limited

### **Security Trustee**



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**DEED** dated 7 December 2011 (as amended and restated by the deed to which this deed is attached as an appendix)

## **PARTIES**

The Local Authorities Listed in Schedule 1  
("Initial Guarantors")

TEL Security Trustee (LGFA) Limited  
("Security Trustee")

## **INTRODUCTION**

- A. In consideration for the Guaranteed Creditors agreeing to make financial accommodation and/or other services available to the Principal Debtor from time to time at the request of each Initial Guarantor (as evidenced by an Initial Guarantor's entry into this deed), the Initial Guarantors have agreed to enter into this deed at the request of the Principal Debtor.
- B. The Security Trustee has agreed to enter into this deed as security trustee for the Guaranteed Creditors. The Security Trustee holds the benefit of this deed on trust for the Guaranteed Creditors under the terms of the Security Trust Deed.

## **COVENANTS**

### **1. INTERPRETATION**

1.1 **Definitions in the Multi-issuer Deed:** Words and expressions defined in the Multi-issuer Deed (including in the Conditions to the Multi-issuer Deed) and used in this deed shall, unless the context otherwise requires, have the meanings given to them in the Multi-issuer Deed.

1.2 **Definitions:** In addition, in this deed, unless the context otherwise requires:

"**Additional Guarantor**" means a person which has become an Additional Guarantor in accordance with clause 12.4.

"**Additional Relevant Proportion**" has the meaning given to it in clause 3.4(c).

"**Annual Rates Income**" has the meaning given in the Multi-issuer Deed, as if references therein to "Issuer" were to "Guarantor".

"**Beneficiary**" has the meaning given to it in the Security Trust Deed.

"**Defaulting Guarantor**" has the meaning given to it in clause 3.4(c).

"**Demand**" means a demand for payment on a Guarantor in the relevant form, or substantially in the relevant form, set out in schedule 3, signed by on or behalf of the Security Trustee.

"**Demand Confirmation**" has the meaning given to it in clause 3.5(e).

"**Disclosure Information**" has the meaning given to it in clause 16.12(a)(i).

"**Full Release**" means a letter from the Security Trustee to a Guarantor in the form, or substantially in the form, of part 2 of schedule 6.

"**Full Release Request**" means a letter from a Guarantor to the Security Trustee in the form, or substantially in the form, of part 1 of schedule 6.

"**Further Principal Debt Release**" means a letter from the Security Trustee to a Guarantor in the form, or substantially in the form, of part 2 of schedule 5.

"**Further Principal Debt Release Date**" has the meaning given to it in clause 15.1(g).

"**Further Principal Debt Release Request**" means a letter from a Guarantor to the Security Trustee in the form, or substantially in the form, of part 1 of schedule 5.

"**Further Relevant Amount**" has the meaning given to it in clause 3.4(e).

"**Guarantor Accession Deed**" means a deed in the form, or substantially in the form, of schedule 4.

"**Guaranteed Creditor**" means each creditor of the Principal Debtor that is a Beneficiary under or pursuant to the terms of the Security Trust Deed.

"**Guaranteed Money**" means, subject to clauses 15.1(f) and 15.1(g), when used with reference to a Guarantor, all amounts which that Guarantor (whether alone, or jointly, or jointly and severally with any other person) is, or may at any time become, liable (whether actually or contingently) to pay to the Security Trustee under this deed (for the benefit of any Guaranteed Creditor) and, when used without reference to a particular Guarantor, means the Guaranteed Money of the Guarantors collectively, and a reference to Guaranteed Money includes any part of it.

"**Guarantor**" means an Initial Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor pursuant to clause 15.2 or clause 15.3.

"**Indemnified Guarantor**" has the meaning given to it in clause 3.5(b).

"**LGFA Finance Document**" has the meaning given to it in the Security Trust Deed.

"**Local Authority**" means a Local Authority as defined in the Act.

"**Multi-issuer Deed**" means the deed dated 7 December 2011 between the Principal Debtor and various Local Authorities entitled "Multi-issuer Deed".

"**Non-Defaulting Guarantor**" has the meaning given to it in clause 3.4(c).

"**Partially Released Guarantor**" has the meaning given to it in clause 3.4(e).

"**Principal Debt**" means all amounts of any nature which the Principal Debtor (whether alone, or jointly, or jointly and severally with any other person) is, or may at any time become, liable (whether actually or contingently) to pay or deliver to one or more Guaranteed Creditors (whether alone, or jointly, or jointly and severally with any other person) under, pursuant to,

or arising out of a LGFA Finance Document, and a reference to Principal Debt includes any part of it.

"**Principal Debtor**" means New Zealand Local Government Funding Agency Limited, a company incorporated in New Zealand.

"**Relevant Amount**" has the meaning given to it in clause 3.4(b).

"**Relevant Financial Year**" has the meaning given to it in clause 3.4(b).

"**Relevant Proportion**" has the meaning given to it in clause 3.4(b).

"**Sale Notice**" has the meaning given in the Shareholders' Agreement.

"**Security Trust Deed**" means the deed dated 7 December 2011 between the Security Trustee and the Principal Debtor entitled "Security Trust Deed".

"**Shortfall Amount**" has the meaning given to it in clause 3.4(c).

"**Transaction Documents**" means:

- (a) the "Transaction Documents" as defined in the Multi-issuer Deed; and
- (b) the LGFA Finance Documents,

and any document or agreement entered into by the Principal Debtor or any Guarantor (amongst others) for the purpose of amending, supplementing or novating any of the above.

"**Verified Statements**" has the meaning given to it in clause 16.12(a)(ii).

1.3 **References:** Except to the extent that the context otherwise requires, any reference in this deed to:

the "**dissolution**" of a person includes the bankruptcy of that person or, where that person is a company, its liquidation, administration, deed of company arrangement, creditors' compromise, scheme of arrangement or removal from the register, and also includes any equivalent or analogous procedure under the law of any relevant jurisdiction.

"**government**" includes central or local government, and "**governmental agency**" includes any government or any governmental, semi-governmental or judicial entity or authority, or legislative body, or any person or body charged with the administration of any law. It also includes any self-regulatory organisation established under statute or any stock exchange.

"**law**" includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute or other legislative measure, in each case of any jurisdiction whatever and "**lawful**" shall be construed accordingly.

"**person**" includes an individual, firm, company, corporation, unincorporated body of persons, organisation or trust, and any governmental agency or authority, in each case whether or not having separate legal personality.

"**security**" includes a guarantee or indemnity, a security interest (as construed and defined in the Personal Property Securities Act 1999), mortgage, lien, pledge, any interest in land of a security nature, any other security arrangement creating in effect security for the payment of a

monetary obligation or the observance of any other obligation, and any other arrangement having like economic effect over any property, assets or revenues.

"**tax**" includes any present or future tax, levy, impost, duty, rate, charge, fee, deduction or withholding of any nature and whatever called, imposed or levied by any government, governmental agency or authority, together with any interest, penalty, charge, fee or other amount imposed or made on, or in relation to, any of the foregoing.

1.4 **Miscellaneous:** Unless the context otherwise requires:

- (a) Headings are inserted for convenience only and do not affect interpretation of this deed.
- (b) References to a person include that person's successors, permitted assigns, executors and administrators (as applicable).
- (c) Unless the context otherwise requires the singular includes the plural and vice versa and words denoting individuals include other persons and vice versa.
- (d) References to any legislation or to any provision of any legislation are deemed to be references to that legislation or provision as from time to time amended, re-enacted or substituted and, unless the context otherwise requires, shall also include any statutory instruments issued under any such legislation or provision.
- (e) References to any document (however described) shall include references to such document as modified, novated, supplemented, varied or replaced from time to time.
- (f) Except where inconsistent with the context, the expression "**at any time**" also means from time to time.
- (g) A reference to "**including**", "**for example**" or "**such as**", when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind.
- (h) Unless otherwise stated, reference to a clause, schedule or part of a schedule is a reference to a clause of, or schedule to, or part of a schedule to, this deed.

1.5 **Capacity of the Security Trustee:**

- (a) The parties acknowledge that the Security Trustee holds the benefit of this deed on trust for the Guaranteed Creditors. Notwithstanding any other provision of any LGFA Finance Document, any liability incurred by the Security Trustee pursuant to this deed can be enforced against the Security Trustee only to the extent to which it can be satisfied out of the assets subject to the Security Trust Deed. This limitation of the Security Trustee's liability applies notwithstanding any other provision of this deed (other than paragraph (c)) and extends to:
  - (i) all liabilities and obligations of the Security Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction relating to any LGFA Finance Document; and

- (ii) every delegate, attorney, agent or other similar person appointed by the Security Trustee.
- (b) Subject to paragraph (a), the Beneficiaries may not sue the Security Trustee personally or seek the appointment of a liquidator, administrator, receiver or similar person to the Security Trustee or prove in any liquidation, administration or arrangement of or affecting the Security Trustee.
- (c) Paragraphs (a) and (b) will not apply to any liability of the Security Trustee arising out of the fraud, gross negligence, wilful default or wilful breach of trust of or by the Security Trustee.
- (d) In addition to the rights and trusts conferred on the Security Trustee by any LGFA Finance Document, the Security Trustee shall have all the rights, privileges and immunities which gratuitous trustees have or may have in New Zealand, even though it is entitled to remuneration.

## 2. GUARANTEE AND INDEMNITY

- 2.1 **Guarantee:** Each Guarantor guarantees to the Security Trustee, for the benefit of the Guaranteed Creditors, the due payment or delivery by the Principal Debtor of the Principal Debt.
- 2.2 **Continuing guarantee:** In relation to each Guarantor the guarantee in this deed is a continuing guarantee and shall operate irrespective of any intervening payment, settlement of account or other matter or thing whatever, until the relevant Guarantor has received a Full Release from the Security Trustee pursuant to clause 15.2 or a written release from the Security Trustee pursuant to clause 15.3.
- 2.3 **Indemnity:** Each Guarantor indemnifies the Security Trustee, for the benefit of the Guaranteed Creditors, against:
  - (a) all claims, liabilities, damages, losses and payments; and
  - (b) all costs, charges and expenses (including legal expenses on a full indemnity basis and goods and services and similar taxes thereon),

suffered, incurred or sustained by any of the Guaranteed Creditors at any time as a direct or indirect consequence of any Principal Debt not being recoverable from a Guarantor under the guarantee given in clause 2.1, including as a result of the obligation to pay the Principal Debt becoming void, voidable or unenforceable.

## 3. OBLIGATIONS OF THE GUARANTORS

- 3.1 **Payment:** If the Principal Debtor does not pay any Principal Debt to any Guaranteed Creditor on its due date, each Guarantor shall upon demand being made in accordance with clause 3.4 pay to the Security Trustee (for the benefit of the Guaranteed Creditors) that Principal Debt in accordance with clause 3.4 (whether or not demand for payment has been made on the Principal Debtor or any other person).
- 3.2 **Payments to be free and clear:** The Guaranteed Money shall be paid:

- (a) free and clear of any restriction or condition;
- (b) free and clear of and (except to the extent required by law) without any deduction or withholding on account of any tax; and
- (c) without any deduction or withholding on account of any other amount, whether by way of set-off, counterclaim or otherwise.

3.3 **Cleared funds:** Any Guaranteed Money received by the Security Trustee shall not satisfy a Guarantor's obligation to pay such amount until it is cleared and immediately available to the Security Trustee.

3.4 **Demands:**

- (a) The Security Trustee shall not make any demand for payment on a Guarantor under this deed except in accordance with this clause 3.4.
- (b) Subject to paragraph (e), if the Security Trustee wishes to make demand for payment of an amount (a "**Relevant Amount**") under this deed, it shall deliver a Demand to each Guarantor requiring the Guarantor to pay the proportion of the Relevant Amount (or, if sub-paragraph (e)(ii) applies, the proportion of that part of the Relevant Amount that is not a Further Relevant Amount) that the Guarantor's Annual Rates Income for the most recent financial year in respect of which all Guarantors have completed and adopted annual reports in accordance with sections 98 and 99 of the Act before the date of the Demand (the "**Relevant Financial Year**") bears to the aggregate Annual Rates Income of all Guarantors for the Relevant Financial Year (for each Guarantor, its "**Relevant Proportion**").
- (c) Subject to paragraph (e), if one or more Guarantors (each a "**Defaulting Guarantor**") fails to pay in full its Relevant Proportion of a Relevant Amount within two Business Days after receipt of a Demand under paragraph (b) (the aggregate of all amounts unpaid by the Defaulting Guarantors by the end of that period being the "**Shortfall Amount**"), the Security Trustee may deliver a further Demand to each Guarantor other than the Defaulting Guarantors (each a "**Non-Defaulting Guarantor**") requiring that Non-Defaulting Guarantor to pay the proportion of the Shortfall Amount that its Annual Rates Income for the Relevant Financial Year bears to the aggregate Annual Rates Income of all Non-Defaulting Guarantors for the Relevant Financial Year (for each Non-Defaulting Guarantor, its "**Additional Relevant Proportion**").
- (d) Subject to paragraph (e), if one or more Non-Defaulting Guarantors fails to pay in full its Additional Relevant Proportion of a Shortfall Amount within two Business Days after receipt of a Demand under paragraph (c) (including pursuant to the operation of this paragraph (d)), the Security Trustee may deliver a further Demand to each other Non-Defaulting Guarantor, and the provisions of paragraph (c) (and, in the event of a further subsequent default, this paragraph (d)) shall apply to the relevant shortfall amount (as if it were a "Shortfall Amount") and such other Non-Defaulting Guarantors (such that the "Additional Relevant Proportion" is determined having regard only to the Annual Rates Income of such Non-Defaulting Guarantors, and no other Guarantors). For the avoidance of doubt, the parties agree that paragraph (c) and this paragraph (d) shall, in respect of each Relevant Amount, continue to apply until the Relevant Amount has been paid in full to the Security Trustee.

- (e) If, by reason of having received a Further Principal Debt Release, one or more Guarantors (each a "**Partially Released Guarantor**") is not liable under this deed (by reason of the operation of clause 15.1(f) or 15.1(g)) in respect of:
- (i) all of a Relevant Amount, paragraphs (b), (c) and (d) shall apply in relation to that Relevant Amount only in respect of the Guarantors other than the Partially Released Guarantors;
  - (ii) part of a Relevant Amount (a "**Further Relevant Amount**"), the Security Trustee must deliver a separate Demand in respect of the Further Relevant Amount to each of the Guarantors other than the Partially Released Guarantors, and the provisions of paragraphs (b), (c) and (d) shall apply in relation to the Further Relevant Amount (as if it were a "Relevant Amount") only in respect of those Guarantors.

### 3.5 Proportionate sharing of liabilities:

- (a) It is the intention of the Guarantors that each Relevant Amount, and each Further Relevant Amount, shall be borne by the Guarantors, or the relevant Guarantors, as applicable, in accordance with their respective Relevant Proportions.
- (b) If one or more Guarantors or relevant Guarantors contributes more in payment of a Relevant Amount or a Further Relevant Amount, as applicable, pursuant to the operation of clause 3.4 than its Relevant Proportion of that Relevant Amount or Further Relevant Amount, as applicable (each such Guarantor being an "**Indemnified Guarantor**"), each Guarantor or relevant Guarantor, as applicable, other than the Indemnified Guarantors shall indemnify each Indemnified Guarantor upon demand in respect of each such excess amount.
- (c) In making payment in respect of excess amounts under the indemnity in paragraph (b), account shall be taken of any amounts which an Indemnified Guarantor has actually received or recovered by reason of having exercised (whether through the Security Trustee or otherwise) any right (including of subrogation) against the Principal Debtor, in respect of the Relevant Amount or the Further Relevant Amount.
- (d) Subject to paragraph (c), each Guarantor or relevant Guarantor will be required to make indemnity payments under this clause 3.5 until all such Guarantors have contributed (whether to the Security Trustee or to Indemnified Guarantors) their Relevant Proportion of the Relevant Amount or the Further Relevant Amount, as applicable, as contemplated by paragraph (a).
- (e) Where the Security Trustee has, following receipt of a written request from an Indemnified Guarantor, confirmed (in writing) ("**Demand Confirmation**") that:
  - (i) no Demand is outstanding; and
  - (ii) the Security Trustee has not (as at the date of such Demand Confirmation) received any request under the Security Trust Deed to make a Demand,

an Indemnified Guarantor may exercise against the relevant Guarantors its right to be indemnified under this clause 3.5, provided however that, such Indemnified



Guarantor must immediately cease seeking any such indemnity when a Demand is made.

- 3.6 **No competition:** No Guarantor shall (unless requested to do so by the Security Trustee):
- (a) take, accept or continue to hold any security from the Principal Debtor or any other person who has given any security to the Security Trustee or any other Guaranteed Creditor for any Principal Debt;
  - (b) subject to clause 3.5(e), exercise any right or take the benefit of subrogation, contribution or indemnity, or require marshalling, or claim the benefit of any security now or in the future held by the Security Trustee or any other Guaranteed Creditor for the payment of any Principal Debt;
  - (c) take steps to recover (whether directly or by set-off, counterclaim or otherwise), or accept, money or other property, or exercise, enforce or receive the benefit of any rights (including by way of set-off), in respect of any amount due (whether actually or contingently) from the Principal Debtor to that Guarantor; or
  - (d) claim or prove in the dissolution of the Principal Debtor or any other person in competition with the Security Trustee or any other Guaranteed Creditor.
- 3.7 **Guarantor to account:** If, notwithstanding, and in breach of, clause 3.5 or clause 3.6, a Guarantor:

- (a) takes, accepts or continues to hold any such security, money or other property from the Principal Debtor, or from any person who has given any security to the Security Trustee or any other Guaranteed Creditor for any Principal Debt or receives the benefit of a set-off; or
- (b) proves in that Guarantor's own name in the dissolution of the Principal Debtor, or of any other person who has given any security to the Security Trustee or any other Guaranteed Creditor for any Principal Debt (whether or not the Security Trustee or, as applicable, that other Guaranteed Creditor has required that Guarantor to do so, or has consented to that Guarantor doing so), for all or any part of any amount due (whether actually or contingently) from the Principal Debtor or such other person to a Guarantor,

that Guarantor shall immediately pay or transfer to the Security Trustee all such security, money, other property or the benefit of set-off, or all amounts received by that Guarantor in relation to any such proof, and all interest accruing thereon, until the Principal Debt is discharged in full and, until that payment or transfer is made, shall hold such security, money or other property, or the benefit of that proof or set-off, and all interest thereon, on trust for the Security Trustee in an amount not exceeding the Principal Debt then outstanding.

#### 4. NATURE AND EXTENT OF OBLIGATIONS

- 4.1 **Unconditional and irrevocable:** Each obligation of a Guarantor under this deed is, subject to clause 3.4, unconditional and irrevocable and enforceable notwithstanding that any instrument (negotiable or otherwise) relating to all or any part of the Principal Debt may still be outstanding at the date of enforcement.

- 4.2 **Liable as principal:** Each Guarantor's liability under this deed shall be as a principal debtor and not merely as a surety.
- 4.3 **Other securities:** This deed is in addition to and not in substitution for, is collateral to, and shall not prejudicially affect or be prejudicially affected by, any other security or right which the Security Trustee or any other Guaranteed Creditor may have in respect of any Principal Debt. Any security given by a Guarantor to the Security Trustee (whether given before or after the date of this deed) shall constitute security for the Guaranteed Money.
- 4.4 **Initial Documentation:** Each Initial Guarantor shall, on the date of this deed, deliver the following documents (each of which must be in form and substance satisfactory to the Security Trustee) to the Security Trustee:
- (a) a duly executed first ranking Security Stock Certificate in favour of the Security Trustee in respect of that Guarantor's obligations under this deed;
  - (b) a certificate of compliance for the purposes of section 118 of the Act in relation to the Guarantor's obligations under this deed and the Security Stock Certificate described in paragraph (a);
  - (c) a legal opinion addressed to the Security Trustee from legal counsel acceptable to the Security Trustee in relation to that Guarantor's entry into this deed and the issuance of the first ranking Security Stock Certificate described in paragraph (a);
  - (d) evidence that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to its entry into this deed and the issuance of the first ranking Security Stock Certificate described in paragraph (a) have been obtained and are current and satisfactory; and
  - (e) notification of the Annual Rates Income in the Financial Statements of the Guarantor in the most recent financial year for which all Initial Guarantors have prepared and adopted an annual report in accordance with sections 98 and 99 of the Act.

## 5. RIGHTS OF THE SECURITY TRUSTEE

- 5.1 **Discretions:** The Security Trustee may at any time:
- (a) determine whether or not to enforce this deed or any other security or right;
  - (b) enforce this deed without first taking steps or proceedings against the Principal Debtor or any other person;
  - (c) make any arrangement or compromise with the Principal Debtor or any other person which the Security Trustee thinks fit; and
  - (d) retain, carry to an interest bearing suspense account, and appropriate at the Security Trustee's discretion, any amount received by the Security Trustee under this deed until the Principal Debt has been paid and satisfied in full.
- 5.2 **No prejudice:** The Security Trustee's rights under this deed are without prejudice, and in addition, to any other right to which the Security Trustee is at any time entitled (whether under

this deed or by law, contract or otherwise), and subject to clause 3.4, may be exercised by the Security Trustee without prior notice to the relevant Guarantor, the Principal Debtor or any other person.

## 6. GROSS-UP

- 6.1 If a Guarantor is required by law to make any deduction or withholding from any amount paid or payable by that Guarantor under this deed then:
- (a) the relevant Guarantor shall ensure that any such deduction or withholding does not exceed the legal minimum and shall pay the amount required to be so deducted, withheld, or paid to the relevant authority before the date on which penalties attach thereto;
  - (b) the amount payable by the relevant Guarantor in respect of which that deduction or withholding is required to be made shall, if the Principal Debtor would have been required to pay an increased amount had the Principal Debtor been required to make the relevant deduction or withholding, be increased to the extent necessary to ensure that after that deduction or withholding is made the Security Trustee receives and retains (free from any liability in respect of any such deduction or withholding) a net amount equal to the amount which the Security Trustee would have received and so retained had no such deduction or withholding been made; and
  - (c) the relevant Guarantor shall promptly deliver to the Security Trustee a receipt issued by the applicable authority evidencing that such deduction or withholding has been made.

## 7. CURRENCY INDEMNITY

- 7.1 **Currency of payment:** Any amount which a Guarantor is required to pay under this deed in respect of the Principal Debt shall be paid in the currency in which the Principal Debtor is obliged to pay the corresponding amount.
- 7.2 **Extent of satisfaction of each Guarantor's obligation:** If any Guaranteed Money is received by the Security Trustee in a currency ("**first currency**") other than the currency ("**second currency**") in which it is payable (whether as a result of obtaining or enforcing an order or judgment, the dissolution of any person or otherwise), the amount received shall only satisfy the relevant Guarantor's obligation to pay such amount to the extent of the amount in the second currency which the Security Trustee is able, in accordance with reasonable practice, to purchase with the amount received in the first currency on the date of that receipt (or, if it is not practicable to make that purchase on that date, on the first date upon which it is practicable to do so).
- 7.3 **Indemnity:** Each Guarantor indemnifies the Security Trustee against:
- (a) any loss sustained by the Security Trustee as a result of the amount purchased by the Security Trustee in the second currency pursuant to clause 7.2 being less than the amount due; and
  - (b) all costs and expenses incurred by the Security Trustee in purchasing the second currency.

## 8. DEFAULT INTEREST

- 8.1 **Default interest payable:** If a Guarantor fails to pay any Guaranteed Money when due ("**overdue amount**"), that Guarantor shall pay interest ("**default interest**") on that overdue amount from its due date until it is paid in full (both before and after any judgment) at the rate per annum determined by the Security Trustee to be equal to the aggregate of 5% per annum and the cost to the relevant Guaranteed Creditor of funding the overdue amount, as advised by the relevant Guaranteed Creditor to the Security Trustee and by the Security Trustee to the relevant Guarantor.
- 8.2 **Calculation of default interest:** Default interest shall be calculated and payable by reference to successive periods of a duration selected by the Security Trustee from time to time (or in the absence of such selection, a period of one month), each of which (other than the first, which shall begin on and include the due date) shall begin on the last day of the previous period, and shall be payable on the last day of each period in respect of which it is calculated and on the date of payment of each overdue amount. Any default interest which is not paid when due shall be added to the overdue amount in respect of which it is payable and shall itself bear interest in accordance with this clause 8.
- 8.3 **Credit to be given:** In calculating the amount of any default interest under this clause 8, credit shall be given, to the extent necessary to avoid any double counting, for any interest payable by the Principal Debtor in the nature of default interest which is included in the Principal Debt.

## 9. REPRESENTATIONS AND ACKNOWLEDGEMENTS

- 9.1 **Representations:** Each Guarantor represents and warrants to the Security Trustee in relation to itself that:
- (a) **Status:** it is either a territorial authority or regional council named as a local authority in Schedule 2 to the Act;
  - (b) **Power:** it has the power generally to enter into, exercise its rights and perform and comply with its obligations under this deed and the other Transaction Documents to which it is a party;
  - (c) **Authorisations:** it has taken all necessary action required on its part to authorise the entry into, execution and delivery of this deed and the other Transaction Documents to which it is a party and the performance of all obligations expressed to be binding on it;
  - (d) **Obligations legally binding:** its obligations under this deed and the other Transaction Documents to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to laws affecting creditors' rights generally and (as to enforceability) to equitable principles of general application);
  - (e) **No conflict:** neither the entry by it into, nor the performance by it of, this deed and the other Transaction Documents to which it is a party will:

- (i) conflict with or result in a breach of, any agreement, document, arrangement, obligation or duty to which it is a party or by which it or any of its assets may be bound; or
  - (ii) violate or contravene any law to which it is subject;
- (f) **Protected transaction:** for the purposes of section 117 of the Act, the entry by the Guarantor into, and the performance by the Guarantor of, this deed and the other Transaction Documents to which it is a party:
- (i) is in compliance with the Act;
  - (ii) is not contrary to any provision of the Act;
  - (iii) is within the capacity, rights and powers of the Guarantor; and
  - (iv) is for a purpose authorised by either the Act or another Act,

provided that the Security Trustee acknowledges that section 117 of the Act does not apply to any CCO Guarantee given by the Guarantor in respect of a CCO Issuer; and

- (g) **Ranking of obligations:** its obligations under this deed are secured by the Debenture Trust Deed and rank, and will at all times rank, rateably and at least equally in right and priority of payment with all other first ranking secured money under the Debenture Trust Deed.

9.2 **Repetition:** Each Guarantor shall be deemed to repeat the representations and warranties in clause 9.1 on the first day of each month during the term of this deed by reference to the facts and circumstances then existing, until that Guarantor is released in full from its obligations under this deed.

9.3 **Acknowledgements:** Each Guarantor acknowledges:

- (a) for the benefit of the Security Trustee and each other Guaranteed Creditor, in entering into this deed, that it did not rely on any statement, representation, warranty or information of any nature provided to it by or on behalf of any person (including the Security Trustee, any other Guaranteed Creditor, the Principal Debtor or any other Guarantor);
- (b) that the Security Trustee is not under any duty to disclose information to a Guarantor, or to do or execute anything, relating to the affairs of the Principal Debtor with the Security Trustee; and
- (c) that the Security Trustee may disclose any information which the Security Trustee may have concerning a Guarantor to a potential assignee or any other person with whom the Security Trustee may wish to enter into contractual relations in connection with any Principal Debt.

## 10. ATTORNEY

10.1 Each Guarantor irrevocably appoints the Security Trustee and every officer of the Security Trustee, individually, to be the attorney of that Guarantor ("**Attorney**") (with full power to

delegate the Attorney's powers to any person for any period and to revoke any such delegation) to, on behalf of that Guarantor, do anything which, in the Attorney's opinion, is desirable to protect the Security Trustee's or any other Guaranteed Creditor's interests under this deed, and each Guarantor hereby ratifies anything done by the Attorney or any delegate in accordance with this clause.

## 11. LIABILITY NOT PREJUDICED

11.1 **Liability not prejudiced:** Neither the liability of any Guarantor, nor any of the rights of the Security Trustee, under this deed shall be affected or discharged by anything which, but for this clause 11.1, might operate to affect or discharge the liability of, or otherwise provide a defence to, that Guarantor (whether or not known to that Guarantor, the Security Trustee or any other person), including:

- (a) any limitation or incapacity of, or affecting, the Principal Debtor, the Security Trustee or any other Guaranteed Creditor;
- (b) the granting of any time, credit, indulgence or other concession, to the Principal Debtor or any other person by the Security Trustee or any other Guaranteed Creditor;
- (c) any amendment to, or variation of, this deed or any other document, or the Principal Debtor or a Guarantor not receiving notice of any such amendment or variation;
- (d) any other person joining in this deed or giving any other security, or failing or being incompetent to join in this deed or give any other security, or failing to become legally bound to the Security Trustee as intended under any such security;
- (e) the liability of the Principal Debtor or any other person to a Guaranteed Creditor in respect of any of the Principal Debt ceasing from any cause whatever (including release or discharge by a Guaranteed Creditor or the Security Trustee), or any other person failing to become legally bound to a Guaranteed Creditor or the Security Trustee as intended or to perform any of their respective obligations to a Guaranteed Creditor or the Security Trustee;
- (f) failure by the Principal Debtor or any other person to provide any security which has been requested by the Security Trustee or any other person;
- (g) any security held or taken in respect of, or any transaction relating to, any Principal Debt being void, voidable, unenforceable, defective or informal, or being released, partially released, discharged, partially discharged or varied in any way;
- (h) any compounding, compromise, release, abandonment, waiver, variation, relinquishment or renewal, of any agreements, securities, documents of title or assets, or any of the rights of the Guaranteed Creditors or the Security Trustee against the Principal Debtor or any other person;
- (i) the enforcement of, or failure to enforce, any rights of the Security Trustee or any other Guaranteed Creditors under this deed or any other document, or under any law;

- (j) the dissolution of the Principal Debtor or any other person, or the appointment of any receiver, receiver and manager, statutory manager, voluntary administrator, or similar person, or the establishment of any compromise, deed of company arrangement or other arrangement, in respect of the Principal Debtor or any other person;
- (k) the amalgamation, change in constitution, status or control, or reconstruction or reorganisation, of the Principal Debtor, the Security Trustee, any other Guaranteed Creditor or any other person;
- (l) any failure by the Security Trustee or any other Guaranteed Creditor to present, demand, or give notice in respect of, any negotiable instrument;
- (m) the making or granting by a Guaranteed Creditor (whether alone or together with any other person) to, or at the request of, the Principal Debtor (whether alone or together with any other person) of further advances or accommodation or the withdrawal or restriction by a Guaranteed Creditor of any advances or accommodation, or a Guarantor not receiving notice of any such making, granting, withdrawal or restriction;
- (n) any variation to the terms of, or replacement or rearrangement of, any advance made, or accommodation granted, by a Guaranteed Creditor (whether alone or together with any other person) to, or at the request of, the Principal Debtor (whether alone or together with any other person), or a Guarantor not receiving notice of any such variation, replacement or rearrangement;
- (o) the powers of any person purporting to act on behalf of the Principal Debtor in relation to the incurring of any Principal Debt proving to be defective in any respect;
- (p) anything done, or omitted or neglected to be done, by the Security Trustee or any other Guaranteed Creditor, whether in exercise of the rights, powers and remedies vested in the Security Trustee or any other Guaranteed Creditor by this deed or any other document, or otherwise;
- (q) the Principal Debtor or a Guarantor not receiving notice of any Local Authority becoming an Additional Guarantor or of any release under this deed (including, the Principal Debtor or a Guarantor not receiving a copy of any Further Principal Debt Release or Full Release in accordance with clause 15.1 or 15.2); or
- (r) any other matter or thing whatsoever, other than a release of this deed under clause 15.3 (or, as applicable, a Guarantor ceasing to be a Guarantor in accordance with clause 15.2).

## 12. CHANGES TO THE PARTIES

12.1 **Deed binding:** This deed is binding on, and is for the benefit of, the parties and their respective successors, permitted assigns and transferees.

12.2 **Guarantor may not assign:** No Guarantor may assign or transfer any of its rights or obligations under this deed without the prior written consent of the Security Trustee.



12.3 **Security Trustee may assign:** The Security Trustee may assign and transfer its rights and obligations under this deed to any successor security trustee appointed in accordance with the Security Trust Deed without the consent of any Guarantor. Any such successor security trustee is to have the same rights against the Guarantors under this deed as if named in this deed as the Security Trustee.

12.4 **Additional Guarantors:**

(a) A Local Authority:

- (i) who is to become a holder of ordinary shares in the Principal Debtor;
- (ii) who is to become an Issuer under the Multi-issuer Deed; or
- (iii) who is an existing Issuer under the Multi-issuer Deed and is required to accede to this deed as an Additional Guarantor,

may become an Additional Guarantor if:

- (iv) the Local Authority has delivered to the Security Trustee a duly completed and executed Guarantor Accession Deed; and
- (v) the Security Trustee has received all of the documents and other evidence listed in schedule 2 in relation to that Local Authority, each in form and substance satisfactory to the Security Trustee.

(b) The Security Trustee shall notify the relevant Local Authority and the Principal Debtor (who shall notify each other Guarantor) promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in schedule 2.

13. **NOTICES**

13.1 **Writing:** Each notice or other communication to be given or made by a party under this deed shall:

- (a) **Writing:** be given or made in writing by facsimile, email or letter and be signed by the sender or an authorised officer of the sender;
- (b) **Address:** be given or made to that party at the address, email address or facsimile number, and marked for the attention of the person (if any), from time to time designated by that party to the other for the purposes of this deed;
- (c) **Deemed delivery:** not be effective until received by that party, and any such notice or communication shall be deemed to be received by that party:
  - (i) (if given or made by letter) when left at the address of that party or five Business Days after being put in the post, postage prepaid, and addressed to that party at that address;
  - (ii) (if given or made by facsimile) upon production of a transmission report by the machine from which the facsimile was sent which indicates that



the facsimile was sent in its entirety to the facsimile number of the recipient; or

- (iii) (if given or made by email) when dispatched in tangible, readable form by the sender to the email address advised by the recipient from time to time,

provided that any notice or communication received or deemed received after 5 pm on a working day in the place to which it is sent, or on a day which is not a working day in that place, will be deemed not to have been received until the next working day in that place.

13.2 **Initial address and numbers:** The initial address, facsimile number and contact person (if any) designated by:

- (a) each Initial Guarantor, are set out next to the name of that Initial Guarantor in Schedule 1; and
- (b) the Security Trustee, are set out under its execution block in this deed.

## 14. COSTS

14.1 **Costs:** The Guarantors shall pay to the Security Trustee upon Demand all of the Security Trustee's costs, losses and liabilities on a full indemnity basis (including legal expenses on a full indemnity basis and goods and services and similar taxes thereon) incurred or sustained by the Security Trustee in connection with:

- (a) the negotiation, preparation, signing, administration and release of this deed;
- (b) the exercise, enforcement or preservation, or attempted or contemplated exercise, enforcement or preservation, of any right under this deed, or in suing for or recovering any Guaranteed Money; and
- (c) the consideration and/or granting of any waiver or consent under, or the consideration and/or giving of any variation or release of, this deed.

14.2 **Stamp duty and taxes:** The Guarantors shall pay all stamp, documentary, transaction, registration and other like duties and taxes (including fines, interest and penalties), if any, which may be payable or determined to be payable in connection with the signing, delivery, registration, performance, exercise of any right under, or enforcement or variation of, this deed, and each Guarantor shall indemnify the Security Trustee upon Demand against all liabilities with respect to, or resulting from, any delay or omission to pay any such duties or taxes.

## 15. RELEASE AND REINSTATEMENT

15.1 **Release of a Guarantor in respect of further Principal Debt:**

- (a) A Guarantor may request to be released from all liability under this deed for or in relation to further Principal Debt to be incurred by the Principal Debtor, by delivering to the Security Trustee a duly completed Further Principal Debt Release Request.

- (b) A Guarantor may not deliver a Further Principal Debt Release Request unless:
- (i) that Guarantor:
    - (aa) is not a holder of ordinary shares in the Principal Debtor; or
    - (bb) has given a valid Sale Notice in accordance with the Shareholders' Agreement in respect of all of its ordinary shares in the Principal Debtor, and was in accordance with clause 10.6 of the Shareholders' Agreement permitted to transfer such shares within the period referred to in that clause, but despite its commercially reasonable endeavours to do so, was unable to effect such a transfer in that period; and
  - (ii) all amounts which may be or become payable by that Guarantor and, where the Guarantor is a CCO Shareholder, the relevant CCO Issuer(s) to the Principal Debtor under or in connection with the Multi-issuer Deed and the Securities issued by it and the relevant CCO Issuer(s) (if any) have been irrevocably paid in full.
- (c) Where a Guarantor has delivered a Further Principal Debt Release Request in accordance with this clause 15, provided that all amounts which may be or become payable by that Guarantor and, where the Guarantor is a CCO Shareholder, the relevant CCO Issuer(s) to the Principal Debtor under or in connection with any financial indebtedness of the Guarantor or relevant CCO Issuer(s) owed to the Subscriber have been irrevocably paid in full, any arrangements for the provision of debt funding to the Guarantor and (if applicable) relevant CCO Issuer(s) by the Subscriber are immediately and irrevocably cancelled.
- (d) The Guarantor shall provide evidence of the satisfaction of the conditions in sub-paragraphs (b)(i) and (b)(ii) by delivering to the Security Trustee:
- (i) in relation to the condition in sub-paragraph (b)(i) either:
    - (aa) a certified copy of the share register of the Principal Debtor showing that the Guarantor is not a holder of ordinary shares in the Principal Debtor; or
    - (bb) written confirmation signed by a director of the Principal Debtor that the condition at sub-paragraph (b)(i)(bb) has been met,

(and the Principal Debtor agrees to provide the documents described above upon receiving reasonable notice from the Guarantor and provided the condition in sub-paragraph (b)(i) has been satisfied); and
  - (ii) in relation to the condition in sub-paragraph (b)(ii), written confirmation signed by a director of the Principal Debtor that the condition has been met.
- (e) The Security Trustee must accept a duly completed Further Principal Debt Release Request if it is satisfied (acting reasonably) that the conditions set out in sub-paragraphs (d)(i) and (d)(ii) have been met.

- (f) The Security Trustee shall notify the relevant Guarantor of its acceptance of the Further Principal Debt Release Request by delivering a Further Principal Debt Release to the relevant Guarantor and a copy to the Principal Debtor (who shall notify each other Guarantor).
- (g) From the date of the Further Principal Debt Release (for a Guarantor, the "**Further Principal Debt Release Date**"), the relevant Guarantor:
- (i) shall be released from all liability under this deed in respect of all Principal Debt for which the Principal Debtor becomes actually or contingently liable after the Further Principal Debt Release Date; and
  - (ii) shall continue to be liable under this deed in respect of all Principal Debt for which the Principal Debtor is actually or contingently liable as at the Further Principal Debt Release Date (including, for the avoidance of doubt, any amounts actually or contingently payable under any swap transactions entered into by the Principal Debtor on or prior to the Further Principal Debt Release Date),
- and the "Guaranteed Money" of that Guarantor shall be construed accordingly.
- (h) Notwithstanding any provision of this deed to the contrary, a Guarantor that has received a Further Principal Debt Release under this clause 15.1 shall have no liability under clauses 2.1, 2.3, 3.1, 7.3 and 14 for any amounts whatsoever relating to or otherwise in respect of Principal Debt for which the Principal Debtor becomes actually or contingently liable after the Further Principal Debt Release Date relating to that Guarantor (and the "Guaranteed Money" of that Guarantor shall be construed accordingly).

**15.2 Full release of a Guarantor:**

- (a) Where the Security Trustee has delivered a Further Principal Debt Release to a Guarantor, that Guarantor may, at any time after the date of the Further Principal Debt Release, request to be released from all liability under this deed by delivering to the Security Trustee a duly completed Full Release Request attaching written confirmation from the Principal Debtor (signed by a director of the Principal Debtor) that all Principal Debt for which that Guarantor was liable under this deed has been irrevocably paid in full.
- (b) The Security Trustee shall accept a duly completed Full Release Request complying with the requirements of paragraph (a) by delivering a Full Release to that Guarantor and a copy to the Principal Debtor (who shall notify each other Guarantor) as soon as is reasonably practicable following receipt of the Full Release Request.
- (c) On and from the date of the Full Release, the relevant Guarantor shall be released from all liability under this deed.

**15.3 Release of other Guarantors:** Subject to clauses 15.1 and 15.2, the Security Trustee shall not be obliged to sign or deliver a release of this deed unless the Security Trustee is satisfied that:

- (a) the Security Trustee has received all the Guaranteed Money; and

(b) no payment received, or to be received, by the Security Trustee may be avoided, or required to be repaid by the Security Trustee, whether under any law relating to insolvency or otherwise.

15.4 **Reinstatement:** If any payment received or recovered by the Security Trustee, or any other person on behalf of the Security Trustee, is or may be avoided, whether by law or otherwise, then:

(a) such payment shall be deemed not to have affected or discharged the liability of a Guarantor under this deed or any other security given by a Guarantor in favour of the Security Trustee, and the Security Trustee and each Guarantor shall be restored to the position in which each would have been if such payment had not been received or recovered; and

(b) the Security Trustee shall be entitled to exercise all its rights under this deed which it would have been entitled to exercise if such payment had not been received or recovered,

notwithstanding that the Security Trustee may have signed a release pursuant to this clause 15.

## 16. MISCELLANEOUS

16.1 **Partial invalidity:** If at any time any provision of this deed is or becomes illegal, invalid or unenforceable in any respect under the law of any relevant jurisdiction, that illegality, invalidity or unenforceability shall not affect the enforceability of the remaining provisions of this deed, nor shall the legality, validity or enforceability of any provision under the law of any other jurisdiction be in any way affected or impaired thereby.

16.2 **No implied waivers:** Time shall be of the essence in respect of performance by a Guarantor of its obligations under this deed, but no failure on the part of the Security Trustee or any other Guaranteed Creditor to exercise, and no delay on its part in exercising, any right, power or remedy under this deed or any other document relating to any Principal Debt shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

16.3 **Remedies cumulative:** The rights, powers and remedies provided in this deed are in addition to, and not exclusive of, any rights, powers or remedies provided by law.

16.4 **Consents:** The Security Trustee may give or withhold any approval or consent under this deed in its absolute discretion, and either conditionally or unconditionally.

16.5 **Enforcement:** It shall not be necessary for the Security Trustee to incur any expense or make any payment before enforcing any of the Security Trustee's rights in respect of any obligation of any Guarantor under this deed.

16.6 **Payments on Demand:**

(a) For the avoidance of doubt, all amounts payable to the Security Trustee under this deed (including all costs and all amounts payable under any indemnity) shall be payable by the relevant Guarantor upon Demand being made on that Guarantor in

accordance with the terms of clause 3.4, and form part of the Guaranteed Money of that Guarantor.

- (b) Each Demand shall be in writing, may be made by facsimile, email or letter, signed by the Security Trustee or an authorised officer of the Security Trustee and must be received in legible form by the relevant Guarantor at the address, email address or facsimile number, and marked for the attention of the person (if any), from time to time designated by that Guarantor to the Security Trustee for the purposes of this deed.
- 16.7 **Separate obligations:** Each of the obligations of the Guarantors under the indemnity given in clause 2.3, and under clauses 3.7, 6, 7, 8 and 14, constitute continuing obligations, separate and independent from each of the Guarantors' other obligations under this deed and shall survive payment of the Principal Debt and termination or release of this deed, provided that, the obligations of the Guarantors under clauses 2.3 and 14 are each subject to clauses 3.4 and 3.5.
- 16.8 **Certificates:** A certificate of the Security Trustee as to any amount or fact which might reasonably be expected to be within the Security Trustee's knowledge shall be prima facie evidence of such amount or fact.
- 16.9 **Annual Rates Income:**
- (a) Each Guarantor shall deliver to the Security Trustee each annual report completed and adopted by it in accordance with sections 98 and 99 of the Act no later than five months after the end of each of its financial years.
- (b) Each Guarantor shall, upon request (in writing) from the Security Trustee, provide the Security Trustee with any such completed and adopted annual report sooner than the five month period referred to in this clause if the Security Trustee advises that it is required for the purposes of clause 3.4.
- (c) Each Guarantor shall include its Annual Rates Income for the relevant financial year in the audited financial statements (or notes thereto) included in each annual report referred to in this clause 16.9, as a separate identifiable amount.
- (d) In the event of any dispute or uncertainty as to the Annual Rates Income of a Guarantor, the Security Trustee shall determine the amount of that Annual Rates Income, and provided the Security Trustee acts in good faith, that determination shall be binding on all the parties.
- 16.10 **Obligations of Guarantors:** This deed binds each of the Guarantors which has executed it (or which has become party to this deed by executing a Guarantor Accession Deed) even though one or more of the named Guarantors may never execute this deed.
- 16.11 **Disclosure by Security Trustee:** Each Guarantor consents to and authorises the Security Trustee to provide any Guaranteed Creditor with information concerning its affairs, financial condition or business which comes into the possession of the Security Trustee from time to time.
- 16.12 **Offer documents:** Each Guarantor undertakes that:
- (a) it will promptly:

- (i) and in any event within 15 Business Days following receipt of a request from the Principal Debtor, provide the Principal Debtor with all information in relation to itself which the Principal Debtor reasonably requests for the purposes of preparing an offering document. The information provided by the Guarantor under this sub-paragraph (a)(i) and paragraph (b) being, "**Disclosure Information**"; and
  - (ii) and in any event within 10 Business Days following receipt of a draft offering document from the Principal Debtor, (acting reasonably and in writing) approve, or provide suggested amendments to, statements in the draft offering document relating to the Guarantor, as identified in writing by the Principal Debtor when providing the draft offering document to the Guarantor ("**Verified Statements**"). Nothing in this clause 16.12 entitles the Guarantor to suggest amendments to any statement in a draft offering document other than those which relate to itself; and
- (b) if it becomes aware of any event having occurred as a result of which any Verified Statement or Disclosure Information would:
- (i) be false or misleading, or likely to mislead;
  - (ii) not be true and accurate in all material respects; or
  - (iii) omit any fact in relation to the Guarantor the omission of which would make misleading in any material respect any Verified Statement or Disclosure Information,

it will promptly notify the Principal Debtor and provide the Principal Debtor with any information required by the Principal Debtor in order to amend or supplement the Offering Document within 10 Business Days of receipt of a request from the Principal Debtor. The provisions of sub-paragraph (a)(ii) shall apply to any draft amendment or supplement to any Offering Document as if such document was a "draft offering document", provided that the timeframe in sub-paragraph (a)(ii) shall be deemed to be 5 Business Days.

16.13 **Contract and Commercial Law Act:** For the purposes of the Contract and Commercial Law Act 2017 the provisions of clause 16.12 are intended to confer a benefit upon the Principal Debtor and to be enforceable by the Principal Debtor directly.

## 17. COUNTERPARTS

17.1 **Counterparts:** This deed may be signed in any number of counterparts, all of which will together constitute one and the same instrument, and any of the parties may execute this deed by signing any such counterpart.

## 18. GOVERNING LAW AND JURISDICTION

18.1 **Governing law:** This deed shall be governed by, and construed in accordance with, the laws of New Zealand, and the parties hereby submit to the non-exclusive jurisdiction of the courts of New Zealand.

**19. NO CROWN GUARANTEE**

- 19.1 The parties acknowledge that the obligations and liabilities of the Principal Debtor under this deed are not guaranteed by the Crown.

**SIGNATURES**

[Original execution blocks intentionally deleted]



## SCHEDULE 1

### Initial Guarantors

INITIAL GUARANTORS	ADDRESS FOR NOTICES
Auckland Council	<p>Delivery Address: 135 Albert Street Auckland 1010</p> <p>Postal Address: Private Bag 92300 Victoria Street West Auckland 1142</p> <p>Email: john.bishop@aucklandcouncil.govt.nz</p> <p>Attention: John Bishop, Group Treasurer</p>
Bay Of Plenty Regional Council	<p>Delivery Address: 5 Quay Street Whakatāne</p> <p>Postal Address: P O Box 364 Whakatāne 3158</p> <p>Email: mat.taylor@boprc.govt.nz</p> <p>Attention: Mat Taylor</p>
Christchurch City Council	<p>Delivery Address: Civic Offices 53 Hereford Street Christchurch</p> <p>Postal Address: P O Box 73016 Christchurch 8154</p> <p>Email: Treasury@ccc.govt.nz</p> <p>Attention: Andrew Jefferies</p>
Hamilton City Council	<p>Delivery Address: 260 Anglesea Street</p>

INITIAL GUARANTORS	ADDRESS FOR NOTICES
	<p>Council Building Garden Place Hamilton 3240</p> <p>Postal Address: Private Bag 3010 Hamilton 3240</p> <p>Email: david.bryant@hcc.govt.nz</p> <p>Attention: David Bryant</p>
<p>Hastings District Council</p>	<p>Delivery Address: 207 Lyndon Road East Hastings 4122</p> <p>Postal Address: Private Bag 9002 Hastings 4156</p> <p>Email: brucea@hdc.govt.nz</p> <p>Attention: Bruce Allan</p>
<p>Masterton District Council</p>	<p>Delivery Address: 27 Lincoln Road Masterton 5810</p> <p>Postal Address: PO Box 444 Masterton 5840</p> <p>Email: davidp@mstn.govt.nz</p> <p>Attention: Manager Finance</p>
<p>New Plymouth District Council</p>	<p>Delivery Address: Liardet St New Plymouth</p> <p>Postal Address: Private Bag 2025 New Plymouth 4342</p> <p>Email:</p>

INITIAL GUARANTORS

ADDRESS FOR NOTICES

alison.trustrumrainey@npdc.govt.nz /  
carla.freeman@npdc.govt.nz

Attention: Alison TrustrumRainey / Carla Freeman

Ōtorohanga District Council

Delivery Address:  
17 Maniapoto Street  
Ōtorohanga 3940

Postal Address  
PO Box 11  
Ōtorohanga 3940

Email: grahamb@otodc.govt.nz

Attention: Graham Bunn

Selwyn District Council

Delivery Address:  
2 Norman Kirk Drive  
Rolleston

Postal Address:  
P O Box 90  
Rolleston 7643

Email: Treasury.management@selwyn.govt.nz

Attention: Greg Bell

South Taranaki District Council

Delivery Address:  
105-111 Albion Street  
Hawera 4610

Postal Address:  
Private Bag 902  
Hawera 4640

Email: Vipul.mehta@stdc.govt.nz

Attention: Vipul Mehta

Tasman District Council

Delivery Address:  
189 Queen Street,  
Richmond, Nelson 7050

Postal Address

## INITIAL GUARANTORS

## ADDRESS FOR NOTICES

Private Bag 4  
Richmond, Nelson 7050

Email: [treasury@tasman.govt.nz](mailto:treasury@tasman.govt.nz)

Attention: Corporate Services Manager

Taupo District Council

Delivery Address:  
72 Lake Terrace  
Taupo 3330

Postal Address:  
Private Bag 2005  
Taupo 3352

Email: [nward@taupo.govt.nz](mailto:nward@taupo.govt.nz)

Attention: Neil Ward

Tauranga City Council

Delivery Address:  
91 Willow Street  
Tauranga 3143

Postal Address:  
Private Bag 12022  
Tauranga 3143

Email: [treasury.settlements@tauranga.govt.nz](mailto:treasury.settlements@tauranga.govt.nz)

Attention: Mohan De Mel

Waipa District Council

Delivery Address:  
101 Bank Street  
Te Awamutu

Postal Address:  
Private Bag 2402  
Te Awamutu 3800

Email: [Farrah.Templeton@waipadc.govt.nz](mailto:Farrah.Templeton@waipadc.govt.nz)  
[Kumaren.PerumalSarah.Davies@waipadc.govt.nz](mailto:Kumaren.PerumalSarah.Davies@waipadc.govt.nz)  
[Ken.Morris@waipadc.govt.nz](mailto:Ken.Morris@waipadc.govt.nz)

Attention: Ken Morris

Wellington City Council

Delivery Address:

## INITIAL GUARANTORS

## ADDRESS FOR NOTICES

Wellington City Council  
113 The Terrace  
Wellington

Postal Address:  
PO Box 2199  
Wellington 6140

Email: [martin.read@wcc.govt.nz](mailto:martin.read@wcc.govt.nz)

Attention: Martin Read

Wellington Regional Council

Delivery Address:  
Shed 39, 2 Fryatt Quay, Pipitea  
Wellington 6011

Postal Address:  
P O Box 11646  
Manners Street  
Wellington 6142

Email: [mike.timmer@gw.govt.nz](mailto:mike.timmer@gw.govt.nz)  
[matthias.zuschlag@gw.govt.nz](mailto:matthias.zuschlag@gw.govt.nz)

Attention: Mike Timmer

Western Bay Of Plenty District Council

Delivery Address:  
Barkes Corner  
Greerton  
Tauranga

Postal Address:  
Private Bag 12803  
Tauranga 3143

Email: [kumaren.perumal@westernbay.govt.nz](mailto:kumaren.perumal@westernbay.govt.nz)

Attention: Kumaren Perumal

Whangarei District Council

Delivery Address:  
Forum North  
Rust Avenue  
Whangarei

Postal Address:

INITIAL GUARANTORS

ADDRESS FOR NOTICES

Private Bag 9023  
Whangarei 0148

Email: alan.adcock@wdc.govt.nz

Attention: Alan Adcock

## SCHEDULE 2

### Conditions precedent to be delivered by an Additional Guarantor

1. **Accession Documents**

- (a) A Guarantor Accession Deed duly executed by the Additional Guarantor.
- (b) A first ranking Security Stock Certificate issued by the Additional Guarantor in favour of the Security Trustee in respect of the Additional Guarantor's obligations under this deed, in a form acceptable to the Security Trustee.

2. **Additional Guarantor certificate**

A certificate of compliance for the purposes of section 118 of the Act in relation to the Additional Guarantor's obligations under this deed and the first ranking Security Stock and Security Stock Certificate described in paragraph 1(b).

3. **Legal opinion**

Legal opinion addressed to the Security Trustee from legal counsel acceptable to the Security Trustee in relation to the Additional Guarantor's entry into the Guarantor Accession Deed and the issuance of the first ranking Security Stock and Security Stock Certificate described in paragraph 1(b).

4. **Other documents and evidence**

- (a) Evidence that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to the Additional Guarantor's entry into the Guarantor Accession Deed and the issuance of the first ranking Security Stock and Security Stock Certificate described in paragraph 1(b) have been obtained and are current and satisfactory.
- (b) Notification of the Annual Rates Income in the Financial Statements of the Additional Guarantor in the most recent financial year for which all Guarantors have prepared and adopted an annual report in accordance with sections 98 and 99 of the Act.
- (c) Any other document or evidence reasonably requested by the Security Trustee.

**SCHEDULE 3**

**Form of Demand**

**Part 1**

**Form of initial Demand under clause 3.4(b)**

To: [Name of Guarantor] ("**Guarantor**")

From: [Name of Security Trustee] as Security Trustee

Dated:

Dear Sirs

**Guarantee and Indemnity dated 7 December 2011 ("**Guarantee**")**

1. We refer to the Guarantee. Terms defined in the Guarantee have the same meaning when used in this Demand unless given a different meaning in this Demand.
2. We advise that the sum of [NZ\$●] ("**Relevant Amount**") is payable to the Security Trustee under the Guarantee.
3. We further advise that your Relevant Proportion is [●]%, calculated as:

Annual Rates Income for the Relevant Financial Year	
Aggregate Annual Rates Income of all Guarantors for the Relevant Financial Year	

4. We therefore demand payment of the sum of [NZ\$●], being your Relevant Proportion of the Relevant Amount.
5. Payment should be made to the following account by no later than 5:00 pm on [*insert date two Business Days after the date of this Demand assuming delivery by courier, email or fax*]:

Name: [●]

Account Number: [●]

Bank: [●]

6. This Demand is governed by New Zealand law.

Yours faithfully

**[Name of Security Trustee]**

By:



**Part 2**  
**Form of further Demand under clause 3.4(c)\***

To: [Name of Guarantor] ("**Guarantor**")

From: [Name of Security Trustee] as Security Trustee

Dated:

Dear Sirs

**Guarantee and Indemnity dated 7 December 2011 ("**Guarantee**")**

1. We refer to the Guarantee and to the Demand[s] dated [●] ("**Prior Demand[s]**"). Terms defined in the Guarantee have the same meaning when used in this Demand unless given a different meaning in this Demand.
2. We advise that there is a Shortfall Amount of [NZ\$●].
3. We further advise that your Additional Relevant Proportion is [●]%, calculated as:

Annual Rates Income for the Relevant Financial Year	
Aggregate Annual Rates Income of all Non-Defaulting Guarantors for the Relevant Financial Year	

4. We therefore demand payment of the sum of [NZ\$●], being your Additional Relevant Proportion of the Shortfall Amount.
5. Payment should be made to the following account by no later than 5:00 pm on [insert date two Business Days after the date of this Demand assuming delivery by courier, email or fax]:

Name: [●]  
Account Number: [●]  
Bank: [●]

6. This Demand is governed by New Zealand law.

Yours faithfully  
**[Name of Security Trustee]**

By:

\* Security Trustee to update the form of notice each time a further Demand is provided under 3.4(d).

## SCHEDULE 4

### Form of Guarantor Accession Deed

**ACCESSION DEED** dated

#### GRANTED BY

[*Name of Additional Guarantor*] ("**Additional Guarantor**")

#### IN FAVOUR OF

[*Name of Security Trustee*] ("**Security Trustee**")

#### INTRODUCTION

- A. Each of the Local Authorities listed in schedule 1 to this deed ("**Guarantors**") is party to a guarantee and indemnity ("**Guarantee**") dated 7 December 2011 in favour of the Security Trustee (whether as a party to the original Guarantee or by becoming a Guarantor pursuant to a deed equivalent to this deed).
- B. The Additional Guarantor is to become a Guarantor under the Guarantee by entering into this deed.

#### COVENANTS

1. **Definitions:** In this deed, capitalised terms shall have the meanings given to them in the Guarantee unless they are defined in this deed.
2. **Deemed to be a Guarantor:** With effect from the date of this deed, the Additional Guarantor will be deemed to be named as a Guarantor under the Guarantee as if originally included and named in the Guarantee.
3. **Guarantee:** The Additional Guarantor guarantees to the Security Trustee, for the benefit of the Guaranteed Creditors, the due payment or delivery by the Principal Debtor of the Principal Debt. The provisions of the Guarantee shall apply to the guarantee given by the Additional Guarantor under this deed in the same manner, and to the same extent, as if the same had (with all necessary modification) been set out in full in this deed.
4. **Representations and warranties:** The Additional Guarantor makes the representations and warranties in clause 9.1 of the Guarantee in relation to itself to the Security Trustee by reference to the facts and circumstances then existing (and as though each reference in clause 9.1 to Guarantor was to the Additional Guarantor and each reference to the Transaction Documents included this deed).
5. **Attorney:** The Additional Guarantor irrevocably appoints the Security Trustee and every officer of the Security Trustee, individually, to be the attorney of the Additional Guarantor ("**Attorney**") (with full power to delegate the Attorney's powers to any person for any period and to revoke any such delegation) to, on behalf of the Additional Guarantor, do anything which, in the

Attorney's opinion, is desirable to protect the Security Trustee's or any other Guaranteed Creditor's interests under this deed and/or the Guarantee, and the Additional Guarantor hereby ratifies anything done by the Attorney or any delegate in accordance with this clause 4.

6. **Implied provisions:** For the purposes of section 14 of the Property Law Act 2007, the Additional Guarantor acknowledges that this deed is, and for all purposes and at all times shall be construed as being, supplemental to the Guarantee.

7. **Address for notice:** The initial address, facsimile number, email address and contact person (if any) of the Additional Guarantor for the service of notices is:

Address: [•]

Fax: [•]

Email: [•]

Attention: [•]

8. **Governing law:** This deed shall be governed by, and construed in accordance with the laws of New Zealand, and the parties hereby submit to the non-exclusive jurisdiction of the courts of New Zealand.

9. **[CCO]:** *[Include if Additional Guarantor is a CCO Shareholder]*.

9.1 **[CCO Shareholder]:** *[As at the date of this deed, the Additional Guarantor is a CCO Shareholder in respect of: **[specify each relevant CCO Issuer]**].*

## EXECUTED AS A DEED

### Additional Guarantor

***[Execution block to be inserted]***

**SCHEDULE 1**

**Existing Guarantors**

**[Insert names of existing Guarantors]**

SCHEDULE 5

Part 1

Form of Further Principal Debt Release Request

To: [Name of Security Trustee] as Security Trustee

From: [Name of terminating Guarantor]

Dated:

**Guarantee and Indemnity dated 7 December 2011 ("Guarantee")**

1. We refer to the Guarantee.
2. This is a Further Principal Debt Release Request. Terms defined in the Guarantee shall have the same meaning in this Further Principal Debt Release Request.
3. We request pursuant to clause 15.1 of the Guarantee that we be released from all liability under the Guarantee for or in relation to further Principal Debt to be incurred by the Principal Debtor.
4. We confirm that:
  - (a) [we are not a holder of ordinary shares of the Principal Debtor, as evidenced by the current share register of the Principal Debtor showing that the Guarantor is not a holder of ordinary shares of the Principal Debtor, a certified copy of which is attached to this Further Principal Debt Release Request] **OR** [we have given a valid Sale Notice in accordance with the Shareholders' Agreement in respect of all of our ordinary shares in the Principal Debtor, and were in accordance with clause 10.6 of the Shareholders' Agreement permitted to transfer such shares within the period referred to in that clause, but despite our commercially reasonable endeavours to do so, were unable to effect such a transfer in that period, as evidenced by the letter from the Principal Debtor (signed by a director) attached to this Further Principal Debt Release Request]; [*delete option as applicable*] and
  - (b) all amounts which may be or become payable by us to the Principal Debtor and, where we are a CCO Shareholder, the relevant CCO Issuer(s) under or in connection with the Multi-issuer Deed and the Securities issued by us and the relevant CCO Issuer(s) (if any) have been irrevocably paid in full, as evidenced by the letter from the Principal Debtor (signed by a director) attached to this Further Principal Debt Release Request.

Yours faithfully  
[Name of terminating Guarantor]

By:

*[Attach supporting documents]*

**Part 2**  
**Form of Further Principal Debt Release**

To: [Name of terminating Guarantor]  
Copy to: New Zealand Local Government Funding Agency Limited  
From: [Name of Security Trustee] as Security Trustee  
Dated:

**Guarantee and Indemnity dated 7 December 2011 ("Guarantee")**

1. We refer to the Guarantee and your Further Principal Debt Release Request dated [●].
2. This is a Further Principal Debt Release. Terms defined in the Guarantee shall have the same meaning in this Further Principal Debt Release unless given a different meaning in this Further Principal Debt Release.
3. We confirm that with effect from the date of this Further Principal Debt Release (the "**Further Principal Debt Release Date**"), you:
  - (a) shall be released from all liability under the Guarantee in respect of all Principal Debt for which the Principal Debtor becomes actually or contingently liable after the Further Principal Debt Release Date; and
  - (b) shall continue to be liable under the Guarantee in respect of all Principal Debt for which the Principal Debtor is actually or contingently liable as at the Further Principal Debt Release Date (including, for the avoidance of doubt, any amounts actually or contingently payable under any swap transactions entered into by the Principal Debtor on or prior to the Further Principal Debt Release Date).
4. We request the Principal Debtor to notify the other Guarantors of this Further Principal Debt Release in accordance with clause 15.1(f) of the Guarantee.

Yours faithfully  
[Name of Security Trustee]

By:

**SCHEDULE 6**

**Part 1  
Form of Full Release Request**

To: [Name of Security Trustee] as Security Trustee

From: [Name of terminating Guarantor]

Dated:

**Guarantee and Indemnity dated 7 December 2011 ("Guarantee")**

1. We refer to the Guarantee.
2. This is a Full Release Request. Terms defined in the Guarantee shall have the same meaning in this Full Release Request.
3. We request to cease to be a Guarantor pursuant to clause 15.2 of the Guarantee.
4. We confirm that all Principal Debt for which we were liable under the Guarantee has been irrevocably paid in full, as evidenced by the written confirmation from the Principal Debtor (signed by a director of the Principal Debtor) to that effect attached to this Full Release Request.

Yours faithfully  
[Name of terminating Guarantor]

By:

[Attach supporting letter]



## Part 2 Form of Full Release

To: [Name of terminating Guarantor]  
Copy to: New Zealand Local Government Funding Agency Limited  
From: [Name of Security Trustee] as Security Trustee  
Dated:

### Guarantee and Indemnity dated 7 December 2011 ("Guarantee")

1. We refer to the Guarantee and your Full Release Request dated [●]. This is a Full Release. Terms defined in the Guarantee shall have the same meaning in this Full Release.
2. With effect from the date of this Full Release the Security Trustee releases you from the Guarantee.
3. However, notwithstanding the release given in paragraph 2, if any payment received or recovered by the Security Trustee, or any other person on the Security Trustee's behalf, is or may be avoided, whether by law or otherwise, then:
  - (a) such payment shall be deemed not to have affected or discharged your liability as a Guarantor under the Guarantee or any other security given by you as a Guarantor in favour of the Security Trustee, and the Security Trustee and you shall be restored to the position in which each would have been if such payment had not been received or recovered; and
  - (b) the Security Trustee shall be entitled to exercise all its rights under the Guarantee which it would have been entitled to exercise if such payment had not been received or recovered.
4. We request the Principal Debtor to notify the other Guarantors of this Full Release in accordance with clause 15.2(b) of the Guarantee.

Yours faithfully  
[Name of Security Trustee]

By:

# Amendment and Restatement Deed (Multi- issuer Deed)

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## **PARTIES**

The Local Authorities listed in Schedule 1

Issuers

New Zealand Local Government Funding Agency Limited

Subscriber

DEED dated 2020

## PARTIES

The Local Authorities listed in Schedule 1  
("Issuers")

New Zealand Local Government Funding Agency Limited  
("Subscriber")

## INTRODUCTION

The parties wish to amend and restate the Multi-issuer Deed as set out in this deed.

## COVENANTS

### 1. INTERPRETATION

#### 1.1 Definitions: In this deed:

"**Effective Date**" means the date notified by the Subscriber as the Effective Date in accordance with clause 2.1.

"**Multi-issuer Deed**" means the multi-issuer deed dated 7 December 2011 (as amended and restated on 5 June 2015) between the Issuers and the Subscriber.

#### 1.2 **Multi-issuer Deed definitions:** Words and expressions defined in the Multi-issuer Deed (as amended by this deed) have, except to the extent the context requires otherwise, the same meaning in this deed.

#### 1.3 **Miscellaneous:**

- (a) Headings are inserted for convenience only and do not affect interpretation of this deed.
- (b) References to a person include that person's successors, permitted assigns, executors and administrators (as applicable).
- (c) Unless the context otherwise requires, the singular includes the plural and vice versa and words denoting individuals include other persons and vice versa.

- (d) A reference to any legislation includes any statutory regulations, rules, orders or instruments made or issued pursuant to that legislation and any amendment to, re-enactment of, or replacement of, that legislation.
- (e) A reference to any document includes reference to that document as amended, modified, novated, supplemented, varied or replaced from time to time.
- (f) Unless otherwise stated, reference to a clause or schedule is a reference to a clause of or schedule to this deed.
- (g) A reference to "including", "for example" or "such as", when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

## 2. CONDITIONS PRECEDENT

- 2.1 **Effective Date:** The Effective Date shall be the date the Subscriber confirms to the Issuers that it has received, and found satisfactory to it in form and substance, the documents and evidence specified in schedule 2.

## 3. AMENDMENT AND RESTATEMENT

- 3.1 **Amendment and restatement:** With effect on and from the Effective Date, the Multi-issuer Deed shall be amended and restated in the form set out in the appendix to this deed, in accordance with clause 12.1 of the Multi-issuer Deed.
- 3.2 **Full force and effect:** Except to the extent amended by this deed, the Multi-issuer Deed remains in full force and effect.

## 4. ISSUER ACKNOWLEDGEMENTS AND CONFIRMATIONS

- 4.1 **Debenture Trust Deed:** Each Issuer acknowledges and agrees that nothing in this deed shall prejudice the rights of the Subscriber under the Debenture Trust Deed and confirms and agrees that its liabilities and obligations under the Debenture Trust Deed, all Security Stock issued, and all Security Stock Certificates delivered, to the Subscriber continue in full force and effect.
- 4.2 **Conditions:** Each Issuer and the Subscriber agrees that the Conditions (as amended by this deed) apply to each existing Series of Securities issued by that Issuer. This is an agreement for the purposes of clause 11.1 of the Conditions and a written Extraordinary

Resolution of the sole Holder of all existing Securities in accordance with clause 17.1 of the Schedule to the Conditions for the purposes of clause 11.3 of the Conditions.

4.3 **Notice details:** Each Issuer confirms that its current notice details for the purposes of clause 11 of the Multi-issuer Deed and clause 12 of the Conditions are as set out in schedule 1.

4.4 **Agency Agreement and Registrar:** Each Issuer confirms that its Agency Agreement and Registrar for the purposes of the definitions of those terms in the Conditions are as set out in schedule 1.

## 5. GENERAL

5.1 **Counterparts:** This deed may be executed in any number of counterparts, and this shall have the same effect as if the signatures on the counterparts were on a single copy of this deed.

5.2 **Governing law:** This deed is governed by, and construed in accordance with, New Zealand law. The parties submit to the non-exclusive jurisdiction of the courts of New Zealand.

**EXECUTED AS A DEED**

**The Issuers**

**ASHBURTON DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**AUCKLAND COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**BAY OF PLENTY REGIONAL COUNCIL**

by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**BULLER DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

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Name of elected member

\_\_\_\_\_  
Name of elected member

**CANTERBURY REGIONAL COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**CARTERTON DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**CENTRAL HAWKE'S BAY DISTRICT  
COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

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Name of elected member

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Name of elected member

**CHRISTCHURCH CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**CLUTHA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**FAR NORTH DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**GISBORNE DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**GORE DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member



**GREY DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**HAMILTON CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**HASTINGS DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**HAURAKI DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**HAWKE'S BAY REGIONAL COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**HOROWHENUA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**HURUNUI DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**HUTT CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**INVERCARGILL CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**KAIKOURA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**KAIPARA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**KAPITI COAST DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**MACKENZIE DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**MANAWATU DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

\_\_\_\_\_  
Name of elected member

**MANAWATŪ-WHANGANUI REGIONAL  
COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**MARLBOROUGH DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**MASTERTON DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**MATAMATA-PIAKO DISTRICT COUNCIL**

by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**NELSON CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**NEW PLYMOUTH DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**NORTHLAND REGIONAL COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**ŌPŌTIKI DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**ŌTOROHANGA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**PALMERSTON NORTH CITY COUNCIL**

by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**PORIRUA CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**QUEENSTOWN-LAKES DISTRICT  
COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**RANGITIKEI DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**ROTORUA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**RUAPEHU DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**SELWYN DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**SOUTH TARANAKI DISTRICT COUNCIL**

by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**SOUTH WAIRARAPA DISTRICT COUNCIL**

by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member



**STRATFORD DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**TARANAKI REGIONAL COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**TARARUA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**TASMAN DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**TAUPO DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**TAURANGA CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**THAMES-COROMANDEL DISTRICT  
COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**TIMARU DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**UPPER HUTT CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WAIKATO DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WAIKATO REGIONAL COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WAIMAKARIRI DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WAIPA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WAIROA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WAITOMO DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WELLINGTON CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WELLINGTON REGIONAL COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WEST COAST REGIONAL COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

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Signature of elected member

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Name of elected member

\_\_\_\_\_  
Name of elected member

**WESTERN BAY OF PLENTY DISTRICT  
COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

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Name of elected member

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Name of elected member

**WESTLAND DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WHAKATANE DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WHANGANUI DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WHANGAREI DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

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Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**The Subscriber**

**NEW ZEALAND LOCAL GOVERNMENT  
FUNDING AGENCY LIMITED** by:

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Name of director

\_\_\_\_\_  
Name of director

**SCHEDULE 1**

**Issuers**

<b>Local Authority name:</b>	<b>Debenture Trust Deed, Agency Agreement and Registrar details:</b>	<b>Details for notices:</b>
Ashburton District Council	<p>Debenture Trust Deed between Ashburton District Council and Trustees Executors Limited dated 23 April 2010.</p> <p>Registrar and Paying Agency Agreement between Ashburton District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 13 April 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Ashburton District Council 5 Baring Square West Ashburton</p> <p>Postal Address: Ashburton District Council PO Box 94 Ashburton 7740</p> <p>Email: Rachel.Sparks@adc.govt.nz Attention: Finance Manager</p>
Auckland Council	<p>Debenture Trust Deed between Auckland Council and Trustees Executors Limited dated 2 December 2010, as amended from time to time and most recently on 25 May 2016.</p> <p>Registrar and Paying Agency Agreement between Auckland Council and Computershare Investor Services Limited dated 5 November 2010, as amended from time to time and most recently on 12 December 2017.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: 135 Albert Street Auckland 1010</p> <p>Postal Address: Private Bag 92300 Victoria Street West Auckland 1142</p> <p>Email: john.bishop@aucklandcouncil.govt.nz Attention: John Bishop, Group Treasurer</p>
Bay Of Plenty Regional Council	<p>Debenture Trust Deed between Bay of Plenty Regional Council and</p>	<p>Delivery Address: 5 Quay Street Whakatāne</p>

	<p>Trustees Executors Limited dated on or about 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Bay of Plenty Regional Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Postal Address: P O Box 364 Whakatāne 3158</p> <p>Email: mat.taylor@boprc.govt.nz</p> <p>Attention: Mat Taylor</p>
<p>Buller District Council</p>	<p>Debenture Trust Deed between Buller District Council and Corporate Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 20 October 2015.</p> <p>Registry Customer Agreement between Buller District Council and Link Market Services Limited dated 20 October 2015.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: Buller District Council 6-8 Brougham Street Westport</p> <p>Attention: Wendy Thompson, Financial Accountant</p>
<p>Canterbury Regional Council</p>	<p>Debenture Trust Deed between Canterbury Regional Council and Trustees Executors Limited dated 21 September 2015.</p> <p>Registry Customer Agreement between Canterbury Regional Council and Link Market Services Limited dated 21 September 2015.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: 200 Tuam Street Christchurch 8140</p> <p>Attention: Chief Financial Officer</p> <p>Postal Address: PO Box 345 Christchurch</p>



<p>Carterton District Council</p>	<p>Debenture Trust Deed between Carterton District Council and Covenant Trustee Services Limited dated 18 February 2020.</p> <p>Registry Customer Agreement between Carterton District Council and Link Market Services Limited dated 18 February 2020.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:</p> <p>Carterton District Council 28 Holloway Street CARTERTON 5713</p> <p>Attention: Jane Davis</p> <p>Email: jane.davis@cdc.govt.nz</p> <p>Postal Address:</p> <p>Carterton District Council PO Box 9 CARTERTON 5713</p>
<p>Central Hawke's Bay District Council</p>	<p>Debenture Trust Deed between Central Hawke's Bay District Council and Covenant Trustee Services Limited dated 12 July 2016.</p> <p>Registrar and Paying Agency Agreement between Central Hawke's Bay District Council and Computershare Investor Services Limited dated 2 April 2004, as amended from time to time and most recently on 12 July 2016.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>Central Hawke's Bay District Council 28-32 Ruataniwha Street Waipawa 4240</p> <p>Attention:</p> <p>Chief Executive Officer</p> <p>Facsimile:</p> <p>(06) 857 7179</p> <p>Email:</p> <p>info@chbdc.govt.nz</p>
<p>Christchurch City Council</p>	<p>Debenture Trust Deed between Christchurch City Council and Trustees Executors Limited dated 26 March 2007, as amended from time to time and most recently on 30 November 2011.</p>	<p>Delivery Address:</p> <p>Civic Offices 53 Hereford Street Christchurch</p> <p>Postal Address:</p> <p>P O Box 73016</p>

	<p>Registrar and Paying Agency Agreement between Christchurch City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Christchurch 8154</p> <p>Email: Treasury@ccc.govt.nz</p> <p>Attention: Andrew Jefferies</p>
<p>Clutha District Council</p>	<p>Debenture Trust Deed between Clutha District Council and Trustees Executors Limited dated 21 December 2018.</p> <p>Registry Customer Agreement between Clutha District Council and Link Market Services Limited dated 21 December 2018.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:</p> <p>Clutha District Council 1 Rosebank Terrace Balclutha 9230</p> <p>Attention:</p> <p>John Scott</p> <p>Email:</p> <p>john-scott@cluthadc.govt.nz</p> <p>Postal Address:</p> <p>PO Box 25 Rosebank Terrace Balclutha 9240</p>
<p>Far North District Council</p>	<p>Debenture Trust Deed between Far North District Council and Trustees Executors Limited dated 31 May 2011, as amended from time to time and most recently on 13 February 2013.</p> <p>Registrar and Paying Agency Agreement between Far North District Council and Computershare Investor Services Limited dated 14 April 2004, as amended from time</p>	<p>Delivery Address:</p> <p>Memorial Avenue, Kaikohe</p> <p>Postal Address:</p> <p>Private Bag 752, Kaikohe 0440</p> <p>Email: William.taylor@fndc.govt.nz Janice.smith@fndc.govt.nz</p> <p>Attention: General Manager, Corporate Services</p>

	<p>to time and most recently on 14 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	
Gisborne District Council	<p>Debenture Trust Deed between Gisborne District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 6 August 2003, as amended from time to time and most recently on 28 November 2012.</p> <p>Registrar and Paying Agency Agreement between Gisborne District Council and Link Market Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: 15 Fitzherbert Street Gisborne</p> <p>Postal Address: PO Box 747 Gisborne 4010</p> <p>Email: treasury@gdc.govt.nz</p> <p>Attention: Pauline Foreman</p>
Gore District Council	<p>Debenture Trust Deed between Gore District Council and Trustees Executors Limited dated 9 March 2016.</p> <p>Registry Customer Agreement between Gore District Council and Link Market Services Limited dated 9 March 2016.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: Gore District Council 29 Bowler Avenue Gore 9740</p> <p>Attention: Chief Financial Officer</p> <p>Facsimile: (03) 209 0330</p> <p>Email: info@goredc.govt.nz</p>

		<p>Postal Address:</p> <p>PO Box 8</p> <p>Gore 9740</p>
Grey District Council	<p>Debenture Trust Deed between Grey District Council and Trustees Executors Limited dated 28 March 2013.</p> <p>Registrar and Paying Agency Agreement between Grey District Council and Computershare Investor Services Limited dated 28 March 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>105 Tainui Street</p> <p>Greymouth 7805</p> <p>Postal Address:</p> <p>PO Box 382</p> <p>Greymouth 7840</p> <p>Email: <a href="mailto:finance@greydc.govt.nz">finance@greydc.govt.nz</a></p> <p>Attention: Corporate Services Manager</p>
Hamilton City Council	<p>Debenture Trust Deed between Hamilton City Council and Trustees Executors Limited dated 19 June 2001, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Hamilton City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>260 Anglesea Street</p> <p>Council Building</p> <p>Garden Place</p> <p>Hamilton</p> <p>3240</p> <p>Postal Address:</p> <p>Private Bag 3010</p> <p>Hamilton 3240</p> <p>Email: <a href="mailto:david.bryant@hcc.govt.nz">david.bryant@hcc.govt.nz</a></p> <p>Attention: David Bryant</p>
Hastings District Council	<p>Debenture Trust Deed between Hastings District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 16 March 2007, as amended from</p>	<p>Delivery Address:</p> <p>207 Lyndon Road East</p> <p>Hastings 4122</p> <p>Postal Address:</p> <p>Private Bag 9002</p>

	<p>time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Hastings District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Hastings 4156</p> <p>Email: <a href="mailto:brucea@hdc.govt.nz">brucea@hdc.govt.nz</a></p> <p>Attention: Bruce Allan</p>
<p>Hauraki District Council</p>	<p>Debenture Trust Deed between Hauraki District Council and Trustees Executors Limited dated 29 November 2012.</p> <p>Registrar and Paying Agency Agreement between Hauraki District Council and Computershare Investor Services Limited dated 29 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>William Street Paeroa 3600</p> <p>Postal Address:</p> <p>PO Box 17 Paeroa 3640</p> <p>Email: <a href="mailto:info@hauraki-dc.govt.nz">info@hauraki-dc.govt.nz</a></p> <p>Attention: Corporate Services Group Manager</p>

<p>Hawke's Bay Regional Council</p>	<p>Debenture Trust Deed between Hawke's Bay Regional Council and Covenant Trustee Services Limited dated 20 March 2019.</p> <p>Registrar and Paying Agent Services Agreement between Hawke's Bay Regional Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 20 March 2019.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Hawke's Bay Regional Council 159 Dalton Street Napier 4110</p> <p>Attention: Bronda Smith</p> <p>Email: bronda.smith@hbrc.govt.nz</p> <p>Postal Address: Hawke's Bay Regional Council Private Bag 6006 Napier 4142</p>
<p>Horowhenua District Council</p>	<p>Debenture Trust Deed between Horowhenua District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 27 April 2010, as amended from time to time and most recently on 28 November 2012.</p> <p>Registrar and Paying Agency Agreement between Horowhenua District Council and Computershare Investor Services Limited dated 23 March 2004, as amended from time to time and most recently on 28 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 126 - 148 Oxford Street Levin 5510</p> <p>Postal Address: Private Bag 4002 Levin 5540</p> <p>Email: dougl@horowhenua.govt.nz</p> <p>Attention: Doug Law</p>
<p>Hurunui District Council</p>	<p>Debenture Trust Deed between Hurunui District Council and Perpetual Trust Limited (and now between the Council and Covenant</p>	<p>Delivery Address: 66 Carters Road (SH1) Amberley 7410</p>

	<p>Trustee Services Limited) dated 27 May 2010, as amended from time to time and most recently on 31 October 2013.</p> <p>Registrar and Paying Agency Agreement between Hurunui District Council and Computershare Investor Services Limited dated 27 May 2010, as amended from time to time and most recently on 31 October 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Postal Address: PO Box 13 Amberley 7441 North Canterbury</p> <p>Email: <a href="mailto:jason.beck@hurunui.govt.nz">jason.beck@hurunui.govt.nz</a></p> <p>Attention: Jason Beck</p>
<p>Hutt City Council</p>	<p>Debenture Trust Deed between Hutt City Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 6 August 1998, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar and Paying Agency Agreement between Hutt City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 18 February 2014.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 30 Laings Road Lower Hutt</p> <p>Postal Address: Private bag 31912 Lower Hutt 5040</p> <p>Email: <a href="mailto:glenn.phillips@huttcity.govt.nz">glenn.phillips@huttcity.govt.nz</a></p> <p>Attention: Glenn Usoali'i-Phillips</p>
<p>Invercargill City Council</p>	<p>Debenture Trust Deed between Invercargill City Council and Trustees Executors Limited dated 22 October 2015, as amended from</p>	<p>Delivery Address: Invercargill City Council</p> <p>Attention: Dave Foster</p> <p>Email: <a href="mailto:dave.foster@icc.govt.nz">dave.foster@icc.govt.nz</a></p>

	<p>time to time and most recently on 2 April 2019.</p> <p>Registrar and Paying Agent Services Agreement between Invercargill City Council and Computershare Investor Services Limited dated 22 October 2015, as amended from time to time and most recently on 2 April 2019.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Postal Address: Invercargill City Council Private Bag 90104 Invercargill 9840</p>
<p>Kaikoura District Council</p>	<p>Debenture Trust Deed between Kaikoura District Council and Covenant Trustee Services Limited dated 20 December 2019.</p> <p>Registry Customer Agreement between Kaikoura District Council and Link Market Services Limited dated 20 December 2019.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: Kaikoura District Council 96 West End Kaikoura 7340</p> <p>Attention: Sheryl Poulsen</p> <p>Email: Sheryl.poulsen@kaikoura.govt.nz</p> <p>Postal Address: Kaikoura District Council PO Box 6 Kaikoura 7340</p>
<p>Kaipara District Council</p>	<p>Debenture Trust Deed between Kaipara District Council and Corporate Trust Limited (trading as Foundation Corporate Trust) (and now between the Council and Covenant Trustee Services Limited) dated 13 September 2013.</p> <p>Registrar and Paying Agency Agreement between Kaipara District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time</p>	<p>Delivery Address: 42 Hokianga Road Dargaville</p> <p>Attention: General Manager Sustainable Growth and Investment</p> <p>Email: sdavidson@kaipara.govt.nz</p> <p>Postal Address: Private Bag 1001</p>



	<p>to time and most recently on 22 March 2016.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Dargaville 0340</p>
<p>Kapiti Coast District Council</p>	<p>Debenture Trust Deed between Kāpiti Coast District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 19 September 2012.</p> <p>Registrar and Paying Agency Agreement between Kāpiti Coast District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 28 June 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Council Offices 175 Rimu Road Paraparaumu 5032</p> <p>Postal Address: Private Bag 60-601 Paraparaumu 5254</p> <p>Email: wayne.maxwell@kapiticoast.govt.nz Attention: Wayne Maxwell</p> <p>Email: mark.dehaast@kapiticoast.govt.nz Attention: Mark de Haast</p> <p>Email: david.wilson@kapiticoast.govt.nz Attention: David Wilson</p>
<p>Mackenzie District Council</p>	<p>Debenture Trust Deed between Mackenzie District Council and Trustees Executors Limited dated 21 December 2018.</p> <p>Registry Customer Agreement between Mackenzie District Council and Link Market Services Limited dated 21 December 2018.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: Mackenzie District Council 53 Main Street FAIRLIE 7925</p> <p>Attention: Adrian Hodgett</p> <p>Email: adrian@mackenzie.govt.nz</p>

		<p>Postal Address:</p> <p>PO Box 52</p> <p>Main Street</p> <p>FAIRLIE 7949</p>
<p>Manawatu District Council</p>	<p>Debenture Trust Deed between Manawatu District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 26 September 2012.</p> <p>Registrar and Paying Agency Agreement between Manawatu District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 28 September 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>135 Manchester Street</p> <p>Fielding</p> <p>Postal Address:</p> <p>Private Bag 10001</p> <p>Fielding 4743</p> <p>Email:</p> <p>amanda.calman@mdc.govt.nz</p> <p>Attention: Amanda Calman</p>
<p>Manawatū-Whanganui Regional Council (which trades as Horizons Regional Council)</p>	<p>Debenture Trust Deed between Horizons Regional Council and Trustees Executors Limited dated 28 July 2008, as amended from time to time and most recently on 9 September 2013.</p> <p>Registrar and Paying Agency Agreement between Horizons Regional Council and Computershare Investor Services Limited dated 28 July 2008, as amended from time to time and most recently on 4 September 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>11-15 Victoria Avenue</p> <p>Palmerston North</p> <p>Postal Address:</p> <p>Private Bag 11025</p> <p>Manawatu Mail Centre</p> <p>Palmerston North</p> <p>Email: treasury@horizons.govt.nz</p> <p>Attention: Adrian Smith</p>

<p>Marlborough District Council</p>	<p>Debenture Trust Deed between Marlborough District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 10 December 2010, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar and Paying Agency Agreement between Marlborough District Council and Computershare Investor Services Limited dated 5 October 2010, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 15 Seymour Street Seymour Square Blenheim 7201</p> <p>Postal Address: PO Box 443 Blenheim 7240</p> <p>Email: Martin.Fletcher@marlborough.govt.nz Borrowings@marlborough.govt.nz Attention: Martin Fletcher/Adrian Ferris</p>
<p>Masterton District Council</p>	<p>Debenture Trust Deed between Masterton District Council and Trustees Executors Limited dated 26 June 2007, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Masterton District Council and Computershare Investor Services Limited dated 18 June 2007, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 27 Lincoln Road Masterton 5810</p> <p>Postal Address: PO Box 444 Masterton 5840</p> <p>Email: davidp@mstn.govt.nz Attention: Manager Finance</p>
<p>Matamata-Piako District Council</p>	<p>Debenture Trust Deed between Matamata-Piako District Council and Trustees Executors Limited dated 9 May 2011, as amended from time to</p>	<p>Delivery Address: 35 Kenrick Street Te Aroha</p>

	<p>time and most recently on 13 February 2013.</p> <p>Registrar and Paying Agency Agreement between Matamata-Piako District Council</p> <p>Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 13 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Postal Address:</p> <p>PO Box 266</p> <p>Te Aroha</p> <p>Email: danglesey@mpdc.govt.nz lrushbrooke@mpdc.govt.nz</p> <p>Attention: Finance and Business Service Manager / Deputy Finance Manager</p>
<p>Nelson City Council</p>	<p>Debenture Trust Deed between Nelson City Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 10 December 2010, as amended from time to time and most recently on 2 April 2013.</p> <p>Registry Customer Agreement between Nelson City Council and Link Market Services Limited dated 10 December 2010, as amended from time to time and most recently on 2 April 2013.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:</p> <p>Civic House</p> <p>110 Trafalgar Street</p> <p>Nelson 7010</p> <p>Postal Address:</p> <p>PO Box 645</p> <p>Nelson 7040</p> <p>Email: Nikki.harrison@ncc.govt.nz</p> <p>Attention: Group Manager Corporate Services</p>
<p>New Plymouth District Council</p>	<p>Debenture Trust Deed between New Plymouth District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 21 May 2009, as amended from time to time and most recently on 30 November 2011.</p>	<p>Delivery Address:</p> <p>Liardet St</p> <p>New Plymouth</p> <p>Postal Address:</p> <p>Private Bag 2025</p> <p>New Plymouth 4342</p>

	<p>Registrar and Paying Agency Agreement between New Plymouth District Council and Computershare Investor Services Limited dated 16 March 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Email: alison.trustrumrainey@npdc.govt.nz / carla.freeman@npdc.govt.nz</p> <p>Attention: Alison TrustrumRainey / Carla Freeman</p>
<p>Northland Regional Council</p>	<p>Debenture Trust Deed between Northland Regional Council and Trustees Executors Limited dated 6 July 2015.</p> <p>Registry Customer Agreement between Northland Regional Council and Link Market Services Limited dated 6 July 2015.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: Northland Regional Council 36 Water St Whangarei 0110</p> <p>Attention: Chief Executive Officer</p> <p>Facsimile: (09) 470 1202</p> <p>Email: malcolmn@nrc.govt.nz, with a copy to mailroom@nrc.govt.nz</p> <p>Postal Address: 36 Water St Whangarei 0110</p>
<p>Ōpōtiki District Council</p>	<p>Debenture Trust Deed between Ōpōtiki District Council and Trustees Executors Limited dated 11 November 2014.</p> <p>Registrar and Paying Agency Agreement between Ōpōtiki District Council and Computershare Investor Services Limited dated 1</p>	<p>Delivery Address: Ōpōtiki District Council 108 St John Street Ōpōtiki 3122</p> <p>Postal Address: PO Box 44</p>

	<p>April 2004, as amended from time to time and most recently on 11 November 2014.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Ōpōtiki 3162</p> <p>Email: GregoryR@odc.govt.nz</p> <p>Attention: Gregory Robertson</p>
<p>Ōtorohanga District Council</p>	<p>Debenture Trust Deed between Ōtorohanga District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Ōtorohanga District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>17 Maniapoto Street Ōtorohanga 3940</p> <p>Postal Address PO Box 11 Ōtorohanga 3940</p> <p>Email: grahamb@otodc.govt.nz</p> <p>Attention: Graham Bunn</p>
<p>Palmerston North City Council</p>	<p>Debenture Trust Deed between Palmerston North City Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 18 February 1999, as amended from time to time and most recently on 4 April 2012.</p> <p>Registrar and Paying Agency Agreement between Palmerston North City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 10 April 2012.</p>	<p>Delivery Address:</p> <p>32 The Square Palmerston North 4410</p> <p>Postal Address: Private Bag 11034 Palmerston North</p> <p>Email: steve.paterson@pncc.govt.nz</p> <p>Attention: Strategy Manager Finance</p>

	Registrar: Computershare Investor Services Limited	
Porirua City Council	<p>Debenture Trust Deed between Porirua City Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 16 September 1997, as amended from time to time and most recently on 1 August 2014).</p> <p>Registrar and Paying Agency Agreement between Porirua City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 July 2014.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 16 Cobham Court Porirua 5022</p> <p>Postal Address: PO Box 50218 Porirua 5240</p> <p>Email: stephen.woolley@porirua.govt.nz</p> <p>Attention: Stephen Woolley</p>
Queenstown-Lakes District Council	<p>Debenture Trust Deed between Queenstown Lakes District Council and Perpetual Trust Limited (trading as Foundation Corporate Trust) (and now between the Council and Covenant Trustee Services Limited) dated 28 September 2009, as amended from time to time and most recently on 14 February 2013.</p> <p>Registrar and Paying Agency Agreement between Queenstown Lakes District Council and Computershare Investor Services Limited dated 3 December 2003, as amended from time to time and most recently on 13 February 2013.</p>	<p>Delivery Address: 10 Gorge Road Queenstown 9300</p> <p>Postal Address: Private Bag 50072 Queenstown 9348</p> <p>Email: services@qldc.govt.nz</p> <p>Attention: Chief Financial Officer</p>

	Registrar: Computershare Investor Services Limited	
Rangitikei District Council	<p>Debenture Trust Deed between Rangitikei District Council and Trustees Executors Limited dated 18 December 2017.</p> <p>Registry Customer Agreement between Rangitikei District Council and Link Market Services Limited dated 18 December 2017.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: Rangitikei District Council 46 High Street Marton 4741</p> <p>Attention: Joanne Devine</p> <p>Email: jo.devine@rangitikei.govt.nz</p> <p>Postal Address: Private Bag 1102 Marton 4741</p>
Rotorua District Council	<p>Debenture Trust Deed between Rotorua District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 22 December 1998, as amended from time to time and most recently on 14 February 2013.</p> <p>Registrar and Paying Agency Agreement between Rotorua District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 18 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Civic Centre 1061 Haupapa Street Rotorua</p> <p>Postal Address: Private Bag 3029 Rotorua Mail Centre Rotorua</p> <p>Email: Thomas.colle@rdc.govt.nz Attention: Thomas Colle</p>
Ruapehu District Council	Debenture Trust Deed between Ruapehu District Council and	Delivery Address: Ruapehu District Council



	<p>Trustees Executors Limited dated 3 July 2018.</p> <p>Registrar and Paying Agency Agreement between Ruapehu District Council and Computershare Investor Services Limited dated 3 July 2018.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>59 - 63 Huia Street Taumarunui 3920</p> <p>Attention: Alan Young</p> <p>Email: Alan.young@ruapehudc.govt.nz</p> <p>Postal Address: Private Bag 1001 Taumarunui 3946</p>
<p>Selwyn District Council</p>	<p>Debenture Trust Deed between Selwyn District Council and Trustees Executors Limited dated 17 July 2009, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Selwyn District Council and Computershare Investor Services Limited dated 17 July 2009, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: 2 Norman Kirk Drive Rolleston</p> <p>Postal Address: P O Box 90 Rolleston 7643</p> <p>Email: Treasury.management@selwyn.govt.nz</p> <p>Attention: Greg Bell</p>
<p>South Taranaki District Council</p>	<p>Debenture Trust Deed between South Taranaki District Council and Trustees Executors Limited dated 21 December 2007, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between South Taranaki District Council and</p>	<p>Delivery Address: 105-111 Albion Street Hawera 4610</p> <p>Postal Address: Private Bag 902 Hawera 4640</p> <p>Email: Vipul.mehta@stdc.govt.nz</p>

	<p>Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Attention: Vipul Mehta</p>
<p>South Wairarapa District Council</p>	<p>Debenture Trust Deed between South Wairarapa District Council and Trustees Executors Limited dated 10 March 2016.</p> <p>Registrar and Paying Agency Agreement between South Wairarapa District Council and Computershare Investor Services Limited dated 10 March 2016.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: South Wairarapa District Council 19 Kitchener Street Martinborough 5711</p> <p>Attention: Harry Wilson/Katrina Neems</p> <p>Email: harry.wilson@swdc.govt.nz / katrina.neems@swdc.govt.nz</p> <p>Postal Address: PO Box 6 Martinborough 5741</p>
<p>Stratford District Council</p>	<p>Debenture Trust Deed between Stratford District Council and Trustees Executors Limited dated 22 May 2018.</p> <p>Registrar and Paying Agency Agreement between Stratford District Council and Computershare Investor Services Limited dated 22 May 2018.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: Stratford District Council 61-63 Miranda Street Stratford 4332</p> <p>Attention: Tiffany Radich</p> <p>Email: TRadich@stratford.govt.nz</p> <p>Postal Address: PO Box 320 Stratford 4352</p>

<p>Taranaki Regional Council</p>	<p>Debenture Trust Deed between Taranaki Regional Council and Trustees Executors Limited dated 9 October 2019.</p> <p>Registrar and Paying Agent Services Agreement between Taranaki Regional Council and Computershare Investor Services Limited dated 9 October 2019.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: Taranaki Regional Council 47 Cloten Road Stratford 4332</p> <p>Attention: Mike Nield</p> <p>Fax: +64 6 765 5097</p> <p>Postal Address: Taranaki Regional Council Private Bag 713 Stratford 4352</p>
<p>Tararua District Council</p>	<p>Debenture Trust Deed between Tararua District Council and Trustees Executors Limited dated 31 May 2013.</p> <p>Registry Customer Agreement between Tararua District Council and Link Market Services Limited dated 31 May 2013.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: 26 Gordon Street Dannevirke</p> <p>Postal Address: 26 Gordon Street PO Box 115 Dannevirke 4942</p> <p>Email: cameron.mckay@tararuadc.govt.nz raj.suppiah@tararuadc.govt.nz</p> <p>Attention: Finance Manager</p>
<p>Tasman District Council</p>	<p>Debenture Trust Deed between Tasman District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 7 July 2010, as amended from time to time and most recently on 30 November 2011.</p>	<p>Delivery Address: 189 Queen Street, Richmond, Nelson 7050</p> <p>Postal Address Private Bag 4 Richmond, Nelson 7050</p> <p>Email: treasury@tasman.govt.nz</p>

	<p>Registry Customer Agreement between Tasman District Council and Link Market Services Limited dated 7 July 2010, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Link Market Services Limited.</p>	<p>Attention: Corporate Services Manager</p>
Taupo District Council	<p>Debenture Trust Deed between Taupo District Council and Trustees Executors Limited dated 19 October 2009, as amended from time to time and most recently on 30 November 2011.</p> <p>Registry Customer Agreement between Taupo District Council and Link Market Services Limited dated 13 July 2009, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Link Market Services Limited.</p>	<p>Delivery Address: 72 Lake Terrace Taupo 3330</p> <p>Postal Address: Private Bag 2005 Taupo 3352</p> <p>Email: nward@taupo.govt.nz</p> <p>Attention: Neil Ward</p>
Tauranga City Council	<p>Debenture Trust Deed between Tauranga District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 11 August 1998, as amended from time to time and most recently on 7 September 2012.</p> <p>Registry and Payment Services Agreement between Tauranga District Council and Link Market Services Limited dated 1 April 2004, as amended from time to</p>	<p>Delivery Address: 91 Willow Street Tauranga 3143</p> <p>Postal Address: Private Bag 12022 Tauranga 3143</p> <p>Email: treasury.settlements@tauranga.govt.nz</p> <p>Attention: Mohan De Mel</p>

	<p>time and most recently on 30 November 2011.</p> <p>Registrar: Link Market Services Limited.</p>	
<p>Thames-Coromandel District Council</p>	<p>Debenture Trust Deed between Thames-Coromandel District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 12 March 2007, as amended from time to time and most recently on 28 November 2012.</p> <p>Registry and Paying Agency Agreement between Thames-Coromandel District Council and Computershare Investor Services Limited dated 21 November 2006, as amended from time to time and most recently on 28 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 515 Mackay Street Thames</p> <p>Postal Address: Private Bag Thames 3540</p> <p>Email: donna.holland@tcdc.govt.nz</p> <p>Attention: Donna Holland</p>
<p>Timaru District Council</p>	<p>Debenture Trust Deed between Timaru District council and PGG Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 15 May 1998, as amended from time to time and most recently on 14 February 2013.</p> <p>Registrar and Paying Agency Agreement between Timaru District Council and Computershare Investor Services Limited dated 10 March 2010, as amended from time</p>	<p>Delivery Address: 2 King George Place Timaru</p> <p>Postal Address: PO Box 522 Timaru 7940</p> <p>Email: enquiry@timdc.govt.nz</p> <p>Attention: Chief Financial Officer</p>

	<p>to time and most recently on 18 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	
Upper Hutt City Council	<p>Debenture Trust Deed between Upper Hutt City Council and Trustees Executors Limited (formerly the Trustees Executors and Agency Company of New Zealand Limited (trading as Tower Trust)) dated 28 November 2000, as amended from time to time and most recently on 17 February 2014.</p> <p>Registrar and Paying Agency Agreement between Upper Hutt City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 18 February 2014.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Civic Administration Building 838 - 842 Fergusson Drive Upper Hutt</p> <p>Postal Address: Private Bag 907 Upper Hutt 5140</p> <p>Email: Julia.Fink@uhcc.govt.nz</p> <p>Attention: Julia Fink</p>
Waikato District Council	<p>Debenture Trust Deed between Waikato District Council and Trustees Executors Limited dated 12 February 2013.</p> <p>Registrar and Paying Agency Agreement between Waikato District Council and Computershare Investor Services Limited dated 18 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Head Office 15 Galileo Street Ngaruawahia</p> <p>Postal Address: Private Bag 544 Ngaruawahia 3742</p> <p>Email: tony.whittaker@waidc.govt.nz</p> <p>Attention: Tony Whittaker</p>

<p>Waikato Regional Council</p>	<p>Debenture Trust Deed between Waikato Regional Council and Trustees Executors Limited dated 2 July 2018.</p> <p>Registrar and Paying Agent Services Agreement between Waikato Regional Council and Computershare Investor Services Limited dated 2 July 2018.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Waikato Regional Council 401 Grey Street HAMILTON 3240</p> <p>Attention: Janine Becker</p> <p>Email: janine.becker@waikatoregion.govt.nz</p> <p>Postal Address: Private Bag 3038 Waikato Mail Centre HAMILTON 3240</p>
<p>Waimakariri District Council</p>	<p>Debenture Trust Deed between Waimakariri District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 23 February 2010, as amended from time to time and most recently on 8 June 2012.</p> <p>Registry and Payment Services Agreement between Waimakariri District Council and Link Market Services Limited dated 1 April 2004, as amended from time to time and most recently on 8 June 2012.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: 215 High Street Rangiora</p> <p>Postal Address: Private Bag 1005 Rangiora 7440</p> <p>Email: jeff.millward@wmk.govt.nz Attention: Jeff Millward</p>
<p>Waipa District Council</p>	<p>Debenture Trust Deed between Waipa District Council and Trustees Executors Limited dated 16 May 2007, as amended from time to</p>	<p>Delivery Address: 101 Bank Street Te Awamutu</p> <p>Postal Address:</p>

	<p>time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Waipa District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Private Bag 2402 Te Awamutu 3800</p> <p>Email: Farrah.Templeton@waipadc.govt.nz z Sarah.Davies@waipadc.govt.nz Ken.Morris@waipadc.govt.nz</p> <p>Attention: Ken Morris</p>
<p>Wairoa District Council</p>	<p>Debenture Trust Deed between Wairoa District Council and Trustees Executors Limited dated 10 September 2013.</p> <p>Registrar and Paying Agency Agreement between Wairoa District Council and Computershare Investor Services Limited dated 10 September 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Wairoa District Council Coronation Square 97 Queen Street Wairoa 4108</p> <p>Attention: Gary Borg</p> <p>Email: gary@wairoadc.govt.nz</p> <p>Postal Address: PO Box 54, Wairoa 4160</p>
<p>Waitomo District Council</p>	<p>Debenture Trust Deed between Waitomo District Council and Trustees Executors Limited dated 6 August 2010, as amended from time to time and most recently on 10 April 2017.</p> <p>Registry Customer Agreement between Waitomo District Council and Link Market Services Limited dated 6 August 2010, as amended from time to time and most recently on 10 April 2017.</p>	<p>Delivery Address: Waitomo District Council Queen Street Te Kuiti 3910</p> <p>Email: info@waitomo.govt.nz</p> <p>Postal Address: Waitomo District Council PO Box 404 Te Kuiti 3941</p>



	Registrar: Link Market Services Limited	Attention: Chief Executive
Wellington City Council	<p>Debenture Trust Deed between Wellington City Council and Trustees Executors Limited dated 11 May 2005, as amended from time to time and most recently on 5 December 2011.</p> <p>Registrar and Paying Agency Agreement between Wellington City Council and Computershare Investor Services Limited dated 11 May 2005, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Wellington City Council 113 The Terrace Wellington</p> <p>Postal Address: PO Box 2199 Wellington 6140</p> <p>Email: martin.read@wcc.govt.nz</p> <p>Attention: Martin Read</p>
Wellington Regional Council	<p>Debenture Trust Deed between Wellington Regional Council and Trustees Executors Limited dated 23 November 2011.</p> <p>Registrar and Paying Agency Agreement between Wellington Regional Council and Computershare Investor Services Limited dated 7 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: Shed 39, 2 Fryatt Quay, Pipitea Wellington 6011</p> <p>Postal Address: P O Box 11646 Manners Street Wellington 6142</p> <p>Email: mike.timmer@gw.govt.nz matthias.zuschlag@gw.govt.nz</p> <p>Attention: Mike Timmer</p>
West Coast Regional Council	Debenture Trust Deed between West Coast Regional Council and	<p>Delivery Address: West Coast Regional Council 388 Main South Road Paroa</p>

	<p>Covenant Trustee Services Limited dated 26 February 2019.</p> <p>Registrar and Paying Agent Services Agreement between West Coast Regional Council and Computershare Investor Services Limited dated 26 February 2019.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>GREYMOUTH 7805</p> <p>Attention: Robert Mallinson</p> <p>Email: rm@wrcrc.govt.nz</p> <p>Postal Address: West Coast Regional Council PO Box 66 GREYMOUTH 7840</p>
<p>Western Bay Of Plenty District Council</p>	<p>Debenture Trust Deed between Western Bay of Plenty District Council and Trustees Executors Limited dated 8 October 1999, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Western Bay of Plenty District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: Barkes Corner Greerton Tauranga</p> <p>Postal Address: Private Bag 12803 Tauranga 3143</p> <p>Email: kumaren.perumal@westernbay.govt.nz</p> <p>Attention: Kumaren Perumal</p>
<p>Westland District Council</p>	<p>Debenture Trust Deed between Westland District Council and Covenant Trustee Services Limited dated 29 March 2018.</p> <p>Registry Customer Agreement between Westland District Council and Link Market Services Limited dated 29 March 2018.</p>	<p>Delivery Address: Westland District Council 36 Weld Street Hokitika 7810</p> <p>Attention: Lesley Crichton</p> <p>Email:</p>

	<p>Registrar: Link Market Services Limited</p>	<p>Lesley.Crichton@westlanddc.govt.nz</p> <p>Postal Address: Private Bag 704 Hokitika 7842</p>
<p>Whakatane District Council</p>	<p>Debenture Trust Deed between Whakatane District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 20 June 2007, as amended from time to time and most recently on 30 March 2012.</p> <p>Registrar and Paying Agency Agreement between Whakatane District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 20 January 2020.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Civic Centre Commerce Street Whakatane</p> <p>Postal Address: Private Bag 1002 Whakatane 3158</p> <p>Email: julie.caverhill@whakatane.govt.nz / Heidi.mccallum@whakatane.govt.nz</p> <p>Attention: Julie Caverhill / Heidi McCallum</p>
<p>Whanganui District Council</p>	<p>Debenture Trust Deed between Whanganui District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 26 May 2000, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar and Paying Agency Agreement between Whanganui District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time</p>	<p>Delivery Address: 101 Guyton Street Whanganui</p> <p>Postal Address: PO Box 637 Whanganui 4540</p> <p>Email: mike.fermor@whanganui.govt.nz</p> <p>Attention: Mike Fermor</p>

	<p>to time and most recently on 29 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	
<p>Whangarei District Council</p>	<p>Debenture Trust Deed between Whangarei District Council and Trustees Executors Limited (formerly Tower Trust Limited) dated 10 June 2002, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Whangarei District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address:</p> <p>Forum North Rust Avenue Whangarei</p> <p>Postal Address:</p> <p>Private Bag 9023 Whangarei 0148</p> <p>Email: alan.adcock@wdc.govt.nz</p> <p>Attention: Alan Adcock</p>

## SCHEDULE 2

### Conditions Precedent

1. A duly executed copy of each of the following documents:
  - (a) this deed;
  - (b) an amendment and restatement deed dated on or about the date of this deed in relation to a guarantee and indemnity dated 7 December 2011;
  - (c) an amendment and restatement deed dated on or about the date of this deed in relation to a notes subscription agreement dated 7 December 2011 (as amended and restated on 5 June 2015); and
  - (d) an amendment and restatement deed dated on or about the date of this deed in relation to a shareholders' agreement dated 7 December 2011 (as amended from time to time).
2. A certificate of compliance for the purposes of s118 of the Local Government Act 2002 (in a form acceptable to the Subscriber) given by the Chief Executive of each Issuer in relation to the entry into this deed and each other deed referred to in items 1(b) and (c) above.
3. A legal opinion from Russell McVeagh, solicitors to the Subscriber, in relation to the enforceability of this deed and each other deed referred to in items 1(b) and (c) above.
4. A legal opinion from Simpson Grierson, solicitors to the Issuers, in relation to each Issuer's entry into this deed and each other deed referred to in items 1(b) and (c) above.

**APPENDIX**

**Amended and Restated Multi-issuer Deed**

# Multi-issuer Deed

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**PARTIES**

The Local Authorities Listed in Schedule 1

**Principal Shareholders**

New Zealand Local Government Funding Agency Limited

**Subscriber**

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**DEED** dated 7 December 2011 (as amended and restated by the deed to which this deed is attached as an appendix)

## **PARTIES**

The Local Authorities Listed in Schedule 1

("Principal Shareholders")

New Zealand Local Government Funding Agency Limited

("Subscriber")

## **INTRODUCTION**

- A. The Principal Shareholders and the Subscriber wish to record the arrangements agreed between them in relation to the issue of Securities to the Subscriber from time to time by the Principal Shareholders, and other Local Authorities or CCOs that may accede to this deed, as Issuers.
- B. This deed records those arrangements.
- C. None of the obligations under this deed of the Subscriber nor any Issuer that is a Local Authority are guaranteed by the Crown.

## **COVENANTS**

### **1. INTERPRETATION**

#### **1.1 Definitions:** In this deed, unless the context otherwise requires:

**"Accession Deed"** means a deed in the form, or substantially in the form, of schedule 4.

**"Agency Agreement"** means, in relation to an Issuer, the issue and paying agency agreement between the Issuer and an agent or agents in relation to the issue of Securities by the Issuer.

**"Annual Rates Income"** means, in relation to an Issuer that is a Local Authority and for a financial year, an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by that Issuer from other Local Authorities for services provided by that Issuer for which those other Local Authorities rate and in each case as shown in the Financial Statements of that Issuer

for that financial year, provided that if such Financial Statements are with respect to a period of less than 12 months, then such amount shall be annualised (so as to reflect a period of 12 months), and the annualised amount shall be the Annual Rates Income.

**"Authorised Signatory"** means, in relation to an Issuer, a person nominated as the Issuer's authorised signatory for the purposes of this deed and notified as such to the Subscriber from time to time.

**"Available Financial Accommodation"** means, in relation to an Issuer on any Test Date, the aggregate as at that date of:

- (a) External Indebtedness;
- (b) committed but undrawn financial accommodation that is available to the Issuer, to the extent there is no legal, contractual or other restriction on the Issuer's ability to draw upon that financial accommodation; and
- (c) Liquid Investments of the Issuer (and not its Consolidated Group).

**"Borrowed Money Indebtedness"** means any indebtedness of the Subscriber to a person (other than indebtedness owed to an Issuer in respect of Borrower Notes) in respect of money borrowed or raised or any other financial accommodation whatsoever in the nature of, or having a similar economic effect to, borrowing or raising money, including indebtedness under or in respect of a negotiable or other financial instrument, guarantee, interest or currency exchange hedge or other arrangement of any kind (calculated on a net and marked to market basis).

**"Borrower Notes"** has the meaning given to it in the Notes Subscription Agreement.

**"Cash"** means, in relation to an Issuer:

- (a) any credit balance on any deposit, savings, current or other account with a registered bank which has outstanding debt securities rated as referred to in paragraph (c) of the definition of "Liquid Investments" and which is freely withdrawable on demand by the Issuer;
- (b) any credit balance of any term deposit with a maturity of less than 180 days with a registered bank which has outstanding debt securities rated as referred to in paragraph (c) of the definition of "Liquid Investments"; and
- (c) any cash in hand.

**"CCO Credit Support"** means, in relation to a CCO Issuer, any combination of the following:

- (a) a CCO Security;
- (b) a CCO Negative Pledge and Covenant;
- (c) a CCO Guarantee;
- (d) where a LA Shareholder provides a CCO Guarantee, the Security Stock issued by the LA Shareholder in respect of its obligations under the CCO Guarantee; and/or
- (e) any other security arrangements,

as specified in the relevant Accession Deed or as otherwise subsequently specified (in writing) by the Subscriber.

**"CCO Negative Pledge and Covenant"** means the undertakings given by a CCO Issuer in favour of the Subscriber and the Holder and, set out in the relevant Accession Deed, relating to:

- (a) for so long as any Series issued by the Issuer is outstanding, the restrictions on the creation or subsistence of any security interest over the whole or any part of its assets, other than a permitted security interest (as specified in the relevant Accession Deed);
- (b) for so long as any Series issued by the Issuer is outstanding, the amount of its indebtedness relative to the aggregate amount uncalled and unpaid in respect of equity securities in the Issuer owned legally and beneficially by the CCO Shareholders; and
- (c) if applicable, calling up and/or demanding payment of, the whole or part (as specified in the request from the Subscriber or Holder) of the amount uncalled and/or unpaid in respect of the equity securities referred to in paragraph (b) on written request from the Subscriber or a Holder, provided that such request may only be made following the occurrence of an Event of Default that is continuing.

**"CCO Support Document"** means, in relation to a CCO Issuer, any document in relation to CCO Credit Support, as specified in the relevant Accession Deed.

**"Compliance Certificate"** means:

- (a) in the case of an Issuer that is a Local Authority, a certificate in the form, or substantially in the form, set out in schedule 7; and
- (b) in the case of a CCO Issuer, a certificate in the form specified by the Subscriber for that Issuer.

**"Conditions"** means the terms and conditions contained in schedule 2.

**"Confirmation Email"** means, in relation to an Issuer and Securities, an email (or other communication which is satisfactory to the Subscriber) from the Issuer to the Subscriber confirming that the Issuer is offering to issue a Series or Tranche of Securities on the terms set out in the applicable Indicative Terms Email. The Confirmation Email must specify:

- (a) the Principal Amount and Maturity Date of the Securities the Issuer is offering to issue; and
- (b) whether the Securities it is offering to issue are Fixed Rate Securities, Floating Rate Securities, Amortising Securities, Zero Coupon Securities or any other type of Security set out in the Indicative Terms Email.

**"Consolidated Group"** means, in relation to an Issuer, the group of persons (including the Issuer) against which the financial covenants in clause 7.5(a) may be tested (as required in accordance with clause 7.5(a)), such group must be agreed in writing by the Subscriber and that Issuer.

**"Demand"** has the meaning given in the Guarantee.

**"Disclosure Information"** has the meaning given to it in clause 7.4(a)(i).

**"Distribution"** means:

- (a) any dividend, charge, fee, payment, other distribution (whether cash or assets), redemption, repurchase, defeasance, retirement or repayment on or in respect of any equity securities or ownership interest of a CCO Issuer;
- (b) any interest payment, any repayment or prepayment of any amount of principal or any other payment in respect of any liability of a CCO Issuer to a CCO Shareholder; and

without limiting the above, a "distribution" as defined in the Companies Act.

**"EC Securities"** means Securities the proceeds of which are to be applied by the relevant Issuer in paying the Exercise Price for Commitment Shares to be subscribed by the Issuer on the Issue Date.

**"Equity Commitment Deed"** means the deed dated on or about the date of this deed between various Local Authorities and the Subscriber entitled "Equity Commitment Deed".

**"Event of Review"** means, in relation to:

- (a) an Issuer that is a Local Authority, a breach of any of the financial covenants in clause 7.5; and
- (b) a CCO Issuer, a breach of any of the financial covenants in the Accession Deed.

**"External Indebtedness"** means, in relation to an Issuer on any Test Date, the aggregate amount of indebtedness of the Issuer to any person in respect of money borrowed or raised or any other financial accommodation whatsoever in the nature of, or having a similar economic effect to, borrowing or raising money, including indebtedness under or in respect of a negotiable or other financial instrument, as shown in the Financial Statements of the Issuer for the financial year ending on that Test Date, but excluding:

- (a) indebtedness that is classed as "internal indebtedness" of the Issuer in the Issuer's Financial Statements for the financial year ending on that Test Date;
- (b) indebtedness that is classified as a contingent liability of the Issuer in the Issuer's Financial Statements for the financial year ending on that Test Date; and
- (c) any indebtedness of the Issuer which is an unrealised loss on hedging instruments as shown in the Issuer's Financial Statements for the financial year ending on that Test Date.

**"Financial Statements"** means:

- (a) in relation to a CCO Issuer, the audited financial statements the Issuer is required to produce pursuant to sections 67 to 69 of the Act; and
- (b) in relation to an Issuer that is a Local Authority, the audited financial statements the Issuer is required to produce pursuant to sections 98 and 99 of the Act.

**"Final Terms"** means:

- (a) in relation to a Series or Tranche of EC Securities, final terms in the form, or substantially in the form, of schedule 3; and
- (b) in relation to a Series or Tranche of any other Securities, a term sheet in the form, or substantially in the form, of schedule 5.

**"Further Principal Debt Release Request"** has the meaning given to it in the Guarantee.

**"GAAP"** means "generally accepted accounting practice" as defined in the Act.

**"Guarantee"** means the deed of guarantee and indemnity made by various Local Authorities in respect of the indebtedness of the Subscriber.

**"Guarantor"** means a guarantor under the Guarantee.

**"Indicative Terms Email"** means an email from the Subscriber to an Issuer setting out the indicative terms of Securities (other than pricing) that the Issuer may offer to issue to the Subscriber.

**"Insolvency Event"** means, in relation to a CCO Issuer or CCO Shareholder, any "Insolvency Event" specified in the relevant Accession Deed in relation to such person.

**"Issuer"** means a Local Authority set out in schedule 1 or any other Local Authority or CCO which is or becomes an Issuer in accordance with clauses 2.4 or 2A.4 (including a Local Authority that becomes an Issuer because it is a LA Shareholder (if applicable)).

**"Liquid Investments"** means, in relation to an Issuer on any Test Date:

- (a) Cash;
- (b) securities issued or fully guaranteed or fully insured by the New Zealand Government;
- (c) commercial paper or other debt securities which have a long-term rating of at least A- or a short-term rating of at least A-1 by Standard & Poor's Rating Group or an equivalent rating from either Moody's Investors Service Inc. or Fitch Ratings Limited (or their respective related companies); and
- (d) certificates of deposit of any registered bank which has outstanding debt securities rated as referred to in paragraph (c) above,

in each case legally and beneficially held by the Issuer and/or the Consolidated Group (as required in accordance with clause 7.5(a)), not subject to any security interest, and denominated and payable in NZ Dollars and as shown in the Financial Statements of the Issuer for the financial year ending on that Test Date.

**"Maximum Additional Spread"** means:

- (a) in relation to an issue of Floating Rate Securities which are not EC Securities, the maximum additional spread (expressed as a percentage (p.a.)) the Subscriber will (on the date the Final Terms are delivered pursuant to clause 4.1(a)(iii)) add to its own issuance margin in order to determine the Margin for the relevant Tranche or Series;
- (b) in relation to an issue of Fixed Rate Securities, the maximum additional spread (expressed as a percentage (p.a.)) the Subscriber will (on the date the Final Terms

are delivered pursuant to clause 4.1(a)(iii)) add to its own issuance margin in order to determine the "margin" component of the Interest Rate for the relevant Tranche or Series; and

- (c) in relation to an issue of Zero Coupon Securities, the maximum additional spread (expressed as a percentage (p.a.)) the Subscriber will (on the date the Final Terms are delivered pursuant to clause 4.1(a)(iii)) add to its own issuance margin in order to determine the annual yield for the relevant Tranche or Series,

in each case calculated in accordance with the methodology notified by the Subscriber to the Issuer on or prior to the date of the Indicative Terms Email which relates to that issue of Securities. In this definition, "**issuance margin**" has the meaning given to it in clause 4.6.

**"Net Debt"** means, in relation to an Issuer and any Test Date, the aggregate of all financing liabilities of the Issuer and/or the Consolidated Group (as required in accordance with clause 7.5(a)) as at that Test Date as shown in the Financial Statements of the Issuer for the financial year ending on that Test Date less Liquid Investments as at that Test Date.

**"Net Interest"** means, in relation to an Issuer for a financial year, an amount equal to all interest and financing costs incurred by the Issuer and/or the Consolidated Group (as required in accordance with clause 7.5(a)) for that financial year as shown in Financial Statements of the Issuer less:

- (a) interest income of the Issuer and/or the Consolidated Group (as required in accordance with clause 7.5(a)) for that financial year as shown in Financial Statements of the Issuer for that financial year; and
- (b) any interest paid by the Issuer during that financial year as shown in the Financial Statements of the Issuer for that financial year on EC Securities held by the Subscriber.

**"Notes Subscription Agreement"** means the agreement dated on or about the date of this deed between the Subscriber and various Local Authorities entitled "Notes Subscription Agreement".

**"Notice of Commitment"** means:

- (a) in relation to a Series or Tranche of EC Securities, a notice in the form, or substantially in the form, of schedule 6; and
- (b) in relation to a Series or Tranche of any other Securities, a Confirmation Email.

**"Offering Document"** means, on any date, each prospectus, investment statement, product disclosure statement, information memorandum or other offer document (howsoever described) prepared by, or on behalf and with the approval of, the Subscriber under which the Subscriber is offering or is able to offer debt instruments.

**"Policies"** has the meaning given to it in the Shareholders' Agreement.

**"Potential Event of Default"** means any event which, with the passing of time, or the giving of notice, or both, would constitute an Event of Default.

**"Redemption Notice"** has the meaning given to it in clause 7.6, 7.7, 7.8 or 7.9, as applicable.

**"Security Trustee"** has the meaning given in the Guarantee.

**"Shareholders' Agreement"** means the agreement dated on or about the date of this deed between the Principal Shareholders in relation to the Subscriber entitled "Shareholders' Agreement".

**"Shareholder Transaction Documents"** means, in relation to an Issuer that is a LA Shareholder:

- (a) the Guarantee;
- (b) the Equity Commitment Deed;
- (c) the accession deeds (if applicable) executed by the Issuer for the purposes of the Guarantee and the Equity Commitment Deed;
- (d) each Security Stock Certificate issued by it in respect of its obligations in respect of the Guarantee and the Equity Commitment Deed;
- (e) this deed, solely in its capacity as a LA Shareholder; and
- (f) each CCO Support Document.

**"Test Date"** means 30 June of each year or, in the case of a CCO Issuer, the date specified in the relevant Accession Deed.

**"Total Revenue"** means, in relation to an Issuer that is a Local Authority and for a financial year, the total cash operating revenue of the Issuer and/or the Consolidated Group (as required in accordance with clause 7.5(a)) for that financial year as shown in Financial Statements of the Issuer for that financial year including cash earnings from rates, Government grants and subsidiaries, user charges, interest, dividends and financial and



other revenue but not including non-Government capital contributions (such as developer contributions and vested assets).

**"Transaction Documents"** means:

- (a) in relation to an Issuer that is a Local Authority:
  - (i) this deed;
  - (ii) the Notes Subscription Agreement;
  - (iii) each Security Stock Certificate issued by it in respect of its obligations in respect of the Securities and under this deed and each of the Guarantee (if applicable), and the Equity Commitment Deed (if applicable);
  - (iv) if the Issuer is a Guarantor, or is required by the Subscriber in accordance with this deed, the Policies and/or required by the Shareholders' Agreement to become a Guarantor, each of the Guarantee and Equity Commitment Deed;
  - (v) the Accession Deed (if applicable);
  - (vi) any accession deed executed by the Issuer for the purposes of the Notes Subscription Agreement, the Guarantee (if applicable) and/or the Equity Commitment Deed (if applicable); and
  - (vii) any other document agreed by the Subscriber and the Issuer to be a Transaction Document; and
- (b) in relation to a CCO Issuer:
  - (i) this deed;
  - (ii) the Notes Subscription Agreement;
  - (iii) the Guarantee;
  - (iv) the Equity Commitment Deed;
  - (v) each Security Stock Certificate issued by a LA Shareholder in respect of its obligations in respect of each of the Guarantee, the Equity Commitment Deed and any CCO Support Document;
  - (vi) the Accession Deed;

- (vii) any accession deed executed by the CCO Issuer for the purposes of the Notes Subscription Agreement (if applicable);
- (viii) accession deeds (if applicable) to Guarantee and Equity Commitment Deed;
- (ix) each CCO Support Document; and
- (x) any other document agreed by the Subscriber and the CCO Issuer to be a Transaction Document.

**"Verified Statements"** has the meaning given to it in clause 7.4(a)(ii).

1.2 **Conditions:** Words and expressions defined in the Conditions and used in this deed shall have the same meanings in this deed, unless the context requires otherwise.

1.3 **Equity Commitment Deed:** Except to the extent the context requires otherwise, "Commitment Shares", "Exercise Notice", "Exercise Price" and "Settlement Date" have the meanings given to them in the Equity Commitment Deed.

1.4 **References:** Except to the extent that the context otherwise requires, any reference in this deed to:

an **"authorisation"** includes:

- (a) any consent, authorisation, registration, filing, agreement, notarisation, certificate, permission, licence, approval, authority or exemption from, by or with a governmental agency; or
- (b) in relation to anything which will be proscribed or restricted in whole or part by law if a governmental agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of such period without such intervention or action.

a **"clause"** or **"schedule"** is a reference to a clause of, or schedule to, this deed.

something having a **"material adverse effect"** on a person is a reference to it having a material adverse effect on the financial condition or operations of that person which materially adversely affects the ability of that person to perform or comply with its obligations under any Transaction Document or any Security.

something being **"remedied"** means it is remedied to the satisfaction of the Subscriber.

1.5 **Miscellaneous:**

- (a) The introduction to and headings in this deed are inserted for convenience only and shall be ignored in construing this deed.
- (b) Unless the context otherwise requires words denoting only the singular number shall include the plural and vice versa and words denoting any gender shall include all genders.
- (c) References to any legislation or to any provision of any legislation are deemed to be references to that legislation or provision as from time to time amended, re-enacted or substituted and, unless the context otherwise requires, shall also include any statutory instruments issued under any such legislation or provision.
- (d) References to any document (however described) shall include references to such document as modified, novated, supplemented, varied or replaced from time to time.
- (e) References to any party to this deed or any other document shall include its successors or permitted assigns.
- (f) References to a time of day are references to New Zealand time unless otherwise stated.
- (g) Anything which may be done at any time may also be done from time to time.

## **2. ACCESSION OF LOCAL AUTHORITY AS AN ISSUER**

**2.1 Local Authority to sign Accession Deed:** Subject to clause 2.2, a Local Authority which is not a Principal Shareholder may become an Issuer under this deed by completing and signing an Accession Deed and delivering it to the Subscriber.

**2.2 Conditions precedent to accession and issue of Securities:** A Local Authority shall not be entitled to sign and deliver an Accession Deed or to issue Securities under this deed unless and until the following conditions have been, to the satisfaction of the Subscriber, met:

- (a) the Local Authority is a party to or has acceded to the Notes Subscription Agreement;
- (b) if required by the Subscriber in accordance with the Policies and/or required by the Shareholders' Agreement, the Local Authority has become a Guarantor and is a party to or has acceded to the Equity Commitment Deed;

- (c) the Subscriber has confirmed that the Agency Agreement to be used by the Local Authority in relation to the Securities issued by it pursuant to this deed, and the identity of the paying agent, calculation agent and registrar appointed pursuant to that agreement, are acceptable to it;
- (d) the Local Authority has delivered to the Subscriber a certificate of compliance for the purposes of section 118 of the Act in relation to its entry into this deed, the Accession Deed (if applicable), the Notes Subscription Agreement, the Agency Agreement, the Guarantee (if applicable), the Equity Commitment Deed (if applicable) and the Security Stock Certificates and Security Stock issued in respect of this deed, the Guarantee (if applicable) and the Equity Commitment Deed (if applicable);
- (e) evidence that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to its entry into this deed, the Accession Deed (if applicable), the Notes Subscription Agreement, the issuance of the Security Stock Certificates and Security Stock issued in respect of this deed and the Securities (if applicable) and the issuance of the Securities from time to time (if applicable) have been obtained and are current and satisfactory;
- (f) the Subscriber has received a first ranking Security Stock Certificate evidencing that the Issuer's obligations under this deed are secured pursuant to the Debenture Trust Deed;
- (g) any additional eligibility criteria required by the Subscriber in accordance with the Policies have been satisfied;
- (h) in respect of the first issuance by an Issuer, it has notified the Subscriber of the amount of its Annual Rates Income for its immediately preceding financial year and a breakdown of the components included in its calculation of that amount, provided that this clause 2.2(h) shall not apply where an Issuer has previously delivered Financial Statements to the Subscriber in accordance with clause 7.3 which comply with clause 7.5(c);
- (i) the Subscriber has received a legal opinion from counsel acceptable to the Subscriber and in a form acceptable to the Subscriber relating to the Issuer's entry into this deed, the Accession Deed (if applicable), the Notes Subscription Agreement, the Guarantee (if applicable) and the Equity Commitment Deed (if applicable) and the issuance of the first ranking Security Stock and the first ranking Security Stock Certificate described at clause 2.2(f); and

- (j) any additional conditions specified by the Subscriber in the Accession Deed or separately notified in writing to the Issuer have been satisfied.

2.3 **Subscriber to countersign Accession Deed:** Subject to clause 2.2, on receipt of the document described in clause 2.1 in form and substance satisfactory to the Subscriber, the Subscriber shall:

- (a) countersign the counterpart of the Accession Deed;
- (b) enter the Accession Deed in a register kept by it (which shall be conclusive); and
- (c) retain one counterpart and deliver the other to the relevant Local Authority.

2.4 **Accession effective:** On an Accession Deed being countersigned by the Subscriber in accordance with clause 2.3, the Local Authority shall be bound by this deed as if it were a party hereto and named herein as an Issuer.

### 2A. ACCESSION OF CCO AS AN ISSUER

2A.1 **CCO to sign Accession Deed:** Subject to clause 2A.2, a CCO may become an Issuer under this deed by:

- (a) completing and signing; and
- (b) procuring each CCO Shareholder to sign,

an Accession Deed (in form and substance satisfactory to the Subscriber) and delivering it to the Subscriber.

2A.2 **Conditions precedent to accession and issue of Securities:** A CCO shall not be entitled to sign and deliver an Accession Deed or to issue Securities under this deed unless and until the following conditions have been, to the satisfaction of the Subscriber, met:

- (a) the CCO has acceded to the Notes Subscription Agreement;
- (b) each LA Shareholder is a party to or has acceded to this deed as an Issuer (in the manner contemplated by clauses 2.2 to 2.4 of this deed) and the Notes Subscription Agreement as a subscriber;
- (c) each LA Shareholder is or has become a Guarantor and is a party to or has acceded to the Equity Commitment Deed as a guarantor;
- (d) the Subscriber has confirmed that the Agency Agreement to be used by the CCO in relation to the Securities issued by it pursuant to this deed, and the identity of the

paying agent, calculation agent and registrar appointed pursuant to that agreement, are acceptable to it;

- (e) the CCO has delivered to the Subscriber a director's certificate in relation to its entry into this deed, the Accession Deed, the Notes Subscription Agreement, the Agency Agreement, the CCO Credit Support and the CCO Support Documents;
- (f) evidence that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to the CCO's entry into this deed, the Accession Deed, the Notes Subscription Agreement, the Agency Agreement, the CCO Credit Support and the CCO Support Documents and the issuance of Securities from time to time (if applicable) have been obtained and are current and satisfactory;
- (g) each CCO Shareholder has delivered to the Subscriber a director's certificate, or in the case of a LA Shareholder, a certificate of compliance for the purposes of section 118 of the Act, in relation to its entry into the Accession Deed, the CCO Credit Support and the CCO Support Documents;
- (h) in the case of a LA Shareholder, evidence that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to its entry into the CCO Credit Support and the CCO Support Documents have been obtained and are current and satisfactory;
- (i) any additional eligibility criteria required by the Subscriber in accordance with the Policies have been satisfied;
- (j) in respect of the first issuance by an Issuer, each LA Shareholder has notified the Subscriber of the amount of its Annual Rates Income for its immediately preceding financial year and a breakdown of the components included in its calculation of that amount, provided that this clause 2A.2(j) shall not apply where the LA Shareholder (as an Issuer) has previously delivered Financial Statements to the Subscriber in accordance with clause 7.3 which comply with clause 7.5(c);
- (k) the Subscriber has received a legal opinion from counsel acceptable to the Subscriber and in a form acceptable to the Subscriber relating to the CCO's entry into this deed, the Accession Deed, the Notes Subscription Agreement, the Agency Agreement, and any CCO Support Document (if applicable);
- (l) the Subscriber has received both the CCO Support Documents and the benefit of CCO Credit Support, in each case, in a form and substance satisfactory to the Subscriber (in its sole discretion);

- (m) the Subscriber has received a legal opinion from counsel acceptable to the Subscriber and in a form acceptable to the Subscriber relating to each CCO Shareholder's entry into each relevant CCO Support Document (if applicable);
- (n) each LA Shareholder is in compliance with each of the financial covenants in, or referred to in, clause 7.5; and
- (o) any additional conditions specified by the Subscriber in the Accession Deed or separately notified in writing to the Issuer have been satisfied.

2A.3 **Subscriber to countersign Accession Deed:** Subject to clause 2A.2, on receipt of the document described in clause 2A.1 in form and substance satisfactory to the Subscriber, the Subscriber shall:

- (a) countersign the counterpart of the Accession Deed;
- (b) enter the Accession Deed in a register kept by it (which shall be conclusive); and
- (c) retain one counterpart and deliver the other to the relevant CCO.

2A.4 **Accession effective:** On an Accession Deed being countersigned by the Subscriber in accordance with clause 2A.3, the CCO shall be bound by this deed as if it were a party hereto and named herein as an Issuer.

### 3. OFFERS AND SALES OF SECURITIES

3.1 **Agreement to issue:** Subject to the terms and conditions of this deed, each Issuer may from time to time agree with the Subscriber to issue, and the Subscriber may agree to subscribe for, Securities. If the relevant Issuer and the Subscriber agree on the terms upon which such Securities should be issued and subscribed then the relevant Issuer shall be obliged to issue and the Subscriber shall be obliged to subscribe the relevant Securities issued by the Issuer on the relevant Issue Date, on the basis of, and in reliance upon, the representations, warranties, undertakings and indemnities made or given or provided to be made or given pursuant to the terms of this deed, and otherwise on the terms so agreed.

3.2 **Offer and acceptance:** For the purposes of this deed (without limiting anything else in this deed), the issue of Securities under this deed shall (without more) be taken to be the result of an offer by the relevant Issuer to issue the Securities to the Subscriber, and an acceptance of that offer by the Subscriber.

3.3 **Several obligations:** The obligations of each Issuer under this deed are several. No Issuer shall be responsible for the obligations of any other Issuer under this deed. The rights of each Issuer under this deed are several.

## 4. ISSUANCE PROCESS

### 4.1 General procedure:

- (a) Except in the case of EC Securities or if the Subscriber and the relevant Issuer otherwise agree, an Issuer may not issue Securities pursuant to this deed unless:
  - (i) at least eight Business Days before the proposed Issue Date (or such later date as the Issuer and the Subscriber may agree), the Subscriber provides an Indicative Terms Email to the Issuer and, in the case of a CCO Issuer, with a copy to each LA Shareholder;
  - (ii) at least six Business Days before the proposed Issue Date (or such later date as the Issuer and the Subscriber may agree), the Issuer provides a Notice of Commitment to the Subscriber; and
  - (iii) at least three Business Days before the proposed Issue Date (or such later date as the Issuer and the Subscriber may agree), the Subscriber has agreed to subscribe for the Securities by signing and delivering the Final Terms for the Securities to the Issuer.
- (b) The Issuer shall counter-sign and deliver to the Subscriber a copy of the Final Terms no later than the proposed Issue Date, but failure to do so shall not affect the Issuer's obligation to issue the Securities on the proposed Issue Date and the terms set out in the Final Terms shall apply to the relevant Securities.

4.2 **Procedure for EC Securities:** An Issuer may not issue EC Securities under this deed unless:

- (a) the Issuer has received an offer to subscribe for the EC Securities under clause 3.1 of the Equity Commitment Deed; and
- (b) not less than six Business Days before the Settlement Date for the related Commitment Shares, the Issuer provides a Notice of Commitment to the Subscriber,

whereupon the Subscriber promptly (and in any case not less than four Business Days before the proposed Issue Date) shall agree to subscribe for the EC Securities specified in



the Notice of Commitment by counter-signing and delivering to the Issuer a copy of the Notice of Commitment.

4.3 **[Not used]**

4.4 **Notice of Commitment:** A Notice of Commitment constitutes a binding, unconditional and irrevocable offer by the relevant Issuer to issue the Securities specified therein. Each Notice of Commitment in respect of EC Securities shall be accompanied by preliminary Final Terms for the proposed issuance of EC Securities, completed in all respects other than for pricing, and such Final Terms to be the same as the preliminary Final Terms that were sent to the Issuer by the Subscriber under clause 3.1 of the Equity Commitment Deed except that the Issuer may specify a lower aggregate Principal Amount and shorter Maturity Date.

4.5 **Acceptance by Subscriber:** Subject to clause 4.2, the Subscriber is not under any obligation whatsoever to accept an offer by an Issuer contained in a Notice of Commitment. The Subscriber signing and delivering the Final Terms to the relevant Issuer (in the case of Securities which are not EC Securities) or counter-signing and delivering to the relevant Issuer a copy of a Notice of Commitment (in the case of EC Securities) shall constitute a binding and irrevocable acceptance of the offer contained in the Notice of Commitment, subject only to the following conditions:

- (a) the Subscriber having received in a form and substance satisfactory to it:
  - (i) where the Issuer is a Local Authority, a first ranking Security Stock Certificate evidencing that the Issuer's obligations in relation to the proposed Tranche or Series are secured pursuant to the relevant Debenture Trust Deed (which may, at the Subscriber's absolute discretion, be a Security Stock Certificate evidencing that the Issuer's obligations in relation to all Securities issued by it under this deed are secured pursuant to the relevant Debenture Trust Deed); and
  - (ii) where the Issuer is a Local Authority, a certificate of compliance for the purposes of section 118 of the Act in relation to the proposed Tranche or Series and the issue of the relevant Security Stock and related Security Stock Certificate (if applicable);
  - (iii) where the Issuer is a CCO Issuer, a certificate from an Authorised Signatory of the CCO addressing (among other things) the issue of the proposed Tranche or Series;
- (b) there is no impediment to the issue to the Issuer of the related Borrower Notes (if applicable) under the Notes Subscription Agreement (including, without limitation,

due to the requirements of section 49 of the Companies Act 1993 and/or clause 15.4 of the Notes Subscription Agreement not being satisfied);

- (c) the Issuer has complied with the conditions specified in clause 2.2 or 2A.2 (as applicable) and any additional eligibility criteria required by the Subscriber in accordance with the Policies;
- (d) the representations and warranties set out in clause 6.1 (in the case of an Issuer that is a Local Authority) or 6.1A (in the case of a CCO Issuer) (as applicable) being true, accurate and correct in all material respects as of the Issue Date by reference to the facts and circumstances existing on that date;
- (e) no Event of Default, Potential Event of Default or Event of Review has occurred and is continuing in relation to the Issuer and no such event would occur on or after the Issue Date as a result of the Issuer issuing the Securities;
- (f) the Issuer, and (in the case of a CCO Issuer) each CCO Shareholder, is in compliance with this deed, the Notes Subscription Agreement, the Guarantee (if applicable), the Equity Commitment Deed (if applicable) and any CCO Support Document (if applicable); and
- (g) the Local Government Borrowing Act 2011 has not been amended or repealed other than to the satisfaction of the Subscriber.

#### 4.6 **Pricing:**

- (a) The Subscriber shall determine the pricing for each Tranche or Series of:
  - (i) EC Securities, on the Issue Date and shall notify the relevant Issuer of the pricing for the Tranche or Series on the Issue Date, following which the Final Terms for the Tranche or Series shall be updated to include the pricing information notified pursuant to this clause and each of the Issuer and the Subscriber shall sign the updated Final Terms; and
  - (ii) Securities which are not EC Securities, on the date the Final Terms are delivered pursuant to clause 4.1(a)(iii) and such pricing shall be set out in the Final Terms for that Tranche or Series.

The pricing decisions of the Subscriber shall be final and binding on the relevant Issuer.

- (b) When determining the pricing for each Tranche or Series of Securities for the purposes of clause 4.6(a), the Subscriber must not, unless the relevant Issuer

agrees otherwise, add an additional spread to its own issuance margin which exceeds:

- (i) in the case of EC Securities, the maximum additional spread notified in accordance with clause 3.1 of the Equity Commitment Deed; and
- (ii) in the case of Securities which are not EC Securities, the Maximum Additional Spread.

In this clause 4.6, "**issuance margin**" means the percentage rate (p.a.) (as determined by the Subscriber) over the applicable reference rate which is payable by the Subscriber in respect of the Borrowed Money Indebtedness it incurs to subscribe for the relevant Securities and includes all of the Subscriber's costs and expenses relating to that Borrowed Money Indebtedness (including, without limitation, dealer fees, commissions, listing fees and any Approved Issuer Levy which is or may be payable by the Subscriber under the terms of that Borrowed Money Indebtedness). In this clause 4.6, "**Approved Issuer Levy**" has the meaning given to it in the Conditions as if references to the "Issuer" were to the "Subscriber" and "any Security" were to the Subscriber's "Borrowed Money Indebtedness". Without limiting the Subscriber's right to make a determination as to the "issuance margin", the Subscriber may for the purposes of determining the Approved Issuer Levy component of the issuance margin estimate its likely costs in respect of any Approved Issuer Levy.

**4.7 Notices of Commitment after release:** Where an Issuer is (or was previously) a Guarantor and it has delivered a valid Further Principal Debt Release Request in accordance with clause 15 of the Guarantee:

- (a) it must immediately provide a copy of the Further Principal Debt Release Request to the Subscriber; and
- (b) neither it nor any CCO Issuer for which that Issuer is a LA Shareholder may, on and from the date of such Further Principal Debt Release Request, provide any Notice of Commitment under this deed.

**4.8 Settlement delay:** Other than where the conditions set out in clause 4.5 are not satisfied, in the event that the Subscriber pays the Issue Price for the Securities other than on the Issue Date ("**settlement delay**"):

- (a) unless the Subscriber agrees otherwise (in writing), each of the Issuer and the Subscriber shall issue the Securities and the Borrower Notes (if applicable) respectively on the Issue Date; and

- (b) the maximum amount payable by the Subscriber to the Issuer in respect of such settlement delay will be interest on the unpaid Issue Price of the Securities, such interest to accrue on a daily basis from the Issue Date until the unpaid Issue Price is paid at a rate per annum equal to the Reserve Bank of New Zealand official cash rate on the Issue Date. Accrued interest shall not be compounded and shall be paid by the Subscriber on the date the unpaid Issue Price is paid in full and final settlement of such settlement delay.

### 5. ISSUE AND CREATION

- 5.1 Securities are issued and created by the relevant Registrar entering in the Register the particulars of the Securities.

### 6. REPRESENTATIONS AND WARRANTIES

- 6.1 **Representations and warranties (in relation to Issuers that are Local Authorities):** Each Issuer that is a Local Authority represents and warrants to the Subscriber in relation to itself (as an Issuer) that:

- (a) **Status:** it is either a territorial authority or regional council named as a local authority in Schedule 2 to the Act;
- (b) **Power:** it has the power generally to enter into, exercise its rights and perform and comply with its obligations under this deed and the other Transaction Documents and to issue the Securities;
- (c) **Authorisations:** it has taken all necessary action required on its part to authorise the entry into, execution and delivery of this deed and the other Transaction Documents and the issue of Securities and the performance of all obligations expressed to be binding on it;
- (d) **Obligations legally binding:** its obligations under this deed, the other Transaction Documents and the Debenture Trust Deed and the Securities (when issued) constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to laws affecting creditors' rights generally and (as to enforceability) to equitable principles of general application);
- (e) **No conflict:** neither the entry by it into, nor the performance by it of this deed and the other Transaction Documents or the issue of the Securities by it will:

- (i) conflict with or result in a breach of, any agreement, document, arrangement, obligation or duty to which it is a party or by which it or any of its assets may be bound; or
  - (ii) violate or contravene any law to which it is subject;
- (f) **Accounts:** its accounts have been prepared in accordance with the Act and any other applicable legislation or guidelines and are audited in accordance with any statutory requirements;
- (g) **No default:** except to the extent it has notified the Subscriber otherwise in writing, no Event of Default or Event of Review in relation to it has occurred and remains unremedied;
- (h) **Certificate of exemption:** it holds a valid certificate of exemption from resident withholding tax issued pursuant to section RE 27 of the Income Tax Act 2007 and sections 32E to 32I of the Tax Administration Act 1994 (or, on or after 1 April 2020, it has RWT-Exempt Status);
- (i) **Protected transaction:** for the purposes of section 117 of the Act, the entry by the Issuer into, and the performance by the Issuer of, this deed and the other Transaction Documents and the issue of Securities:
  - (i) is in compliance with the Act;
  - (ii) is not contrary to any provision of the Act;
  - (iii) is within the capacity, rights and powers of the Issuer; and
  - (iv) is for a purpose authorised by either the Act or another Act;
- (j) **Ranking of obligations:** its obligations under this deed and in respect of the Securities are secured by the Debenture Trust Deed and rank, and will at all times rank, rateably and at least equally in right and priority of payment with all other first ranking secured money under the Debenture Trust Deed;
- (k) **Offering material:** except to the extent it has advised the Subscriber otherwise in writing, all information it has provided to the Subscriber for the purposes of or, it has approved (in writing) for the inclusion in, any Offering Document is true, accurate and complete in all material respects and not misleading (including by omission) in any material respect; and

- (l) **Notes Subscription Agreement:** the warranties given by it at clause 4.5 of the Notes Subscription Agreement are true and accurate.

6.1A **Representations and warranties (in relation to CCO Issuers):** Except to the extent that the Subscriber and the relevant CCO Issuer agree otherwise in the relevant Accession Deed:

- (a) **CCO Issuer:** each CCO Issuer represents and warrants to the Subscriber in relation to itself (as a CCO Issuer) that:
- (i) **Status:**
    - (aa) it is a company duly incorporated and validly existing under the laws of New Zealand; and
    - (bb) it has the power to own its assets and carry on its business as it is being conducted;
  - (ii) **Power:** it has the power to enter into, exercise its rights and perform and comply with its obligations under this deed and the other Transaction Documents and to issue the Securities;
  - (iii) **Authorisations:** it has taken all necessary action required on its part:
    - (aa) to authorise the entry into, execution, delivery and performance of this deed and the other Transaction Documents, the transactions contemplated by those documents, the issue of Securities and the performance of all obligations expressed to be binding on it; and
    - (bb) for the validity and enforceability of the Transaction Documents and the effectiveness or priority of any security interest under any Transaction Document;
  - (iv) **Obligations legally binding:** its obligations under this deed, the other Transaction Documents and the Securities (when issued) constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to laws affecting creditors' rights generally and (as to enforceability) to equitable principles of general application);
  - (v) **No conflict:** neither the entry by it into, nor the performance by it of this deed and the other Transaction Documents or the issue of the Securities by it will:

- (aa) conflict with or result in a breach of:
  - (A) any agreement, document, arrangement, obligation or duty to which it is a party or by which it or any of its assets may be bound; or
  - (B) its constitutional documents; or
- (bb) violate or contravene any law to which it is subject;
- (vi) **Accounts:** its accounts have been prepared in accordance with the Act and any other applicable legislation or guidelines and are audited in accordance with any statutory requirements;
- (vii) **No default:** except to the extent it has notified the Subscriber otherwise in writing, no Event of Default or Event of Review in relation to it or each relevant LA Shareholder has occurred and remains unremedied;
- (viii) **Certificate of exemption:** it holds a valid certificate of exemption from resident withholding tax issued pursuant to section RE 27 of the Income Tax Act 2007 and sections 32E to 32I of the Tax Administration Act 1994 (or, on or after 1 April 2020, it has RWT-Exempt Status);
- (ix) **Offering material:** except to the extent it has advised the Subscriber otherwise in writing, all information it has provided to the Subscriber for the purposes of or, it has approved (in writing) for the inclusion in, any Offering Document is true, accurate and complete in all material respects and not misleading (including by omission) in any material respect;
- (x) **Notes Subscription Agreement:** the warranties given by it at clause 4.5 of the Notes Subscription Agreement are true and accurate;
- (xi) **Solvency:** no Insolvency Event has occurred in relation to it or any CCO Shareholder;
- (xii) **No proceedings pending or threatened:** no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a material adverse effect has or have (to the best of its knowledge and belief) been started or threatened against it;

- (xiii) **Immunity from suit:** it does not have, nor do any of its assets have, immunity from suit;
- (xiv) **Good title to assets:** it is the sole legal and beneficial owner of the property subject to the security interests created by any CCO Security, free from security interests other than a permitted security interest (as specified in the relevant Accession Deed);
- (xv) **Ranking of Security:** each CCO Security (if applicable) creates the security which it is expressed to create over the property to which it is expressed to apply, subject only to a permitted security interest (as specified in the relevant Accession Deed);
- (xvi) **Trustee:** it does not enter into any Transaction Document or hold any property as trustee;
- (xvii) **No misleading information:** to the best of its information, knowledge, and belief after having made due inquiry (but subject to the qualifications made when the relevant information is made available):
  - (aa) any factual information provided by or on behalf of it in writing in connection with the Transaction Documents and the transactions they contemplate was true and accurate in all material respects and not misleading in any material respect as at the date it was provided or as at the date (if any) at which it is stated;
  - (bb) any financial projections provided by it or on its behalf have been prepared on the basis of recent historical information and on the basis of reasonable assumptions; and
  - (cc) all copies of documents (including its latest Financial Statements and all authorisations) given by it or on its behalf to the Subscriber are true and complete copies as at the date they were given unless expressly specified otherwise; and
- (xviii) **Additional representations:** it makes any additional representations specified in the Accession Deed;
- (b) **LA Shareholders:** each LA Shareholder represents and warrants to the Subscriber that:
  - (i) **Status:** it is either a territorial authority or regional council named as a local authority in Schedule 2 to the Act;



- (ii) **Power:** it has the power generally to enter into, exercise its rights and perform and comply with its obligations under the Shareholder Transaction Documents;
- (iii) **Authorisations:** it has taken all necessary action required on its part:
  - (aa) to authorise the entry into, execution, delivery and performance of the Shareholder Transaction Documents, the transactions contemplated by those documents and the performance of all obligations expressed to be binding on it under those documents; and
  - (bb) for the validity and enforceability of the Shareholder Transaction Documents and the effectiveness or priority of any security interest under any Shareholder Transaction Document;
- (iv) **Protected transaction:** for the purposes of section 117 of the Act, the entry by the LA Shareholder into, and the performance by the LA Shareholder of, the Shareholder Transaction Documents:
  - (aa) is in compliance with the Act;
  - (bb) is not contrary to any provision of the Act;
  - (cc) is within the capacity, rights and powers of the LA Shareholder; and
  - (dd) is for a purpose authorised by either the Act or another Act;

provided that the Subscriber acknowledges that section 117 of the Act does not apply to any CCO Guarantee given by a LA Shareholder in respect of a CCO Issuer;
- (v) **Ranking of obligations:** its obligations in respect of any CCO Guarantee it has given in relation to the CCO Issuer are secured by the Debenture Trust Deed and rank, and will at all times rank, rateably and at least equally in right and priority of payment with all other first ranking secured money under the Debenture Trust Deed;
- (vi) **Obligations legally binding:** its obligations under the Shareholder Transaction Documents and the Debenture Trust Deed constitute its legal, valid and binding obligations, enforceable in accordance with their

respective terms (subject to laws affecting creditors' rights generally and (as to enforceability) to equitable principles of general application);

- (vii) **No conflict:** neither the entry by it into, nor the performance by it of the Shareholder Transaction Documents will:
  - (aa) conflict with or result in a breach of any agreement, document, arrangement, obligation or duty to which it is a party or by which it or any of its assets may be bound; or
  - (bb) violate or contravene any law to which it is subject; and
- (viii) **Additional representations:** it makes any additional representations in relation to an LA Shareholder specified in the Accession Deed.

6.2 **Repetition:** The representations and warranties contained in clauses 6.1 and 6.1A shall be deemed to be repeated by each Issuer and, where the Issuer is a CCO Issuer, each relevant LA Shareholder for the benefit of the Subscriber on each Issue Date in respect of each Series or Tranche issued by the Issuer.

## 7. UNDERTAKINGS

7.1 **General undertakings in respect of Local Authority Issuers:** Each Issuer that is a Local Authority undertakes to the Subscriber that it will, for so long as any Series issued by it is outstanding:

- (a) **Notify the Subscriber:** after having actual notice, promptly notify the Subscriber of:
  - (i) the occurrence of any Event of Default, Potential Event of Default or Event of Review in relation to it and, upon receipt of a request to that effect, shall confirm in writing signed by an Authorised Signatory that except as previously notified to the Subscriber no Event of Default, Potential Event of Default or Event of Review has occurred in relation to it;
  - (ii) each change in its Authorised Signatories, giving specimen signatures and evidence satisfactory to the Subscriber of the authority of each new Authorised Signatory;

- (iii) each actual or potential invalidity or unenforceability of this deed, the other Transaction Documents or the Debenture Trust Deed, or any provision hereof or thereof;
- (iv) subject to the Act and the Local Government Official Information and Meetings Act 1987:
  - (aa) any event or series of events, whether related or not, or any circumstances arise or exist, which may have a material adverse effect on the Issuer or its ability to perform its obligations under this deed, the other Transaction Documents, the Debenture Trust Deed or the Securities; and
  - (bb) any change to the Act which may adversely affect the rights of a party lending to the Issuer or any receiver appointed by that party;
- (b) **Register:** cause the Registrar for that Series to keep the Register for the Series pursuant to the Agency Agreement;
- (c) **Agency Agreement:** comply with and perform all obligations under the Agency Agreement and not:
  - (i) terminate or enter into a new Agency Agreement;
  - (ii) modify any terms within an Agency Agreement; or
  - (iii) appoint, terminate or replace or consent to any replacement of a registrar, calculation agent or paying agent under an Agency Agreement, without the Subscriber's prior written consent (such consent to not be unreasonably withheld or delayed);
- (d) **Validity:** take all steps required under any applicable law to enable it to perform and comply fully with its obligations under this deed, the other Transaction Documents, the Debenture Trust Deed or the Securities or required on its part for the validity or enforceability of this deed, the other Transaction Documents, the Debenture Trust Deed and the Securities;
- (e) **Compliance with law:** duly comply with all laws except to the extent that, in its reasonable opinion, it determines that non-compliance is not material to the business or financial condition of the Issuer;

- (f) **Information on request:** subject to the Act and the Local Government Official Information and Meetings Act 1987, on request by the Subscriber, promptly provide the Subscriber any information which the Subscriber reasonably requires with respect to matters relating to the Financial Statements, other records of the Issuer and the financial position of the Issuer;
- (g) **Other information:** provide the Subscriber with copies of all information provided to the Trustee under the reporting covenants provisions in the Debenture Trust Deed;
- (h) **Ranking of obligations:** ensure that its obligations under this deed and in respect of the Securities are secured by the Debenture Trust Deed and rank, and will at all times rank, rateably and at least equally in right and priority of payment with all other first ranking secured money under the Debenture Trust Deed;
- (i) **New Security Stock Certificates:** where the Subscriber has sold some or all of the Securities held by it, at the Subscriber's request and subject to the Subscriber delivering to the Issuer for cancellation the existing Security Stock Certificate for the relevant Securities, issue and deliver to each of the Subscriber and the new Holder (as applicable) a new first ranking Security Stock Certificate (in a form acceptable to the Subscriber or the Holder (as applicable) acting reasonably) evidencing that the Issuer's obligations in relation to the Securities held by each of the Subscriber and Holder (as applicable) are secured pursuant to its Debenture Trust Deed. In the case of Securities lodged in NZClear, the references in this clause 7.1(i) to "Holder" shall be deemed to be the new holder of the beneficial interest in the Security (as shown in the records of NZClear). Where the Issuer delivers any such new Security Stock Certificate it shall also deliver a certificate of compliance for the purposes of section 118 of the Act in relation to each new Security Stock Certificate. Subject to the relevant Debenture Trust Deed, where the Subscriber is holding a Security Stock Certificate evidencing that the Issuer's obligations in relation to all Securities issued by it under this deed are secured pursuant to the relevant Debenture Trust Deed, the Issuer's obligation under this clause 7.1(i) to deliver a new first ranking Security Stock Certificate to the new Holder shall not be subject to the Subscriber delivering that Security Stock Certificate to the Issuer for cancellation; and
- (j) **Debenture Trust Deed:** not terminate or enter into a new Debenture Trust Deed, or modify any terms within the Debenture Trust Deed, without the Subscriber's prior written consent (such consent to not be unreasonably withheld or delayed);

- 7.1A **General undertakings in respect of CCO Issuers:** Except to the extent that the Subscriber and the relevant Issuer agree otherwise in the relevant Accession Deed:
- (a) **CCO Issuers:** each CCO Issuer undertakes to the Subscriber that it will, for so long as any Series issued by it is outstanding:
- (i) **Notify the Subscriber:** after having actual notice, promptly notify the Subscriber of:
- (aa) the occurrence of any Event of Default, Potential Event of Default or Event of Review in relation to it or its LA Shareholder and, upon receipt of a request to that effect, shall confirm in writing signed by an Authorised Signatory that except as previously notified to the Subscriber no Event of Default, Potential Event of Default or Event of Review has occurred in relation to it or its LA Shareholder;
- (bb) each change in its Authorised Signatories, giving specimen signatures and evidence satisfactory to the Subscriber of the authority of each new Authorised Signatory;
- (cc) each actual or potential invalidity or unenforceability of this deed, the other Transaction Documents, or any provision hereof or thereof;
- (dd) any event or series of events, whether related or not, or any circumstances arise or exist, which may have a material adverse effect on the Issuer or any CCO Shareholder or its or any CCO Shareholder's ability to perform its obligations under this deed, the other Transaction Documents, the Debenture Trust Deed or the Securities;
- (ee) any change to the Act, its constitution or any applicable law which may adversely affect the rights of a party lending to the Issuer or any receiver appointed by that party;
- (ff) any proposed change to a CCO Shareholder;
- (gg) any change or potential change to whether the Issuer is a CCO or a council-controlled trading organisation (as defined in the Act);

- (ii) **Register:** cause the Registrar for that Series to keep the Register for the Series pursuant to the Agency Agreement;
- (iii) **Agency Agreement:** comply with and perform all obligations under the Agency Agreement and not:
  - (aa) terminate or enter into a new Agency Agreement;
  - (bb) modify any terms within an Agency Agreement; or
  - (cc) appoint, terminate or replace or consent to any replacement of a registrar, calculation agent or paying agent under an Agency Agreement,

without the Subscriber's prior written consent (such consent to not be unreasonably withheld or delayed);

- (iv) **Validity:** take all steps required under any applicable law to enable it to perform and comply fully with its obligations under this deed, the other Transaction Documents or the Securities or required on its part for the validity or enforceability of this deed, the other Transaction Documents and the Securities;
- (v) **Compliance with law:** duly comply with all laws except to the extent that non-compliance is not material to the business or financial condition of the Issuer;
- (vi) **Information on request:** on request by the Subscriber, promptly provide the Subscriber any information which the Subscriber reasonably requires with respect to matters relating to the Financial Statements, other records of the Issuer and the financial position of the Issuer;
- (vii) **Authorisations:** promptly:
  - (aa) obtain, comply with and do all that is necessary to maintain in full force and effect; and
  - (bb) supply certified copies to the Subscriber of,  
  
any authorisation required to perform its obligations under the Transaction Documents and to ensure the legality, validity, enforceability or admissibility in evidence of any Transaction Document and any material authorisation required for it to carry on its business;

- (viii) **Disposals:** not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset other than a permitted disposal (as specified in the relevant Accession Deed);
- (ix) **Merger:** not enter into any amalgamation, demerger, merger or corporate reconstruction other than a permitted merger (as specified in the relevant Accession Deed) or as permitted by the exceptions in clause 10.1A(h) of the Conditions;
- (x) **Change of business:** procure that no material change is made to the general nature of its business from that carried on when it acceded to this deed;
- (xi) **Insurance:** take out and maintain insurances with a reputable insurer in the manner and to the extent which is in accordance with prudent business practice having regard to the nature of its business and its assets (including all insurance required by applicable law), and ensure that the security interest created under any CCO Security is noted and maintained on each such policy (in accordance with usual market practice and excluding policies relating to employer's liability, workers compensation, public liability, product liability, directors and officers insurance, or any other insurance policy taken out for the benefit of a third party payee);
- (xii) **Restrictions on Distributions and other transactions:** not:
  - (aa) pay or make any Distribution, other than a permitted Distribution (as specified in the relevant Accession Deed);
  - (bb) reduce or pass a resolution to reduce its capital;
  - (cc) acquire any of its own equity securities (unless it is required to do so by law);
  - (dd) redeem any of its own equity securities which are redeemable at its option (whether or not they are also redeemable at the option of their holder);
  - (ee) alter or allow to be altered any term attaching to any of its own equity securities, in a manner which would cancel or reduce the

- liability of any shareholder in relation to an equity security held prior to that alteration;
- (ff) amend its constitutional documents or allow them to be amended in any manner which would be likely to have a prejudicial effect on the Subscriber; or
- (gg) move any of its property outside New Zealand other than in the ordinary course of ordinary business;
- (xiii) **Financial accommodation:** not provide financial accommodation, give a guarantee or indemnity or incur or permit to remain outstanding obligations to support any third party except permitted financial accommodation (as specified in the relevant Accession Deed);
- (xiv) **Pay taxes:** file all tax returns as required by law, and pay and discharge all taxes, assessments and governmental charges payable by it or on its assets prior to the date upon which penalties become payable, except only to the extent that those taxes, assessments or governmental charges are being contested in good faith by appropriate proceedings and adequate reserves and/or credit lines are set aside for their payment;
- (xv) **Acquisitions:** not:
- (aa) acquire any assets or make any other investment other than in the ordinary course of business; or
- (bb) acquire any equity securities or business,
- other than a permitted acquisition (as specified in the relevant Accession Deed);
- (xvi) **Corporate existence:** maintain its corporate existence (except as permitted by the exceptions in clause 10.1A(h) of the Conditions);
- (xvii) **Maintenance of assets:** maintain the property subject to any CCO Security in the manner that would be expected by a prudent person carrying on the Issuer's business;
- (xviii) **Arm's length dealings:** not enter into any transaction of any nature with, or for the benefit of, any person except on arm's length commercial terms;



- (xix) **Access:** if an Event of Default is continuing, permit the Subscriber and/or accountants or other professional advisers and contractors of the Subscriber free access at all reasonable times and on reasonable notice at the risk and cost of the Issuer to (i) its premises, assets, books, accounts and records and/or (ii) meet and discuss matters with its senior management for the purposes of monitoring compliance with the Transaction Documents;
- (xx) **Amendments to CCO Support Documents:** where the Subscriber intends to sell or has sold some or all of the Securities held by it, at the Subscriber's request:
  - (aa) agree to and execute amendments (and procure the agreement and execution of any other party) to any CCO Support Document such that the Subscriber and the new Holder (as applicable) both receive the benefit of the CCO Support Documents and the CCO Credit Support as received by the Subscriber under clause 2A; and
  - (bb) deliver a legal opinion from counsel acceptable to the Subscriber and in a form acceptable to the Subscriber relating to the Issuer and each CCO Shareholder's entry into each relevant CCO Support Document (including as amended pursuant to clauses 7.1A(a)(xx) or 7.1A(b)(ii)).

In the case of Securities lodged in NZClear, the references in this clause 7.1(a)(xx) to "Holder" shall be deemed to be the new holder of the beneficial interest in the Security (as shown in the records of NZClear); and
- (xxi) **Accession Deed:** comply with any other undertakings given by it set out in the relevant Accession Deed; and
- (b) **LA Shareholder:** each LA Shareholder undertakes to the Subscriber that it will, for so long as any Series issued by a relevant CCO Issuer is outstanding:
  - (i) **Ranking of obligations:** ensure that its obligations under any CCO Guarantee it has given in relation to a CCO Issuer are secured by the relevant Debenture Trust Deed and rank, and will at all times rank, rateably and at least equally in right and priority of payment with all other first ranking secured money under that Debenture Trust Deed;

- (ii) **Amendments to CCO Support Documents:** where the Subscriber intends to sell or has sold some or all of the Securities issued by the relevant CCO Issuer held by the Subscriber, at the Subscriber's request, agree to and execute amendments to any CCO Support Documents such that the Subscriber and the new Holder (as applicable) both receive the benefit of the CCO Support Documents and the CCO Credit Support as received by the Subscriber under clause 2A. In the case of Securities issued by the relevant CCO Issuer and lodged in NZClear, the references in this clause 7.1A(b)(ii) to "Holder" shall be deemed to be the new holder of the beneficial interest in the Security (as shown in the records of NZClear);
  
- (iii) **Notify the Subscriber:** after having actual notice, promptly notify the Subscriber of:
  - (aa) the occurrence of any Event of Default, Potential Event of Default or Event of Review in relation to a relevant CCO Issuer and, upon receipt of a request to that effect, shall confirm in writing signed by an Authorised Signatory that, except as previously notified to the Subscriber, no Event of Default, Potential Event of Default or Event of Review has occurred in relation to a relevant CCO Issuer;
  
  - (bb) each actual or potential invalidity or unenforceability of the Shareholder Transaction Documents, the Debenture Trust Deed or any provision thereof;
  
  - (cc) subject to the Act and the Local Government Official Information and Meetings Act 1987:
    - (A) any event or series of events, whether related or not, or any circumstances arise or exist, which may have a material adverse effect on the LA Shareholder or its ability to perform its obligations under the Shareholder Transaction Documents or the Debenture Trust Deed;
  
    - (B) any change to the Act which may adversely affect the rights of a party lending to the relevant CCO Issuer or any receiver appointed by that party; and

- (C) any event or series of events, whether related or not, or any circumstances arise or exist, which may have a material adverse effect on the relevant CCO Issuer or its ability to perform its obligations under this deed, the other Transaction Documents (in relation to that CCO Issuer) or the Securities (issued by that CCO Issuer);
- (dd) any change or potential change to whether a CCO Issuer is a CCO or a council-controlled trading organisation (as defined in the Act);
- (iv) **Validity:** take all steps required under any applicable law to enable it to perform and comply fully with its obligations under the Shareholder Transaction Documents or required on its part for the validity or enforceability of the Shareholder Transaction Documents;
- (v) **Compliance with law:** duly comply with all laws except to the extent that, in its reasonable opinion, it determines that non-compliance is not material to its business or financial condition;
- (vi) **Information on request:** subject to the Act and the Local Government Official Information and Meetings Act 1987, on request by the Subscriber, promptly provide the Subscriber any information which the Subscriber reasonably requires with respect to matters relating to records of the relevant CCO Issuer and the financial position of the relevant CCO Issuer;
- (vii) **Other information:** provide the Subscriber with copies of all information provided to the Trustee under the reporting covenants provisions in the Debenture Trust Deed;
- (viii) **Debenture Trust Deed:** not terminate or enter into a new Debenture Trust Deed, or modify any terms within the Debenture Trust Deed, without the Subscriber's prior written consent (such consent to not be unreasonably withheld or delayed); and
- (ix) **Accession Deed:**
- (aa) comply with all undertakings given by it in the relevant Accession Deed; and

- (bb) use its reasonable endeavours to procure each relevant CCO Issuer complies with all undertakings given by it under this deed and the relevant Accession Deed.

7.2 **Financial records:** Each Issuer undertakes to the Subscriber to keep proper books of account as required pursuant to the Act and to have such accounts audited, in each case in accordance with all applicable legislation, and (subject to the Act and the Local Government Official Information and Meetings Act 1987 (if applicable)) permit the Subscriber to have access to such accounts (and any other information relating to the financial position of the Issuer) on the provision of reasonable prior notice.

7.3 **Financial Statements:** Each Issuer undertakes to the Subscriber that it will deliver to the Subscriber:

- (a) not later than five months after the end of each of its financial years a copy of the latest Financial Statements for the preceding financial year; and
- (b) if it produces financial statements for a financial half-year, not later than three months after the end of each of its financial half-years, a copy of the latest financial statements for the preceding half-year, such financial statements not required to be audited.

7.4 **Offer documents:** Each Issuer undertakes to the Subscriber that:

- (a) it will promptly:
  - (i) and in any event within 15 Business Days following receipt of a request from the Subscriber, provide the Subscriber with all information in relation to itself which the Subscriber reasonably requests for the purposes of preparing an offering document. The information provided by the Issuer under this clause 7.4(a)(i) and clause 7.4(b) being, "**Disclosure Information**"; and
  - (ii) in any event within 10 Business Days following receipt of a draft offering document from the Subscriber, (acting reasonably and in writing) approve, or provide suggested amendments to, statements in the draft offering document relating to the Issuer, as identified in writing by the Subscriber when providing the draft offering document to the Issuer ("**Verified Statements**"). Nothing in this clause 7.4 entitles the Issuer to suggest amendments to any statement in a draft offering document other than those which relate to itself; and

- (b) if it becomes aware of any event having occurred as a result of which any Verified Statement or Disclosure Information would:
- (i) be false or misleading, or likely to mislead;
  - (ii) not be true and accurate in all material respects; or
  - (iii) omit any fact in relation to the Issuer the omission of which would make misleading in any material respect any Verified Statement or Disclosure Information,

it will promptly notify the Subscriber and provide the Subscriber with any information required by the Subscriber in order to amend or supplement the relevant Offering Document within 10 Business Days of receipt of a request from the Subscriber. The provisions of clause 7.4(a)(ii) shall apply to any draft amendment or supplement to any Offering Document as if such document was a "draft offering document", provided that the timeframe in clause 7.4(a)(ii) shall be deemed to be 5 Business Days.

**7.5 Financial Covenants:** Each Issuer shall:

- (a) in the case of an Issuer that is a Local Authority, procure that as at each Test Date for the financial year ending on that Test Date:
- (i) the ratio that Net Debt bears to Total Revenue expressed as a percentage does not exceed 175%;
  - (ii) the ratio that Net Interest bears to Total Revenue expressed as a percentage does not exceed 20%;
  - (iii) the ratio that Net Interest bears to Annual Rates Income expressed as a percentage does not exceed 25%; and
  - (iv) the ratio that Available Financial Accommodation bears to External Indebtedness expressed as a percentage is not less than 110%,

or such other percentages applicable to the Issuer (including percentages contemplated by the foundation policies of the Subscriber) as agreed in writing by the Issuer and the Subscriber from time to time. The financial covenants in this clause 7.5(a) must be tested on the Issuer only, provided that:

- (A) where the Issuer is also a LA Shareholder, the financial covenants must be tested on both the Issuer and Consolidated

Group basis, however in such circumstance there is no consequence to the Issuer for any breach of the financial covenants when tested on a Consolidated Group basis; and

- (B) subject to clause 7.5(a)(iv), where agreed in writing by the Subscriber and the Issuer, the financial covenants must be tested on a Consolidated Group basis only;
- (ab) in the case of a CCO Issuer, comply with the financial covenants (if any) specified in the relevant Accession Deed as at each Test Date for the financial year ending on that Test Date or such other covenants applicable to the Issuer as agreed in writing by the Issuer and the Subscriber from time to time;
- (b) on the same date as it delivers its Financial Statements to the Subscriber pursuant to clause 7.3(a) deliver to the Subscriber a completed Compliance Certificate signed by an Authorised Signatory of the Issuer in respect of the relevant Test Date. Each such Compliance Certificate shall certify as to the Issuer's compliance with the financial covenants in, or referred to in, this clause 7.5 as at the relevant Test Date and contain reasonably detailed calculations detailing compliance with the financial covenants. Where the Subscriber and the Issuer agree alternative percentages in accordance with clause 7.5(a) or 7.5(ab), they may also agree alternative and/or additional reporting requirements from those provided for by this clause 7.5(b); and
- (c) in the case of an Issuer that is a Local Authority, include within its Financial Statements (which may include the notes thereto) its Annual Rates Income as a separate identifiable amount.

7.6 **Redemption following breach of Financial Covenants:** If an Issuer breaches any of the financial covenants in, or referred to in, clause 7.5, the Subscriber may by notice to the Issuer require that the Subscriber and the Issuer enter into negotiations in good faith with a view to agreeing terms on which the Subscriber is prepared to continue to subscribe for, or hold, Securities issued by the Issuer under this deed. If after 30 days from the date of the notice the Subscriber and the Issuer have not agreed upon such terms, the Subscriber may, by giving written notice ("**Redemption Notice**") to the Issuer, require the Issuer to redeem all Securities issued by the Issuer that are at that time held by the Subscriber in full together with accrued and unpaid interest thereon on the date specified in the Redemption Notice (such date to be not less than 5 Business Days after the date of the notice). A failure to comply with the Redemption Notice shall constitute an Event of Default in respect of that Issuer, in which case the Subscriber shall be entitled to exercise its rights as a Holder under clause 10.2 of the Conditions applicable to that Issuer's Securities.

- 7.7 **Redemption of EC Securities:** If the board of directors of the Subscriber determines there is a risk of imminent default by the Subscriber under the terms of any of its Borrowed Money Indebtedness, the Subscriber may, by giving written notice to each Issuer with outstanding EC Securities ("**Redemption Notice**"), require each Issuer to redeem such number of EC Securities (as is determined by the Subscriber) issued by that Issuer that are at that time held by the Subscriber in full together with accrued and unpaid interest thereon on the date specified in the Redemption Notice (such date to be not less than 10 Business Days after the date of the notice). If a Redemption Notice is given in accordance with this clause 7.7, the redemption shall be required proportionately across all EC Securities so that the proportionate amount of EC Securities held by the Subscriber from each Issuer remains unchanged following the redemption (unless all EC Securities are redeemed). A failure by an Issuer to comply with the Redemption Notice shall constitute an Event of Default in respect of such Issuer, in which case the Subscriber shall be entitled to exercise its rights as a Holder under clause 10.2 of the Conditions.
- 7.8 **Redemption in relation to CCO Issuer:** Except to the extent that the Subscriber and the relevant CCO Issuer agree otherwise in the relevant Accession Deed, if, whether or not within the control of the CCO Issuer, any one or more of the following occurs:
- (a) **Change of control:** in the opinion of the Subscriber, due to a change in law or otherwise (including a change in CCO Shareholder) the creditworthiness of a party to a CCO Support Document (including any CCO Shareholder) is materially weaker immediately after such change; or
  - (b) **Breach of representation:** any representation or warranty made or deemed to be made by the Issuer or a CCO Shareholder in or pursuant to any Transaction Document or Shareholder Transaction Document or in any notice, certificate, statement or other document contemplated by or made or delivered pursuant to any Transaction Document or Shareholder Transaction Document is or was untrue or incorrect in any material respect when made, deemed to be repeated or delivered, and if capable of being remedied in the opinion of the Subscriber, has not been remedied within 30 days after receipt by the Issuer of a notice in writing from the Subscriber specifying the relevant representation or warranty and requiring it to be remedied; or
  - (c) **Breach of undertakings:** the Issuer or CCO Shareholder commits any breach of, or omits to observe, any of its undertakings or obligations under any Transaction Document or a Shareholder Transaction Document (but in each case excluding any CCO Support Document, which is addressed at clause 10.1A(b) of the Conditions) and, in respect of any such breach or omission which is capable of being remedied, such breach or omission is not remedied within 30 days after

receipt by the Issuer of a notice in writing from the Subscriber specifying the breach or omission and requiring it to be remedied; or

- (d) **Additional termination event:** an additional termination event specified by the Subscriber in a relevant Accession Deed occurs in respect of that Issuer or the relevant LA Shareholder,

then the Subscriber may, by giving written notice ("**Redemption Notice**") to the Issuer, require the Issuer to redeem all Securities issued by the Issuer that are at that time held by the Subscriber in full together with accrued and unpaid interest thereon on the date specified in the Redemption Notice (such date to be not less than 5 Business Days after the date of the notice). A failure to comply with the Redemption Notice shall constitute an Event of Default in respect of that Issuer, in which case the Subscriber shall be entitled to exercise its rights as a Holder under clause 10.2 of the Conditions applicable to that Issuer's Securities.

- 7.9 **Redemption in relation to cross-default:** Except to the extent that the Subscriber and the relevant CCO Issuer agree otherwise in the relevant Accession Deed or as otherwise agreed in writing with the Subscriber, if, whether or not within the control of the Issuer, any one or more of the following occurs:

- (a) any financial indebtedness of the Issuer owed to the Subscriber is not paid when due nor within any originally applicable grace period; or
- (b) any financial indebtedness of the Issuer owed to the Subscriber is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an enforcement event, event of default or review event (however described),

then the Subscriber may, by giving written notice ("**Redemption Notice**") to the Issuer, require the Issuer to redeem all Securities issued by the Issuer that are at that time held by the Subscriber in full together with accrued and unpaid interest thereon on the date specified in the Redemption Notice (such date to be not less than 5 Business Days after the date of the notice). A failure to comply with the Redemption Notice shall constitute an Event of Default in respect of that Issuer, in which case the Subscriber shall be entitled to exercise its rights as a Holder under clause 10.2 of the Conditions applicable to that Issuer's Securities.

## 8. PAYMENT FOR EC SECURITIES

- 8.1 On the Issue Date for each Tranche of EC Securities, unless the Subscriber and the relevant Issuer agree otherwise, the Subscriber's obligation to pay the aggregate Issue Price for the Tranche of EC Securities automatically shall be set-off against the Issuer's obligation to pay the Exercise Price for the related Commitment Shares under the Equity Commitment Deed.



**9. REBATES**

9.1 The Subscriber may, at its discretion, in accordance with the rebate policy (if any) contained in the Policies, rebate to an Issuer all or part of the interest received by the Subscriber from the Issuer in relation to Securities issued by the Issuer under this deed. The Subscriber shall be under no obligation whatsoever to make any such rebate.

**10. ISSUER INDEMNITY**

10.1 **Indemnities:** Each Issuer indemnifies the Subscriber against any expense, damage, liability or loss arising from, and any costs incurred (as to which a certificate of the Subscriber shall in the absence of manifest or proven error be conclusive) in connection with (including any loss incurred by the Subscriber in terminating arrangements it has made with others to fund (or maintain its funding of) its subscription of the Securities):

- (a) the Issuer failing to issue Securities by reason of non-fulfilment of any of the conditions in clause 4.5; or
- (b) any amount payable by the Issuer under this deed not being paid when due; or
- (c) the occurrence or continuance of any other Event of Default in respect of the Issuer; or
- (d) the receipt or recovery by the Subscriber of all or any part of any amount payable by the Issuer hereunder (by prepayment or acceleration or otherwise) otherwise than on the due date relating to such amount; or
- (e) any actual or alleged breach by the Issuer of any representation, warranty or undertaking set out in this deed.

10.2 **Payment of indemnity:** Each Issuer agrees to pay all amounts due under this indemnity on demand from the Subscriber.

10.3 **Separate Obligations:** The indemnities in this clause 10 shall respectively:

- (a) constitute obligations separate and independent from each other and the other obligations under this deed;
- (b) give rise to separate and independent causes of action; and
- (c) continue in full force and effect despite any judgment, order, claim or proof for any liquidated amount under this deed or any judgment or order.

10.4 **No prejudice:** Save as expressly agreed by the Subscriber, no release, delay, forbearance, compromise or any other indulgence given by the Subscriber to the Issuer or any amendment, alteration or other variation of any provisions of this deed shall discharge, release, prejudice or affect the liability of the Issuer under this clause 10.

10.5 **Irrevocability:** This clause 10 is unconditional and irrevocable and, save as expressly agreed in writing by the Subscriber, is not to be discharged or impaired by any act, omission, matter or thing that might discharge or impair it, but for this clause.

### 11. NOTICES

11.1 **Writing:** Each notice or other communication to be given or made under this deed to any person must:

- (a) **Writing:** be given or made in writing by email or letter and be signed by the sender or an authorised officer or signatory of the sender;
- (b) **Address:** be given or made to the recipient at the address or email address, and marked for the attention of the person (if any), from time to time designated by the recipient to the other for the purposes of this deed;
- (c) **Deemed delivery:** not be effective until received by the recipient, and any such notice or communication shall be deemed to be received:
  - (i) (if given or made by letter) when left at the address of the recipient or 5 Business Days after being put in the post, postage prepaid, and addressed to the recipient at that address; or
  - (ii) (if given or made by email) when dispatched in tangible, readable form by the sender to the email address advised by the recipient from time to time,

provided that any notice or communication received or deemed received after 5pm on a working day in the place to which it is sent, or on a day which is not a working day in that place, shall be deemed not to have been received until the next working day in that place.

11.2 **Initial address and numbers:** The initial address, email address and person (if any) designated for the purposes of this deed, are set out below:

(a) **The Issuers:** those details set out under the heading "Details for notices" for the relevant Issuer in schedule 1 or otherwise provided in the relevant Accession Deed.

(b) **The Subscriber:**  
City Chambers  
Level 8  
142 Featherston Street  
PO Box 5704  
Wellington 6145

Email: lgfa@lgfa.co.nz

Attention: Chief Executive

### 12. AMENDMENTS

12.1 This deed shall not be amended except with the written agreement of the Subscriber and all of the Issuers.

### 13. MISCELLANEOUS

13.1 **Waivers and remedies:** Time shall be of the essence in this deed but no delay in acting, or failure to act, by the Subscriber or the Issuer is a waiver of any of the Subscriber's or the Issuer's rights. The rights provided in this deed do not exclude any rights provided by law.

13.2 **Partial invalidity:** An invalid provision in this deed shall not affect the enforceability of the remaining provisions of this deed.

13.3 **Survival:** The indemnities given in this deed will survive the repayment of all the Securities and the termination of this deed.

13.4 **Counterparts:** This deed may be signed in any number of counterparts, all of which together constitute one and the same instrument, and any of the parties may execute this deed by signing any such counterpart.

13.5 **Debenture Trust Deed Notifications:** The Subscriber shall:

(a) within one Business Day of receipt of a written request from an Issuer that is a Local Authority or that Issuer's Trustee, notify that Issuer and that Issuer's Trustee (in writing) of the "nominal amount" of the Security Stock:

- (i) held by the Subscriber in respect of that Issuer's obligations under each of this deed, the Securities and, where that Issuer is a Guarantor, the Equity Commitment Deed; and
- (ii) where that Issuer is a Guarantor, held by the Security Trustee in respect of that Issuer's obligations under the Guarantee,

in each case as at the date of the Subscriber's notification;

- (b) to the extent known by the Subscriber, notify each Issuer (in writing) of any Event of Default affecting any other Issuer as soon as practicable after its occurrence and of the steps taken or proposed to be taken by the Subscriber in relation to such Event of Default, provided that:

- (i) the Subscriber's obligation under this clause 13.5(b) only applies in respect of Securities of which it is the Holder; and
- (ii) the Subscriber shall not be liable for:
  - (aa) any failure to provide such notification to an Issuer; and
  - (bb) any inaccuracy or incomplete information given in a notification, provided the notification is given by the Subscriber in good faith; and

- (c) promptly notify each Issuer (in writing) if the board of directors of the Subscriber determines that there is a risk of imminent default by the Subscriber under the terms of any of its Borrowed Money Indebtedness.

13.6 **Consent to notification:** Each Issuer consents to the Subscriber providing each other Issuer the information set out in clause 13.5.

## 14. GOVERNING LAW

14.1 This deed shall be governed by New Zealand law.

## 15. NO CROWN GUARANTEE

15.1 The parties acknowledge that the obligations and liabilities of the Subscriber and any Issuer that is a Local Authority under this deed are not guaranteed by the Crown.

## SIGNED AS A DEED

[Original execution blocks intentionally deleted]

## SCHEDULE 1

### Principal Shareholders

<b>Local Authority name:</b>	<b>Debenture Trust Deed details:</b>	<b>Details for notices:</b>
Auckland Council	Debenture Trust Deed between Auckland Council and Trustees Executors Limited dated 2 December 2010, as amended from time to time and most recently on 25 May 2016.	Delivery Address: 135 Albert Street Auckland 1010  Postal Address: Private Bag 92300 Victoria Street West Auckland 1142  Email: <a href="mailto:john.bishop@aucklandcouncil.govt.nz">john.bishop@aucklandcouncil.govt.nz</a>  Attention: John Bishop, Group Treasurer
Bay Of Plenty Regional Council	Debenture Trust Deed between Bay of Plenty Regional Council and Trustees Executors Limited dated on or about 30 November 2011.	Delivery Address: 5 Quay Street Whakatāne  Postal Address: P O Box 364 Whakatāne 3158  Email: <a href="mailto:mat.taylor@boprc.govt.nz">mat.taylor@boprc.govt.nz</a>  Attention: Mat Taylor
Christchurch City Council	Debenture Trust Deed between Christchurch City Council and Trustees Executors Limited dated 26 March 2007, as amended from time to	Delivery Address: Civic Offices 53 Hereford Street Christchurch  Postal Address: P O Box 73016 Christchurch 8154

	time and most recently on 30 November 2011.	Email: Treasury@ccc.govt.nz
		Attention: Andrew Jefferies
Hamilton City Council	Debenture Trust Deed between Hamilton City Council and Trustees Executors Limited dated 19 June 2001, as amended from time to time and most recently on 30 November 2011.	Delivery Address: 260 Anglesea Street Council Building Garden Place Hamilton 3240  Postal Address: Private Bag 3010 Hamilton 3240  Email: david.bryant@hcc.govt.nz  Attention: David Bryant
Hastings District Council	Debenture Trust Deed between Hastings District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 16 March 2007, as amended from time to time and most recently on 30 November 2011.	Delivery Address: 207 Lyndon Road East Hastings 4122  Postal Address: Private Bag 9002 Hastings 4156  Email: brucea@hdc.govt.nz  Attention: Bruce Allan
Masterton District Council	Debenture Trust Deed between Masterton District Council and Trustees Executors Limited dated 26 June 2007, as amended from time to time and most	Delivery Address: 27 Lincoln Road Masterton 5810  Postal Address: PO Box 444 Masterton 5840

	recently on 30 November 2011.	Email: davidp@mstn.govt.nz
		Attention: Manager Finance
New Plymouth District Council	Debenture Trust Deed between New Plymouth District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 21 May 2009, as amended from time to time and most recently on 30 November 2011.	Delivery Address: Liardet St New Plymouth  Postal Address: Private Bag 2025 New Plymouth 4342  Email: alison.trustrumrainey@npdc.govt.nz / carla.freeman@npdc.govt.nz
		Attention: Alison TrustrumRainey / Carla Freeman
Ōtorohanga District Council	Debenture Trust Deed between Ōtorohanga District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 30 November 2011.	Delivery Address: 17 Maniapoto Street Ōtorohanga 3940  Postal Address PO Box 11 Ōtorohanga 3940  Email: grahamb@otodc.govt.nz
		Attention: Graham Bunn
Selwyn District Council	Debenture Trust Deed between Selwyn District Council and Trustees Executors Limited dated 17 July 2009, as amended from time to time and most recently on 30 November 2011.	Delivery Address: 2 Norman Kirk Drive Rolleston  Postal Address: P O Box 90 Rolleston 7643  Email: Treasury.management@selwyn.govt.nz



		Attention: Greg Bell
South Taranaki District Council	Debenture Trust Deed between South Taranaki District Council and Trustees Executors Limited dated 21 December 2007, as amended from time to time and most recently on 30 November 2011.	Delivery Address: 105-111 Albion Street Hawera 4610  Postal Address: Private Bag 902 Hawera 4640  Email: vipul.mehta@stdc.govt.nz
		Attention: Vipul Mehta
Tasman District Council	Debenture Trust Deed between Tasman District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 7 July 2010, as amended from time to time and most recently on 30 November 2011.	Delivery Address: 189 Queen Street, Richmond, Nelson 7050  Postal Address Private Bag 4 Richmond, Nelson 7050  Email: treasury@tasman.govt.nz  Attention: Corporate Services Manager

Taupo District Council

Debenture Trust Deed  
between Taupo District  
Council and Trustees  
Executors Limited dated  
19 October 2009, as  
amended from time to  
time and most recently on  
30 November 2011.

Delivery Address:  
72 Lake Terrace  
Taupo 3330

Postal Address:  
Private Bag 2005  
Taupo 3352

Email: [nward@taupo.govt.nz](mailto:nward@taupo.govt.nz)

Attention: Neil Ward

Tauranga City Council

Debenture Trust Deed  
between Tauranga  
District Council and  
Perpetual Trust Limited  
(and now between the  
Council and Covenant  
Trustee Services Limited)  
dated 11 August 1998, as  
amended from time to  
time and most recently on  
7 September 2012.

Delivery Address:  
91 Willow Street  
Tauranga 3143

Postal Address:  
Private Bag 12022  
Tauranga 3143

Email:  
[treasury.settlements@tauranga.govt.nz](mailto:treasury.settlements@tauranga.govt.nz)

Attention: Mohan De Mel

Waipa District Council	Debenture Trust Deed between Waipa District Council and Trustees Executors Limited dated 16 May 2007, as amended from time to time and most recently on 30 November 2011.	Delivery Address: 101 Bank Street Te Awamutu  Postal Address: Private Bag 2402 Te Awamutu 3800  Email: Farrah.Templeton@waipadc.govt.nz Sarah.Davies@waipadc.govt.nz Ken.Morris@waipadc.govt.nz  Attention: Ken Morris
Wellington City Council	Debenture Trust Deed between Wellington City Council and Trustees Executors Limited dated 11 May 2005, as amended from time to time and most recently on 5 December 2011.	Delivery Address: Wellington City Council 113 The Terrace Wellington  Postal Address: PO Box 2199 Wellington 6140  Email: martin.read@wcc.govt.nz  Attention: Martin Read
Wellington Regional Council	Debenture Trust Deed between Wellington Regional Council and Trustees Executors Limited dated 23 November 2011.	Delivery Address: Shed 39, 2 Fryatt Quay, Pipitea Wellington 6011  Postal Address: P O Box 11646 Manners Street Wellington 6142  Email: mike.timmer@gw.govt.nz matthias.zuschlag@gw.govt.nz

Western Bay Of Plenty  
District Council

Debenture Trust Deed  
between Western Bay of  
Plenty District Council  
and Trustees Executors  
Limited dated 8 October  
1999, as amended from  
time to time and most  
recently on 30 November  
2011.

Attention: Mike Timmer

Delivery Address:  
Barkes Corner  
Greerton  
Tauranga

Postal Address:  
Private Bag 12803  
Tauranga 3143

Email:  
kumaren@perumal@westernbay.govt.nz

Whangarei District  
Council

Debenture Trust Deed  
between Whangarei  
District Council and  
Trustees Executors  
Limited (formerly Tower  
Trust Limited) dated 10  
June 2002, as amended  
from time to time and  
most recently on 30  
November 2011.

Attention: Kumaren Perumal

Delivery Address:  
Forum North  
Rust Avenue  
Whangarei

Postal Address:  
Private Bag 9023  
Whangarei 0148

Email: alan.adcock@wdc.govt.nz

Attention: Alan Adcock

## SCHEDULE 2

### Conditions

The following are the Conditions which will apply to each Tranche issued by an Issuer under the Multi-issuer Deed. The applicable Final Terms in relation to a Tranche may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify the Conditions applicable to the Tranche. References in these Conditions to the "Issuer" means the Issuer specified in the applicable Final Terms.

#### 1. INTERPRETATION

1.1 **Definitions:** In these Conditions, unless the context otherwise requires:

**"Act"** means the Local Government Act 2002.

**"Agency Agreement"** means, in relation to the Issuer and a Series, the agency agreement between the Issuer and the person appointed as Registrar for the Series, as specified in the applicable Final Terms.

**"Amortisation Date"** means, in respect of an Amortising Security, each date (other than the Maturity Date) for the repayment of part of the Principal Amount of that Amortising Security, being the dates specified as such in the applicable Final Terms.

**"Amortising Security"** means a Security (whether a Fixed Rate Security or a Floating Rate Security) the Principal Amount or part of the Principal Amount of which is repayable on the scheduled Amortisation Dates for that Security.

**"Approved Issuer Levy"** means, in relation to any payment of interest (as defined in section 86F of the Stamp and Cheque Duties Act 1971) under any Security, the levy payable by the Issuer in accordance with section 86J of the Stamp and Cheque Duties Act 1971.

**"Base Rate"** means, in relation to an Interest Period:

(a) **Bill rate:**

- (i) if the Interest Period is 1, 2, 3, 4, 5, or 6 months, the mid rate (rounded upwards, if necessary, to the nearest four decimal places) as displayed at or about 10.45am on the first day of that Interest Period on the Reuters Monitor Screen page BKBM (or its successor page) ("**Reuters Monitor Screen**") for bank bills having a term approximately equal to that Interest Period; or

- (ii) if the Interest Period is longer than 1 month but shorter than 6 months, and not 2, 3, 4, or 5 months, the rate resulting from straight line interpolation (rounded upwards, if necessary, to the nearest four decimal places) between the mid rates as displayed at or about 10.45am on the first day of that Interest Period on the Reuters Monitor Screen for bank bills having a term:
    - (aa) shorter than, but closest to, that Interest Period; and
    - (bb) longer than, but closest to, that Interest Period; or
  - (iii) (in either case) if there are no such rates displayed for bank bills having the relevant term, then the average (rounded upwards if necessary to the nearest four decimal places) of the rates quoted to the Registrar for the relevant Series by each of the Reference Banks (or such one or more of them as are quoting) as being its buy rate for bank bills at or about that time on that date; or
  - (iv) if the rate cannot be determined pursuant to paragraphs (i) to (iii) above, the rate determined by the Registrar (following consultation with the Holder).
- (b) **Swap Rate:** a rate equal to the floating rate that would be determined by the Registrar or other person specified in the applicable Final Terms under an interest rate swap transaction if the Registrar or that other person were acting as calculation agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the Securities and under which:
- (i) the floating rate option is as specified in the applicable Final Terms;
  - (ii) the designated maturity is the period specified in the applicable Final Terms; and
  - (iii) unless otherwise stated in the applicable Final Terms, the relevant reset date is the first day of that Interest Period.
- (c) **Other specified rate:** any other reference rate as may be specified in the Final Terms for a Tranche,

in each case as set out in the applicable Final Terms.

**"Business Day"** means a day (other than a Saturday, Sunday or public holiday) on which registered banks are generally open for business in Christchurch, Wellington and Auckland.

**"CCO"** means a "council-controlled organisation" as defined in the Act, but excludes:

- (a) a council-controlled organisation that is not a company; and
- (b) a council-controlled organisation in which the equity securities held or controlled, directly or indirectly, by one or more Local Authorities carry less than (in aggregate) 51% of the voting rights at a meeting of the shareholders of that council-controlled organisation.

**"CCO Credit Support"** means, in relation to a CCO Issuer, any combination of the following:

- (a) a CCO Security;
- (b) a CCO Negative Pledge and Covenant;
- (c) a CCO Guarantee;
- (d) where a LA Shareholder provides a CCO Guarantee, the Security Stock issued by the LA Shareholder in respect of its obligations under the CCO Guarantee; and/or
- (e) any other security arrangements,

as specified in the applicable Final Terms.

**"CCO Guarantee"** means, in relation to a CCO Issuer, a guarantee and indemnity made by one or more CCO Shareholders (subject to any applicable laws) in favour of (amongst others) the Holder in respect of the indebtedness of that CCO Issuer.

**"CCO Issuer"** means an Issuer that is a CCO.

**"CCO Negative Pledge and Covenant"** means the undertakings given by a CCO Issuer in favour of the Holder and, set out in the applicable Final Terms, relating to:

- (a) for so long as any Series issued by the Issuer is outstanding, the restrictions on the creation or subsistence of any security interest over the whole or any part of its assets, other than a permitted security interest (as specified in the applicable Final Terms);
- (b) for so long as any Series issued by the Issuer is outstanding, the amount of its indebtedness relative to the aggregate amount uncalled and unpaid in respect of

equity securities in the Issuer owned legally and beneficially by the CCO Shareholders; and

- (c) if applicable, calling up and/or demanding payment of, the whole or part (as specified in the request from the Holder) of the amount uncalled and/or unpaid in respect of the equity securities referred to in paragraph (b) on written request from a Holder, provided that such request may only be made following the occurrence of an Event of Default that is continuing.

**"CCO Security"** means, in relation to a CCO Issuer, a first ranking security interest in all of the CCO Issuer's property (including any rights of the CCO in respect of any amounts uncalled and/or unpaid in respect of equity securities owned legally and/or beneficially by the CCO Shareholders).

**"CCO Shareholder"** means a LA Shareholder or an Other Shareholder.

**"CCO Support Document"** means, in relation to a CCO Issuer, any document in relation to CCO Credit Support, as specified in the applicable Final Terms.

**"Class"** means a category of Securities which in the reasonable opinion of the Issuer at any particular time, for any particular purpose, constitutes a separate class of Securities and

**"Class of Holders"** means the Holders of those Securities.

**"Companies Act"** means the Companies Act 1993.

**"Debenture Trust Deed"** means, in relation to a Local Authority, the debenture trust deed made by that Local Authority, under which certain of the Local Authority's indebtedness may, from time to time, be secured by the issuing of Security Stock.

**"Default Interest"** has the meaning given in clause 6.6.

**"Enforcement Event"** has the meaning given to it in the Debenture Trust Deed.

**"Event of Default"** means any of the events specified in clause 10.1 or 10.1A (as applicable).

**"Extraordinary Resolution"** has the meaning set out in the schedule to these Conditions.

**"Final Terms"** means:

- (a) in relation to a Series or Tranche of EC Securities (as defined in the Multi-issuer Deed), the document entitled **"Final Terms"** signed by the Issuer and the original subscriber; and



(b) in relation to a Series or Tranche of any other Securities, the document entitled "**NZ Local Government Funding Agency Term Sheet**" signed by an authorised signatory of the original subscriber,

in either case, that supplements these Conditions and may specify other terms and conditions which shall, to the extent inconsistent with these Conditions, replace or modify these Conditions with respect to the Tranche.

**"Fixed Rate Security"** means a Security bearing a fixed rate of interest.

**"Floating Rate Security"** means a Security bearing interest at a margin over the Base Rate.

**"FMC Act"** means the Financial Markets Conduct Act 2013.

**"Holder"** means, in relation to the Issuer at any time, the person whose name is recorded in the Register as the holder of a Security issued by the Issuer at that time.

**"Insolvency Event"** means, in relation to a CCO Issuer or any CCO Shareholder, any "Insolvency Event" specified in the applicable Final Terms.

**"Interest Payment Date"** means:

- (a) in relation to a Floating Rate Security, the last day of each Interest Period for that Floating Rate Security; and
- (b) in relation to a Fixed Rate Security, the quarterly, semi-annual or annual dates fixed at the time of issue of that Security for the payment of interest in respect of that Security as specified in the Final Terms and recorded as such in the Register.

**"Interest Period"** means, in relation to a Floating Rate Security, a period determined in accordance with clause 7.1(a) in respect of that Security.

**"Interest Rate"** means, in relation to a Security, the rate of interest (if any) payable in respect of that Security (which may be a fixed rate or a margin over the Base Rate) specified in the applicable Final Terms and recorded as such in the Register.

**"Issue Date"** means, in relation to a Security, the date on which that Security is issued, being the date specified as such in the applicable Final Terms and recorded as such in the Register.

**"Issue Price"** means, in relation to a Tranche, the Issue Price specified in the applicable Final Terms.

**"LA Shareholder"** means, in relation to a CCO Issuer, each Local Authority that holds or controls (directly or indirectly) any equity securities of that CCO Issuer.

**"Local Authority"** means a local authority as defined in the Act.

**"Margin"** means, in relation to a Floating Rate Security, the margin specified in the applicable Final Terms and recorded as such in the Register.

**"Maturity Date"** means, in relation to a Security, the date for the repayment of the Security, being the date specified in the applicable Final Terms and recorded as such in the Register.

**"Minimum Subscription Amount"** means, in relation to a Tranche, the minimum subscription amount of the Tranche, being the amount specified as such in the applicable Final Terms and recorded as such in the Register.

**"Multi-issuer Deed"** means the deed dated on or about 7 December 2011 (as amended and restated from time to time) between New Zealand Local Government Funding Agency Limited and various Local Authorities entitled **"Multi-issuer Deed"**.

**"NZClear"** means the securities clearing and settlement facility known as the NZClear New Zealand System or any other securities clearing and/or settlement facility which replaces or supersedes it from time to time.

**"NZ Dollars"** or **"\$"** means the lawful currency of New Zealand.

**"Other Shareholder"** means, in relation to a CCO Issuer, a person that is not a Local Authority that holds or controls (directly or indirectly) any equity securities of that CCO Issuer.

**"Principal Amount"** means, in relation to a Security, the amount (other than interest) payable on redemption or repayment of the Security, being the amount specified as such in the applicable Final Terms and recorded as such in the Register or, as the context may require, in relation to an Amortising Security, the principal amount thereof for the time being outstanding, as reduced in accordance with clause 6.3 of these Conditions.

**"Record Date"** means, in relation to a payment due on a Security, 5.00pm on the tenth day before the due date for that payment or, if that day is not a Business Day, the preceding Business Day.

**"Reference Banks"** means ANZ Bank New Zealand Limited, Bank of New Zealand, ASB Bank Limited and Westpac New Zealand Limited.

**"Register"** means, in relation to a Series issued by the Issuer, the register of Securities maintained by the Registrar for the Series in accordance with these Conditions and the Agency Agreement.

**"Registrar"** means, in relation to a Series issued by the Issuer, the person named in the Agency Agreement and specified in the applicable Final Terms as the registrar, calculation agent and paying agent for the Series, or any successor agent appointed under the Agency Agreement in relation to the Series.

**"RWT-Exempt Status"** means "RWT-exempt status" as defined in the Taxation (Annual Rates for 2017–18, Employment and Investment Income, and Remedial Matters) Act 2018.

**"Security"** means a security issued under the Multi-issuer Deed and constituted by, and subject to the terms and conditions set out in, these Conditions, and includes an Amortising Security, a Fixed Rate Security, a Floating Rate Security, a Zero Coupon Security or any other type of security agreed from time to time by the Issuer and the initial subscriber for the security.

**"Security Stock"** means Security Stock as defined in the Debenture Trust Deed.

**"Security Stock Certificate"** means a Security Stock Certificate as defined in the Debenture Trust Deed.

**"Series"** means a Tranche of Securities together with any further Tranche or Tranches of Securities which are (i) expressed to be consolidated and form a single series; and (ii) identical in all respects except for their respective Issue Dates, first Interest Payment Dates and/or Issue Prices.

**"Stock"** has the meaning given to it in the Debenture Trust Deed.

**"Tranche"** means Securities of the same Series in respect of which all terms are identical.

**"Trustee"** means the trustee or supervisor as defined in the relevant Debenture Trust Deed.

**"Zero Coupon Security"** means a Security in respect of which no interest is payable, issued or to be issued by the Issuer at a discount to its Principal Amount.

1.2 **References:** Except to the extent that the context otherwise requires, any reference in these Conditions to:

a **"clause"** or **"schedule"** is a reference to a clause of, or schedule to, these Conditions.

any **"governmental agency"** includes any government or any governmental, semi-governmental or judicial entity or authority, or legislative body, or any person or body

charged with the administration of any law. It also includes any self-regulatory organisation established under statute or any stock exchange.

**"indebtedness"** includes an obligation (whether present or future, actual or contingent, secured or unsecured, as principal or surety or otherwise) for the payment or repayment of money.

a **"law"** includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute or other legislative measure, in each case of any jurisdiction whatever and **"lawful"** shall be construed accordingly.

something having a **"material adverse effect"** on a person is a reference to it having a material adverse effect on the financial condition or operations of that person which materially adversely affects the ability of that person to perform or comply with its payment obligations under these Conditions, any Security or any CCO Credit Support or CCO Support Documents (if applicable).

**"non-tax resident"** means a Holder that is not a tax resident.

**"outstanding"** means, in relation to Securities, all Securities other than those which have been:

- (a) redeemed or repaid in full in accordance with these Conditions; or
- (b) purchased and cancelled in accordance with these Conditions.

**"payment"** includes satisfaction of a monetary obligation.

**"person"** includes an individual, firm, company, corporation or unincorporated body of persons, organisation or trust, and any state, government or governmental agency, in each case whether or not having a separate legal personality.

**"registered bank"** has the meaning in section 2 of the Reserve Bank of New Zealand Act 1989.

something being **"remedied"** means it is remedied to the satisfaction of the Holder.

a **"security interest"** includes a security interest (as construed and defined in the Personal Property Securities Act 1999), mortgage, lien, pledge, any interest in land of a security nature, any other security arrangement creating in effect security for the payment of a monetary obligation or the observance of any other obligation, and any other arrangement having like economic effect over any property, assets or revenues, and **"unsecured"** means not subject to a security interest.

**"tax"** includes any present or future tax, levy, impost, duty, rate, charge, fee, deduction or withholding of any nature and whatever called (including, for the avoidance of doubt, Approved Issuer Levy), imposed or levied by any governmental agency, together with any interest, penalty, charge, fee or other amount imposed or made on or in respect of any of the foregoing.

**"tax resident"** means a Holder that:

- (a) is resident in New Zealand for tax purposes; or
- (b) carries on business in New Zealand through a fixed establishment and either:
  - (i) is a registered bank and is not associated with the Issuer; or
  - (ii) holds the Security for the purposes of the business it carries on in New Zealand through that fixed establishment,

provided that for the purposes of this definition, the terms "associated", "fixed establishment" and "registered bank" shall have the meanings given in the Income Tax Act 2007.

**"written"** and **"in writing"** includes all means of reproducing words in a tangible and permanently visible form.

### 1.3 **Miscellaneous:**

- (a) The headings in the Conditions are inserted for convenience only and shall be ignored in construing these Conditions.
- (b) Unless the context otherwise requires words denoting only the singular number shall include the plural and vice versa and words denoting any gender shall include all genders.
- (c) References to any legislation or to any provision of any legislation are deemed to be references to that legislation or provision as from time to time amended, re-enacted or substituted and, unless the context otherwise requires, shall also include any statutory instruments issued under any such legislation or provision.
- (d) References to any document (however described) shall include references to such document as modified, novated, supplemented, varied or replaced from time to time.
- (e) References to any party to these Conditions or any other document or any Holder shall include its successors or permitted assigns.

(f) References to a time of day are references to New Zealand time unless otherwise stated.

(g) Anything which may be done at any time may also be done from time to time.

## 2. ISSUE AND FORM OF SECURITIES

2.1 **Form of Securities:** Securities may be issued on terms such that the Principal Amount is a fixed amount or a reducing amount and/or that interest (if the Security is interest-bearing) will be calculated by reference to a specific interest rate (which may be a fixed rate or a margin over the Base Rate) or as otherwise specified in the applicable Final Terms. Each Security shall:

(a) be in uncertificated book entry form;

(b) be denominated in NZ Dollars; and

(c) have a Minimum Subscription Amount for holdings of the Security of at least \$750,000 and also may have a minimum multiple of that amount for such holdings, in each case as specified in the applicable Final Terms.

2.2 **Final Terms:** Securities shall be constituted and issued in Tranches. Each Tranche shall be subject to the terms and conditions set out in the Final Terms for the Tranche and (as modified by those Final Terms) these Conditions. To the extent that the Final Terms for a Tranche modifies these Conditions, or in the event of any conflict between the provisions of the Final Terms and those of these Conditions, the Final Terms shall prevail over these Conditions in relation to the Tranche.

## 3. STATUS OF SECURITIES

3.1 **Status of Securities:**

(a) The Securities are and will at all times be direct, secured and unconditional indebtedness of the Issuer.

(b) Securities issued by the Issuer rank and will at all times rank equally without any preference or priority among themselves.

3.2 **Security (Local Authority):** All Securities issued by an Issuer that is a Local Authority shall have the benefit of the security interest given, and shall be subject to any security arrangements provided for, in the Debenture Trust Deed.

3.2A **Security (CCO):** All Securities issued by a CCO Issuer shall have the benefit of any security interest given, and shall be subject to any security arrangements provided for, in the CCO Support Documents.

3.3 **Provisions applicable to Securities:** Each Tranche shall be issued and held with the benefit of and subject to these Conditions and the applicable Final Terms, all of which are binding upon the Issuer and the Holders. The Holders shall be deemed to have notice of these Conditions and the applicable Final Terms.

3.4 **Enforcement of Holders' rights:** Holders may enforce any of their rights or remedies under these Conditions and the applicable Final Terms directly against the Issuer.

## 4. TITLE AND TRANSFER

4.1 **Certificates:** At the request of a Holder, or otherwise as required by the FMC Act or any other applicable law, the Issuer shall procure the Registrar to issue to the Holder a certificate or notice of registration in relation to the Securities held by the Holder, such certificate or notice to be in the form agreed between the Issuer and the Registrar. A certificate or notice of registration issued in respect of a Security will not constitute a document of title. Subject to clause 4.6, entitlement will be determined solely by entry in the Register and, in the case of the beneficial interest in Securities lodged in NZClear, the records of NZClear.

4.2 **Transfer:** Title to a Security may be transferred by a transfer in any commonly used form signed by the transferor and the transferee and produced to the Registrar.

4.3 **Partial transfers:** A Holder may transfer part only of its interest in a Security. However, no transfer of any part of its interest may be effected if such transfer would result in the transferor or the transferee holding or continuing to hold Securities with an aggregate Principal Amount of less than the applicable Minimum Subscription Amount (or minimum multiple thereof).

4.4 **Fees:** The Issuer and the Registrar shall make no service charge to the Holders for:

- (a) the registration of any holding of Securities; or
- (b) the transfer of registered title to any Securities.

The Issuer and the Registrar may, however, require the payment of any taxes and other governmental charges payable as a result of any transfer.

4.5 **Selling restrictions:**

- (a) Each Holder shall only offer for sale or sell, directly or indirectly, or transfer any Security in conformity with all applicable laws in any jurisdiction in which it is offered, sold or delivered.
- (b) Without limitation to the generality of clause 4.5(a), Securities shall not be offered, sold or delivered, nor may any information memorandum, advertisement or other offering materials in relation to any offer of such Securities be distributed in New Zealand other than to "wholesale investors" as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the FMC Act, being a person who is:
  - (i) an "investment business";
  - (ii) "large"; or
  - (iii) a "government agency",in each case as defined in Schedule 1 to the FMC Act. For the avoidance of doubt, such Securities may not be offered or transferred to, among others, "eligible investors" (as defined in the FMC Act).
- (c) No information memorandum or any advertisement, prospectus or other offering material in respect of any Security may be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws.

**4.6 Debenture Trust Deed:** In the case of any Security lodged in NZClear and:

- (a) issued by a Local Authority, for the purposes of the Debenture Trust Deed and any Security Stock issued under that Debenture Trust Deed for that Security and evidenced by a Security Stock Certificate; or
- (b) issued by a CCO, for the purposes of any CCO Support Document (if applicable),

all amounts payable (present or future, actual or contingent) under these Conditions in respect of that Security shall be deemed to be owed to the holder of the beneficial interest in the Security (as shown in the records of NZClear). This clause applies notwithstanding anything to the contrary in these Conditions.

## **5. REGISTER**

- 5.1 Register:** The Issuer shall at all times while any Series is outstanding cause the Registrar for each Series to maintain the Register, which must record in respect of each Security the information specified in the applicable Final Terms plus the following information:



- (a) the name, address and (where known) tax residency of the Holder;
- (b) details of the account to which payments in respect of the Securities are to be made;
- (c) transfers of the Security;
- (d) details of any resident withholding tax exemption certificates held by the Holder;  
and
- (e) any other information required by law.

5.2 **Disclosure and Inspection:** The Registrar of the relevant Series must disclose to a Holder who so requests, any information held on the Register which relates to the Security(s) registered in the name of the Holder. The Holders may at any time during normal office hours upon reasonable notice to the Registrar inspect and take extracts from each Register without payment of any fee.

5.3 **Register conclusive:** Except as ordered by a court of competent jurisdiction and subject to clause 4.6, the Issuer and the Registrar are each entitled to recognise the Holder of a Security as the absolute owner of the Security and shall not be bound by any actual or constructive notice of any trust (express, implied or constructive), encumbrance, security or other adverse interest to which any Security may be subject. No recognition of any trust (express, implied or constructive), encumbrance, security or other adverse interest shall be entered on the Register. In the event of any conflict between any certificate or notice of registration issued in respect of a Security and the Register, the Register shall prevail.

5.4 **Correction of errors:** Each Registrar may, on such evidence as appears to it to be sufficient, correct errors and remedy omissions in the Register.

5.5 **Co-ownership Securities:**

- (a) Where two or more persons are registered as Holders of the same Security(s) by virtue of any application for Securities, memorandum of transfer or other instrument, then, unless the contrary is expressed in the application, memorandum, or other instrument, the persons will be deemed to hold the Security(s) as joint tenants with right of survivorship.
- (b) If two or more persons apply by memorandum of transfer, to be registered as Holders as tenants in common, the Registrar for the relevant Series may, after notifying the persons of its intention to do so, divide the Securities into parcels which represent each such person's share. If the Securities cannot be divided into shares which would enable each such person to hold Securities with an aggregate

Principal Amount of at least the applicable Minimum Subscription Amounts (and any minimum multiples thereof), the Registrar of the relevant Series may refuse to accept the memorandum of transfer.

- 5.6 **Acquisition of Securities by operation of law:** When the right to a Security is acquired by any person in any manner other than by way of a transfer under these Conditions (whether on the dissolution, death or bankruptcy of the relevant Holder, or under a writ of execution, or otherwise) the Registrar of the relevant Series, on application by or on behalf of that person and on being satisfied that such person is legally entitled to be registered as the Holder of the Security, will enter that person's name in the Register as the Holder of the Security accordingly.
- 5.7 **Notification by Holders:** Any change of name or address of any Holder or any change in any other information required to be inserted in the Register in respect of any Holder shall immediately be notified to the Registrar of the relevant Series in writing by the Holder, or if a joint holding by all the joint Holders.
- 5.8 **Compliance with law:** The Issuer shall comply with, and shall use its best endeavours to ensure that each Registrar complies with, all statutory requirements and the requirements of these Conditions relating to the keeping of the Register and the details entered in the Register.
- 6. PAYMENT OF PRINCIPAL AMOUNT AND INTEREST**
- 6.1 **Determination of Principal Amount:** The Principal Amount of each Security shall be the amount recorded as such in the Register in respect of the Security, which may be the par or face value.
- 6.2 **Principal Amount of Securities:** The Issuer shall, on the Maturity Date of each Security, unconditionally pay or cause to be paid to, or to the order of, the relevant Holder the Principal Amount of the Security. Unless the applicable Final Terms provide otherwise, and except to the extent provided in these Conditions, a Security shall not be redeemed prior to its Maturity Date.
- 6.3 **Principal Amount of Amortising Securities:** The Issuer shall, on each Amortisation Date of each Amortising Security, unconditionally pay, or cause to be paid to, or to the order of, the relevant Holder, the portion of the Principal Amount of the Amortising Security as set out in respect of the Amortisation Date in the applicable Final Terms and recorded in the Register.
- 6.4 **Interest:** The Issuer shall pay interest on each Interest Payment Date:

- (a) on each Floating Rate Security for each Interest Period, at the rate per annum equal to the aggregate of the Base Rate for the Interest Period (as determined by the Registrar for the relevant Series) and the Margin for the Floating Rate Security; and
- (b) on each Fixed Rate Security, at the Interest Rate for the Fixed Rate Security.

6.5 **Non-payment:** Each Security will cease to bear interest from its Maturity Date unless payment of the Principal Amount is improperly withheld or refused. In such event, interest will continue to accrue (after, as well as before, any judgment) up to but excluding the date on which payment in full of the Principal Amount is made.

6.6 **Default interest:** If any amount payable by the Issuer in respect of a Security or any other amount due to any person from the Issuer under these Conditions is not paid on its due date, interest ("**Default Interest**") shall accrue on the unpaid amount (net of any interim or progress payments made) (after, as well as before, any judgment) at the rate determined by the Registrar for the relevant Series to be the aggregate of 2% and the Base Rate which on the due date would apply to an interest period of one month, shall be determined at monthly intervals thereafter until the unpaid amount (net of any interim or progress payments) is paid and shall be compounded monthly until paid. For the avoidance of doubt, this clause 6.6 shall not apply in respect of payments suspended in accordance with these Conditions.

## 7. CALCULATION OF INTEREST

### 7.1 Floating Rate Securities:

- (a) **Interest Periods:** Each Interest Period in relation to a Floating Rate Security shall be a period of one, two, three, four, five or six months' duration (as specified in the applicable Final Terms) and:
  - (i) the first Interest Period will commence on (and include) the Issue Date and end on (but exclude) the first Interest Payment Date (as specified in the applicable Final Terms) and each subsequent Interest Period will commence on (and include) the Interest Payment Date of the previous Interest Period and end on (but exclude) the next Interest Payment Date;
  - (ii) if an Interest Period would otherwise end on a day which is not a Business Day, it will be extended to the next Business Day; and
  - (iii) if the final Interest Period would otherwise extend beyond the Maturity Date, it will end on the Maturity Date.

(b) **Basis for calculation:** Interest shall be calculated on the Principal Amount of the Floating Rate Security, on the basis of the number of days in the relevant Interest Period and a year of 365 days. Interest shall accrue from day to day and shall be paid to the Holder in arrear on the Interest Payment Date for the Interest Period.

7.2 **Fixed Rate Securities:** Interest shall be calculated on the Principal Amount of each Fixed Rate Security and shall be payable in arrear in equal quarterly, semi-annual or annual instalments (as specified in the applicable Final Terms) on each Interest Payment Date for the Fixed Rate Security.

## 8. PAYMENTS

8.1 **Payment to Holder:** Payment of the Principal Amount of, and interest (if any) on, a Security (less any amount required to be deducted in accordance with clause 9) shall be made to the person whose name appears in the Register as the Holder of the Security on the Record Date in respect of the relevant payment. If more than one person is so named in the Register, payment will be made to the first person so named.

8.2 **Method of payment:** A Holder may, by notice to the Registrar for the Series, request the Registrar to make payments in respect of any Security held by it to a specified bank account and may at any time cancel or amend any notice so given. No such notice, or cancellation or amendment of a notice, will have effect in respect of any payment unless received by the Registrar on or before the Record Date for the payment. In the absence of any such notice, payments in respect of each Security will be made by posting a cheque to the address of the relevant Holder appearing in the Register. Any notice given under this clause will be deemed to be automatically cancelled upon transfer of all or part of a Security. A notice from one of several Holders of the same Securities shall be deemed to be given by all such Holders.

8.3 **Business Day:** If any Interest Payment Date or the Maturity Date of a Security is not a Business Day, the due date for the payment to be made on that date will be the next following Business Day and all other provisions of these Conditions and the Agency Agreement will be read and construed accordingly.

8.4 **Unclaimed payments:** In respect of any Securities, if any payment made by the Issuer to any Holder at its address last entered in the Register is returned unclaimed the amount concerned must (unless the Registrar or the Issuer has in the meantime received notice of a change of address to be entered in the Register) be returned to the Issuer. The Issuer shall be entitled to retain for its own benefit, and will have no liability in respect of, the amount concerned if it remains unclaimed six years after the original date of payment.

8.5 **Reinstatement:** If any payment made to a Holder by, or on behalf of, the Issuer is subsequently rescinded, avoided or otherwise restored to the Issuer, that payment will be deemed not to have discharged or affected the liability of the Issuer in respect of which that payment was made. In that event the relevant Holder and the Issuer will be restored to the position in which each would have been, and be entitled to exercise all the rights which each would have had, if such payment had not been made.

## 9. TAXES

9.1 **Deductions or withholdings:** All sums payable under a Security or under these Conditions must be paid:

- (a) free of any restriction or condition;
- (b) free and clear of, and (except to the extent required by law or as provided in this clause 9) without any deduction or withholding on account of, any taxes; and
- (c) without deduction or withholding on account of any other amount whether by way of set-off or otherwise (except as provided in clauses 9.2 and 9.3).

9.2 **Non-resident Withholding Tax:** New Zealand non-resident withholding tax will be deducted from payments of interest (or payments deemed by law to be interest) to non-tax resident Holders. Unless the relevant non-tax resident Holder notifies the Issuer that it elects that non-resident withholding tax be deducted from payments to it instead of Approved Issuer Levy, if the Issuer is lawfully able to register for and pay Approved Issuer Levy in respect of any payment of interest (or deemed interest) to non-tax resident Holders, the Issuer shall register itself as an approved issuer and shall register the Series as registered securities, and the Issuer, or the Registrar for the relevant Series on its behalf, shall pay the Approved Issuer Levy to the appropriate authority and shall deduct the amount paid from the interest (or deemed interest) payable to those Holders in lieu of deducting New Zealand non-resident withholding tax from that payment at the rate otherwise applicable.

9.3 **Resident Withholding Tax:** New Zealand resident withholding tax will be deducted from payments of interest (or payments deemed by law to be interest) to Holders who are tax resident unless an appropriate exemption certificate (or, on or after 1 April 2020, confirmation of RWT-Exempt Status) is produced to the Registrar for the Series on or before the Record Date for the relevant payment.

9.4 **No gross-up:** The Issuer will not be required to and will not make any additional payment by way of gross-up or otherwise with respect to the deduction or withholding from any payment made in respect of the Securities under clause 9.2 or 9.3. If, in respect of any Security, the Registrar for the Series or the Issuer becomes liable to make any payment of,

or on account of, tax payable by any Holder, then the Registrar for the relevant Series and the Issuer shall be indemnified by the relevant Holder in respect of such liability. Any moneys paid by the Registrar for the relevant Series or the Issuer in respect of such liability may be recovered from the Holder as a debt due to the Registrar for the relevant Series or the Issuer and may be withheld from any further payments to that Holder. Nothing in this clause will prejudice or affect any other right or remedy of the Registrar for the relevant Series or the Issuer.

9.5 **Maximum rate:** Deductions of non-resident or resident withholding tax will be made at the maximum rates from time to time applicable unless a Holder provides evidence to the Issuer or the Registrar for the relevant Series (acceptable to it) that a lesser rate is applicable.

9.6 **Tax status:** The Issuer and the Registrar for the relevant Series shall be entitled for the purposes of this clause 9 to rely, without further enquiry, upon any statement made by or on behalf of a Holder in relation to that Holder's tax status or tax residency.

## 10. DEFAULT

10.1 **Events of Default (Local Authority):** Any one or more of the following, whether or not within the control of the Issuer, constitutes an Event of Default for an Issuer that is a Local Authority:

- (a) **Non-payment:** payment of:
  - (i) the Principal Amount of the Securities is not made on the due date and such non-payment continues unremedied for two Business Days after its due date; or
  - (ii) interest on the Securities is not made on the due date and such non-payment continues unremedied for seven Business Days after its due date; or
- (b) **Other breach:** the Issuer commits any breach of, or omits to observe, any of its undertakings or obligations under the Securities and, in respect of any such breach or omission which is capable of being remedied, such breach or omission is not remedied within 30 days after receipt by the Issuer of a notice in writing from the Holder specifying the breach or omission and requiring it to be remedied; or
- (c) **Receivership, Statutory management:**
  - (i) a receiver, or receiver and manager is appointed (or the Issuer requests such appointment) or an encumbrancer takes possession or exercises its powers of sale in respect of, all or any material part of the assets of the

Issuer unless the Issuer demonstrates to the Holder that such appointment or taking of possession or exercising of power will not have a material adverse effect on the ability of the Issuer to pay any amounts owing in relation to the Securities when it is due and payable; or

- (ii) a statutory manager is appointed under the Corporations (Investigation and Management) Act 1989 in respect of the Issuer or the Issuer or any associated person (as that term is defined in that Act) of the Issuer is declared at risk pursuant to the provisions of that Act; or
- (d) **Enforcement Event:** an Enforcement Event occurs; or
- (e) **Invalidity:** any provision of the Securities, the Security Stock Certificate issued in respect of the Securities or the Debenture Trust Deed:
  - (i) ceases to have effect in whole or in part, other than by performance or as permitted by its terms; or
  - (ii) becomes wholly or partly void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights), or the performance of any such provision becomes illegal,or the Issuer or any person on its behalf, makes any allegation or claim to that effect; or
- (f) **Change in law:** either the Act or the Local Government (Rating) Act 2002 is amended or repealed in a manner or to an extent which, in the reasonable opinion of the Holder, results in a material and adverse change in:
  - (i) the ability of the Issuer to perform its payment obligations when due under the Securities, the Security Stock issued in respect of the Securities or the Debenture Trust Deed;
  - (ii) the effect of the charge created by the Debenture Trust Deed for the purposes of section 115 of the Act; and/or
  - (iii) the ability of any receiver which is or may be appointed over all or any part of the assets of the Issuer charged by the Debenture Trust Deed to exercise its rights under the Act to the same extent it is able to exercise those rights as at the date of the Multi-issuer Deed;
- (g) **CCO Credit Support:** payment of any amount that is due under any CCO Support Document is not made on the due date (including any demand for uncalled capital

made by, or on behalf of, a CCO Issuer) and such non-payment continues unremedied for two Business Days after its due date; or

- (h) **Additional Event of Default:** the occurrence of any additional event of default specified in the Final Terms.

10.1A **Events of Default (CCO):** Any one or more of the following, whether or not within the control of the CCO Issuer, constitutes an Event of Default for a CCO Issuer:

- (a) **Non-payment:** payment of:
- (i) the Principal Amount of the Securities is not made on the due date and such non-payment continues unremedied for two Business Days after its due date; or
  - (ii) interest on the Securities is not made on the due date and such non-payment continues unremedied for seven Business Days after its due date; or
  - (iii) any amount due under any CCO Support Document is not made on the due date; or
- (b) **Other breach:** the Issuer, any CCO Shareholder or any other party commits any breach of, or omits to observe, any of its undertakings or obligations under the Securities or a CCO Support Document and, in respect of any such breach or omission which is capable of being remedied, such breach or omission is not remedied within 30 days after receipt by the Issuer of a notice in writing from the Holder specifying the breach or omission and requiring it to be remedied; or
- (c) **Insolvency:** an Insolvency Event occurs in relation to the Issuer, any of its LA Shareholders and any other CCO Shareholder that has entered into a document with, or granted any CCO Support Document in favour of, the Holder (including the original Holder) in respect of the Issuer; or
- (d) **Enforcement Event:** an enforcement event, event of default, acceleration event or similar event (howsoever described) occurs under a CCO Support Document; or
- (e) **Invalidity:** any provision of the Securities or a CCO Support Document:
- (i) ceases to have effect in whole or in part, other than by performance or as permitted by its terms; or



(ii) becomes wholly or partly void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights), or the performance of any such provision becomes illegal,

or the Issuer, the relevant CCO Shareholder or any person on the Issuer's or CCO Shareholder's behalf, makes any allegation or claim to that effect; or

- (g) **Status as a CCO:** the Issuer ceases to be a CCO; or
- (h) **Cessation of business or dissolution:** the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, or an application or an order is made, or a resolution is passed or proposed, for the dissolution of the Issuer except, in each case, for the purpose of, and followed by, an amalgamation or solvent reconstruction on terms previously approved in writing by the Holder; or
- (i) **Litigation:** the Issuer is or becomes party to any litigation, tax claim or administrative or arbitration proceedings before or of any court, tribunal, arbitrator, or governmental agency, or to any dispute with any government, governmental agency, that has or would if adversely determined have a material adverse effect; or
- (j) **Material adverse effect:** any event or circumstance, or series of events or circumstances (whether related or not) occurs that has or is reasonably likely to have a:
- (i) material adverse effect on the Issuer or any CCO Shareholder; or;
  - (ii) material adverse change in the effect of any CCO Credit Support or CCO Support Document; or
- (k) **CCO Support Document:** a CCO Support Document does not provide a security interest to the relevant secured party having the priority which it purported to have; or
- (l) **Change in law:** either the Act or the Local Government (Rating) Act 2002 is amended or repealed in a manner or to an extent which, in the reasonable opinion of the Holder, results in a material and adverse change in:
- (i) the ability of the relevant CCO Shareholder to perform its payment obligations when due under any CCO Support Document or any Security Stock issued in respect of any CCO Support Document;

- (ii) the effect of the charge created by the Debenture Trust Deed for the purposes of section 115 of the Act; and/or
  - (iii) the ability of any receiver which is or may be appointed over all or any part of the assets of the relevant CCO Shareholder charged by the Debenture Trust Deed to exercise its rights under the Act to the same extent it is able to exercise those rights as at the date of the Multi-issuer Deed; or
- (m) **Additional Event of Default:** the occurrence of any additional event of default specified in the Final Terms.

10.2 **Acceleration:** Any time after the occurrence of an Event of Default, and while such is continuing unremediated or unwaived, a Holder may, by notice in writing to the Issuer declare all or any of the Securities held by the Holder to be immediately due and payable. If such a declaration is made, then the Issuer shall immediately pay to the relevant Holder:

- (a) in the case of a Fixed Rate Security or a Floating Rate Security, the Principal Amount of the Security together with accrued interest thereon at the applicable Interest Rate calculated on a daily basis from the last Interest Payment Date on which interest was actually paid in respect of the Security, or if no interest has been paid in respect of the Security, from the Issue Date to the date of payment; and
- (b) in the case of a Zero Coupon Security, the net present value, as at the date of declaration, of the Principal Amount of the Security determined by the Registrar by discounting the Principal Amount at the discount rate used to determine the purchase price for the Security at the time of its issue.

The Holder's rights under this clause 10.2 are without prejudice, and in addition, to any other rights the Holder may have (whether by law, contract or otherwise).

## 11. AMENDMENTS

11.1 **Limited right to amend:** Except as provided in clause 11.2 and 11.3 the Issuer may not cancel, vary or amend any of these Conditions or the applicable Final Terms while any Securities are outstanding. Any amendment to these Conditions or any Final Terms must be in writing signed by the Issuer and all Holders of the relevant Securities.

11.2 **Amendment without consent:**

(a) The provisions of these Conditions and any Final Terms may be amended without the consent of the relevant Holders where such amendment (in the opinion of the Issuer):

- (i) is of a minor or technical nature;
- (ii) is to correct a manifest error; or
- (iii) is to comply with the requirements or a modification of the requirements of any applicable law,

and, in any such case, 2 authorised officers of the Issuer have certified for the benefit of the relevant Holders that such amendment will not be materially prejudicial to the interests of relevant Holders.

(b) Notice of any such amendment shall be provided to the relevant Holders within 30 days of the amendment being made.

11.3 **Amendment approved by Extraordinary Resolution:** Without limiting clause 11.2 but subject to clause 11.4, the provisions of these Conditions and any Final Terms may be amended by the Issuer if the amendment has been approved by an Extraordinary Resolution of the Holders or relevant Class of Holders and notified in accordance with these Conditions.

11.4 **Meetings:** Meetings of Holders shall be held in accordance with the schedule to these Conditions.

11.5 **Notice:** Notice of any proposed variation under clause 11.2 shall be given by the Issuer to each Holder or each affected Class of Holders not less than 14 days before the date on which it is intended that such variation take effect, but the non-receipt of notice by any such Holder shall not affect the validity of any such variation.

## 12. NOTICES

12.1 **Writing:** Each notice or other communication to be given or made under these Conditions to any person must:

- (a) **Writing:** be given or made in writing by email or letter and be signed by the sender or an authorised officer of the sender;
- (b) **Address:** be given or made to the recipient at the address or email address, and marked for the attention of the person (if any), from time to time designated by the recipient to the other for the purposes of these Conditions;

- (c) **Deemed delivery:** not be effective until received by the recipient, and any such notice or communication shall be deemed to be received:
- (i) (if given or made by letter) when left at the address of the recipient or 5 Business Days after being put in the post (by airmail if to another country), postage prepaid, and addressed to the recipient at that address; or
  - (ii) (if given or made by email) when dispatched in tangible, readable form by the sender to the email address advised by the recipient from time to time,

provided that any notice or communication received or deemed received after 5pm on a working day in the place to which it is sent, or on a day which is not a working day in that place, shall be deemed not to have been received until the next working day in that place.

12.2 **Initial address and numbers:** The initial address, email address and person (if any) designated for the purposes of these Conditions for each Holder will be specified in the Register.

### 13. GOVERNING LAW

13.1 These Conditions and the applicable Final Terms shall be governed by New Zealand law.

## SCHEDULE

### Meeting of Holders

#### 1. DEFINITIONS

1.1 In these provisions:

**"Appointed Time"** means the day and time at which any meeting of Holders or the taking of a poll of Holders (not at a meeting of Holders) is due to be held.

**"Class of Securities"** means each category of Securities which in the reasonable opinion of the Issuer at any particular time, for any particular purpose, constitutes a separate class of Securities.

**"Conditions"** means the Conditions to which this schedule is attached and **"Final Terms"** has the meaning given in the Conditions.

**"Extraordinary Resolution"** means a resolution passed at a meeting of Holders, properly convened and held in accordance with the provisions of this schedule, at which not less than three fourths of the persons voting upon a show of hands or, if a poll is properly demanded, not less than three fourths of the votes given on such a poll voted in favour of the resolution.

**"Proxy Closing Time"** means 48 hours before the Appointed Time of the relevant meeting of Holders or taking of a poll of Holders.

**"regulation"** means a clause of this schedule.

**"Representative"** means:

- (a) in the case of an individual Holder, a person appointed by an instrument of proxy or by power of attorney or, in the event of the death of a Holder, the personal representative of that Holder; and
- (b) in the case of a Holder which is a corporation or corporation sole either:
  - (i) a person appointed by an instrument of proxy or by power of attorney; or
  - (ii) a person authorised by the directors of the corporation, or in the case of a corporation sole, a person authorised pursuant to its constitution.

#### 2. CONVENING

2.1 **Meeting required by law:** The Issuer shall, whenever required to do so pursuant to the Companies Act or the FMC Act or any other applicable law, convene a meeting of the Holders.

- 2.2 **By Holders:** The Issuer shall, at the request in writing of Holders holding not less than 10% of the aggregate Principal Amount of the Securities, convene a meeting of the Holders. The request must state the nature of the business proposed to be dealt with at the meeting concerned.
- 2.3 **By Issuer:** The Issuer may at any time of its own volition convene a meeting of the Holders.
- 2.4 **Place of meeting:** Each meeting will be held in the city or town in which the Issuer is situated at a place designated in the relevant notice of meeting.
- 2.5 **Regulations:** Meetings of Holders shall be convened and held in accordance with the provisions of this schedule.

### 3. CLASSES OF SECURITIES

- 3.1 If, at any time, in the opinion of the Issuer, a matter is required to be determined by the Holders of a Class of Securities, a meeting may be called in respect of Holders of that Class of Securities, in which case the provisions of this schedule shall, with all necessary modifications, apply and be construed as if references to Securities were references to the relevant Class of Securities and references to Holders were references to the Holders of that Class of Securities.

### 4. NOTICE OF MEETINGS

- 4.1 **Persons to be notified:** Notice of every meeting shall be given in the manner provided in clause 12 of the Conditions to:
- (a) every Holder entered in the Register as at the close of business five Business Days prior to the date of despatch of the notice;
  - (b) the Issuer, if the meeting is convened by the Holders; and
  - (c) if the relevant Securities are listed, any stock exchange on which those Securities are listed.
- 4.2 **Time for notification:** At least 14 days' notice of every meeting will be given. The notice will be exclusive of the day on which it is served or deemed to be served and of the day for which it is given.
- 4.3 **Contents of notice:** The notice will specify the place and Appointed Time of the meeting and the general nature of the business to be transacted. It will not be necessary to specify in the notice the terms of the resolutions to be proposed, except in the case of a resolution

proposed to be passed as an Extraordinary Resolution in which case the text of the proposed resolution must be set out.

- 4.4 **Short or informal notice:** Notwithstanding any other provision of this regulation 4, a meeting may be called by shorter notice than that specified in regulation 4.2, or without any formal notice, and without compliance with regulation 4.3, and shall be deemed to have been duly called if it is so agreed by all Holders before, at or after that meeting.
- 4.5 **Accidental omission:** The accidental omission to give notice to, or the non-receipt of notice by, any person entitled to receive notice will not invalidate the proceedings at any meeting.

### 5. QUORUM

- 5.1 **Quorum required:** No business will be transacted at any meeting unless the requisite quorum is present at the commencement of business.
- 5.2 **Quorum for Extraordinary Resolution:** The quorum for passing an Extraordinary Resolution will be one or more Holders (present in person or by Representative) holding or representing a majority in Principal Amount of the Securities.
- 5.3 **Quorum for other business:** The quorum for the transaction of any business other than the passing of an Extraordinary Resolution will be one or more Holders (present in person or by Representative) of at least 10% in Principal Amount of the Securities.
- 5.4 **Quorum not present:** If, within 15 minutes (or any longer time not exceeding 45 minutes as the chairman of the meeting may decide) after the Appointed Time, a quorum is not present the meeting, if convened at the request of Holders, will be dissolved. In any other case it will be adjourned to a day and time (not being less than 14 days later) and to a place as may be appointed by the chairman. At such adjourned meeting all the Holders present in person or by Representative will be a quorum for the transaction of business including the passing of Extraordinary Resolutions.
- 5.5 **Notice of adjourned meeting:** Notice of any such adjourned meeting of Holders at which an Extraordinary Resolution is to be submitted will be given in the same manner as for an original meeting (except that only seven clear days' notice will be required) and such notice will state that the Holders present in person or by Representative at the adjourned meeting will form a quorum whatever the Principal Amount of Securities held by them.

### 6. CHAIRMAN

- 6.1 At a meeting of Holders a person appointed, by a resolution of Holders, from the Holders or

any Representatives present will preside as chairman at a meeting.

## 7. RIGHT TO ATTEND AND SPEAK

7.1 Any elected member, officer or solicitor of the Issuer, or any person appropriately authorised by the Issuer, may attend any meeting and all such persons will have the right to speak at the meeting.

## 8. ADJOURNMENT

8.1 **Chairman may adjourn:** The chairman may, with the consent of any meeting at which a quorum is present, and will, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

8.2 **Business at adjourned meeting:** No business will be transacted at any adjourned meeting except business which might have been lawfully transacted at the meeting from which the adjournment took place.

## 9. ONLY PERSONS ON REGISTER RECOGNISED

9.1 The persons named as Holders in the Register will be recognised and treated as the legal owners of the Securities whether those persons are or are not in fact the owners of those Securities.

## 10. AUTHORITY TO VOTE

10.1 **Voting:** An individual Holder may vote personally or by his Representative and a Holder which is a corporation may vote by its Representative. A Holder may appoint more than one Representative, each such Representative being authorised to act on behalf of the Holder in respect of a specified Principal Amount of Securities.

10.2 **Entitlement:** The persons named in the Register as Holders at the Proxy Closing Time will be exclusively entitled to vote in person or by Representative in respect of the Securities recorded as owned by them.

## 11. PROXIES

11.1 **In writing:** The instrument appointing a proxy must be in writing signed by the appointer or his attorney or, if the appointer is a corporation, either by an authorised officer or attorney or



by any director, general manager, investment manager or other person who appears to have authority to appoint a proxy on behalf of the corporation.

- 11.2 **Proxy need not be Holder:** A person appointed to act as a proxy need not be a Holder. A holder of a proxy will have the right to speak at the meeting.
- 11.3 **Deposit of proxy:** The instrument appointing a proxy, and, if applicable, the power of attorney or other authority under which it is signed or a copy of such power or authority certified by a solicitor or in any other manner approved by the Issuer, must be deposited at the place appointed by the Issuer in the notice convening the meeting (or, if no such place is appointed, then at the registered office of the Issuer) not later than the Proxy Closing Time. An instrument of proxy which is not so deposited will not be treated as valid unless the Issuer, in its absolute discretion, elects to accept any instrument of proxy notwithstanding that that instrument, or any power of attorney or other authority, is received or produced at a place other than that specified above or out of time.
- 11.4 **Form of proxy:** An instrument of proxy may be in any usual or common form or in any other form approved by the Issuer and may make provision for directions to be given by the grantor to vote in favour of or against any proposed resolution.
- 11.5 **Proxy valid for meeting:** An instrument of proxy, whether in a usual or common form or not, will, unless the contrary is stated thereon, not need to be witnessed and will be valid for the meeting to which it relates and for any adjournment of that meeting. Notwithstanding any provisions contained in an instrument of proxy, no instrument of proxy will be valid after the expiration of 12 months from the date of its execution notwithstanding any provision to the contrary in the instrument, but this provision will not be construed to apply to the appointment of an attorney or Representative otherwise than by an instrument of proxy.
- 11.6 **Proxy in favour of chairman:** An instrument of proxy in favour of:
- (a) the chairman of the Issuer; or
  - (b) the chairman of the meeting,
- (however expressed) will be valid and effectual as though it were in favour of a named person and will, in the case of paragraph (a) above, constitute the person holding the office of the chairman of the Issuer or, in the case of paragraph (b) above, the person who chairs the meeting for which the proxy is used (whether on adjournment or not) the lawful proxy of the appointer.

**12. HOLDER MAY APPOINT ATTORNEY**

12.1 Any Holder may by power of attorney appoint an attorney (who need not be a Holder) to vote and act on that Holder's behalf at any meeting. An attorney will be entitled to produce evidence of his appointment at any time before the Appointed Time. An attorney who is so empowered may exercise the Holder's right to appoint a proxy.

**13. CORPORATE REPRESENTATIVES**

13.1 **Authority:** A Representative of a Holder which is a corporation or a corporation sole will, until that authority is revoked, be entitled to exercise the same powers on behalf of the corporation as that corporation could exercise if it were an individual Holder and will be entitled to produce evidence of his authority to act at any time before the Appointed Time of, or at, the meeting or adjourned meeting or for the taking of a poll at which the Representative proposes to vote.

13.2 **Right to act:** A Representative will have the right to demand or join in demanding a poll and will (except and to the extent to which the Representative is specially directed to vote for or against any proposal) have power generally to act at the meeting for the Holder concerned.

**14. VOTING PROCEDURE AND POLLS**

14.1 **Show of hands:** A resolution put to the vote of a meeting will be decided on a show of hands unless a poll is demanded (before or on the declaration of the result of the show of hands) by:

- (a) the chairman; or
- (b) the Issuer or any representative of the Issuer; or
- (c) one or more Holders holding or representing not less than 5% in aggregate Principal Amount of the Securities.

A declaration by the chairman that a resolution has been carried by the requisite majority or lost will be conclusive evidence of that fact unless a poll is demanded.

14.2 **Number of votes:** On a show of hands each person present at the meeting and entitled to vote (whether personally or as a Representative) will have one vote only. On a poll every Holder who is present in person or by a Representative will have one vote for every \$1 of Principal Amount of the Securities of which he is the Holder, provided that where a Holder holds Zero Coupon Securities, for the purposes of calculating that Holder's voting entitlement in this clause, the Principal Amount of those Zero Coupon Securities is to be construed as a

reference to the net present value of those Zero Coupon Securities (as calculated by the Registrar for the relevant Series by adjusting, on a straight line basis, the Principal Amount of the relevant Security by a proportion of any discount to that Principal Amount applicable to such Security on its Issue Date) as at the date of the meeting. On a poll, votes may be given either personally or by Representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

- 14.3 **Poll:** If a poll is demanded it will be taken in the manner directed by the chairman and the result of the poll will be deemed to be the resolution of the meeting at which the poll was demanded.
- 14.4 **Chairman has casting vote:** In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands took place or at which the poll is demanded will be entitled to a casting vote in addition to the votes (if any) to which the chairman may be entitled as a Holder or on behalf of Holders.
- 14.5 **Election of chairman:** A poll demanded on the election of a chairman or on a question of adjournment will be taken immediately. A poll demanded on any other question will be taken either immediately or at a time within 30 days from the date of the meeting and in a place appointed by the chairman. The result of the poll will be deemed to be the resolution of the meeting at which the poll was demanded. No notice need be given of a poll not taken immediately.
- 14.6 **No disturbance:** The demand for a poll will not prevent the continuance of a meeting for the transaction of business other than the question in relation to which the poll has been demanded.
- 14.7 **Joint Holders:** In the case of joint Holders the vote of the senior who tenders a vote whether in person or by Representative will be accepted to the exclusion of the vote of the other joint Holders and for this purpose seniority will be determined by the order in which the names stand in the Register in respect of the joint holding.
- 14.8 **Disqualification:** A vote given in accordance with the terms of an instrument of proxy or power of attorney or other authority will be valid notwithstanding the previous death, insanity or (in the case of a corporation) liquidation of the principal or revocation of the proxy or power of attorney or authority or the transfer of the Securities in respect of which the vote is given, provided that no written notice of such death, insanity, liquidation, revocation or transfer is received by the Issuer at its registered office before the commencement of the meeting or adjourned meeting at which the proxy, attorney or authority is used.

## 15. EXTRAORDINARY RESOLUTIONS

15.1 **Powers:** A meeting of Holders will, in addition to all other powers which by these Conditions are specified as exercisable by Extraordinary Resolution, have the following powers exercisable by Extraordinary Resolution namely power to:

- (a) sanction either unconditionally or upon any conditions the release of the Issuer from the payment of all or any part of the moneys payable pursuant to the Securities;
- (b) sanction any request from the Issuer for the exchange of the Securities for, or the conversion of the Securities into, shares, stock, debentures, debenture stock or other obligations or securities of the Issuer or any other entity formed or to be formed;
- (c) postpone or, with the concurrence of the Issuer, to accelerate the day when the Principal Amount of any Securities becomes payable and to suspend or postpone for a time the payment of interest on any Securities;
- (d) sanction any alteration, release, modification, waiver, variation, or compromise or any arrangement relating to the rights of the Holders against the Issuer or its assets however those rights arise;
- (e) assent to any amendment to the terms of these Conditions or the relevant Final Terms proposed or agreed to by the Issuer and to authorise the Issuer to execute any document embodying any such amendment;
- (f) give any sanction, assent, release or waiver of any breach or default by the Issuer under any of the provisions of these Conditions or the relevant Final Terms;
- (g) sanction any scheme for the reconstruction of the Issuer or for the amalgamation of the Issuer with any other corporation where such sanction is necessary; and
- (h) authorise or direct the Issuer to execute any supplemental deed or other document embodying such sanction, authority or approval, assent, release, waiver, direction or request.

15.2 **Binding on Holders:** An Extraordinary Resolution passed at a meeting of Holders properly convened and held will be binding upon all the Holders whether or not present or entitled to be present at the meeting and the Holders will be bound to give effect to that resolution. The passing of any such resolution will, as between the Issuer and the Holders, be conclusive evidence that the circumstances justify the passing thereof the intention being that the meeting is entitled to determine without appeal whether or not the circumstances justify the

passing of any such resolution. Notwithstanding the foregoing a resolution which affects a particular Holder or Holders holding a Class of Securities only (as opposed to the rights of the Holders generally) will not be binding on such Holder or Holders unless the Holder or Holders agree to be bound by the terms of such resolution or unless the Holders of that Class have so agreed by virtue of an Extraordinary Resolution of the Holders of that Class of Securities. Whenever there are Securities outstanding which do not form a single Class then the provisions of this schedule shall have effect subject to the following:

- (a) a resolution which affects one Class only of Securities is deemed to have been duly passed if passed at a properly convened and held meeting of the Holders of that Class (or pursuant to regulation 17);
- (b) a resolution which affects more than one class of Securities, but does not give rise to a conflict of interest between the Holders of any of the Classes so affected is deemed to have been duly passed if passed at a single properly convened and held meeting of the Holders of all Classes so affected (or pursuant to regulation 17);
- (c) a resolution which affects more than one Class of Securities and gives or may give rise to a conflict of interest between the Holders of any of the Classes so affected is deemed to have been duly passed if passed at separate properly convened and held meetings of the Holders of each Class so affected (or pursuant to regulation 17); and
- (d) in respect of each meeting referred to in paragraphs (a), (b) and (c) of this regulation 15.2, the provisions of this schedule apply with the necessary modifications as though references in them to Securities and Holders were references to the relevant Class or Classes and to the Holders of the Securities comprised in such Class or Classes, respectively.

15.3 **Reliance on advice:** The Issuer may rely on, and the Holders and the Registrar for the relevant Series shall be bound by, a legal opinion from a leading law firm in New Zealand to the effect that a resolution affects one Class only or, if it affects more than one Class of Securities, does not give rise to a conflict of interest, for the purposes of determining the meeting or meetings which need to be held for the purposes of regulation 15.2.

## 16. MINUTES TO BE KEPT

16.1 Minutes of all resolutions and proceedings at every meeting will be made by the Issuer or, if the Issuer is not present at the meeting, by a person appointed by the chairman of the meeting. Minutes must be entered in books from time to time provided for that purpose by

the Issuer. Any such minutes, if signed or apparently signed by the chairman of the meeting at which a resolution was passed or proceedings had or by the chairman of the next meeting of Holders, will be prima facie evidence of the matters recorded in those minutes. Until the contrary is proved every meeting in respect of which minutes have been made will be deemed to have been properly held and convened and all resolutions passed or proceedings had at that meeting to have been properly passed and had.

### 17. RESOLUTIONS IN WRITING

- 17.1 **Extraordinary Resolution:** Anything that may be done by Holders by a resolution or Extraordinary Resolution passed at a meeting of Holders may be done by a resolution in writing signed by not less than 75% of the Holders having the right to vote on that resolution, holding in aggregate the Securities conferring the right to cast not less than 75% of the votes which could be cast on that resolution if a poll was demanded.
- 17.2 **Counterparts:** Any such resolution may consist of several documents in similar form, each signed by one or more Holders.
- 17.3 **Execution:** Any such resolution may be signed by a Holder, or an agent or attorney of the Holder duly authorised in writing, or if the Holder is a company, by a director, or by an authorised signatory or attorney so authorised by the company.

SCHEDULE 3

Form of Final Terms for EC Securities

*The Final Terms in respect of each Tranche of EC Securities will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the EC Securities and their issue. Text in this section appearing in italics does not form part of the Final Terms but denotes directions for their completion.*

**Final Terms dated [●]**

*[Name of Issuer]*

**Issue of [Aggregate nominal amount of Tranche] [Title of EC Securities]**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions ("**Conditions**") contained in the multi-issuer deed dated 7 December 2011 made by New Zealand Local Government Funding Agency Limited and various Local Authorities. These Final Terms contain the final terms of the EC Securities and must be read in conjunction with the Conditions.

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

- |     |                              |   |
|-----|------------------------------|---|
| 1.  | (i) Issuer:                  | [●]   |
| 2.  | [(i) Series Number:]         | [●]   |
|     | [(ii) Tranche Number:]       | [●]   |
|     |                              | <i>[If fungible with an existing Series, details of that Series, including the date on which the Series becomes fungible]</i> |
| 3.  | Type of Securities:          | <i>[Fixed Rate Securities/Floating Rate Securities/Zero Coupon Securities/Amortising Security].</i>                           |
| 4.  | Aggregate Principal Amount:  | [●].  |
| 5.  | Issue Price:                 | [●]% of the aggregate Principal Amount.   |
| 6.  | Minimum Subscription Amount: | \$[750,000] and integral multiples of \$[●].  |
| 7.  | Issue Date:                  | [●].  |
| 8.  | First Interest Payment Date: | [●].  |
| 9.  | Maturity Date:               | [●].  |
| 10. | Redemption restrictions:     | [Securities cannot be redeemed prior to Maturity Date].<br><br>[Amortising Securities].                                       |
| 11. | Security:                    | Debenture Trust Deed dated [●] between Issuer and [specify Trustee].  |

**Provisions relating to interest (if any) payable**

12. Floating Rate Security provisions:
- (i) Base Rate (if applicable): [Bill Rate / Swap Rate / Other Specified Rate].
  - (ii) Margin: [•] % per annum
  - (iii) Interest Periods: [One, two, three, four, five or six months].
  - (iv) Interest Payment Dates: [•] in each year.

13. Fixed Rate Security provisions:
- (i) Interest Rate: [•] per cent per annum [payable annually/semi-annually/quarterly in arrears].
  - (ii) Interest Payment Dates: [•] in each year.

14. Zero Coupon Security Provisions:
- (i) Annual yield: [•] per cent per annum.

### Provisions relating to redemption

15. Redemption/Payment Basis: [Redemption at par].
16. Circumstances where Early Redemption Permitted: [N/A/Specify].
17. Early Redemption Amount: [Par].
18. Amortising Security provisions: [Applicable/N/A]
- (i) Amortisation Dates: [•]
  - (ii) Principal Amount repayable on each Amortisation Date: \$[•]

### General provisions applicable to the Securities

19. Governing Law: New Zealand.
20. Additional Selling Restrictions: [Specify] [N/A]
21. Additional conditions: [Specify] [N/A]
22. Registrar: [•].

### Ratings

23. Ratings: [Specify] [N/A].

**Operational Information** [insert as appropriate]

**NEW ZEALAND LOCAL GOVERNMENT  
FUNDING AGENCY LIMITED** by [insert  
Execution method]:



SCHEDULE 4

Form of Accession Deed

DEED dated [●].

PARTIES

[●]

("Acceding Party")

New Zealand Local Government Funding Agency Limited

("Subscriber")

pursuant to the Multi-issuer Deed defined below.

INTRODUCTION

- A. The Subscriber has agreed that the Acceding Party may accede to the Multi-issuer Deed as an "Issuer".
- B. This deed records the accession.

AGREEMENT:

1. INTERPRETATION

1.1 **Interpretation:** In this deed:

"Local Authority" has the meaning given to it in the Local Government Act 2002.

"Multi-issuer Deed" means the deed dated 7 December 2011 (as amended and restated on [●]) between the Subscriber and various Local Authorities entitled "Multi-issuer Deed".

1.2 **Multi-issuer Deed:** Terms defined in the Multi-issuer Deed have the same meaning in this deed unless the context requires otherwise.

1.3 **Inconsistency:** In the event of any inconsistency between the terms of this deed and those of the Multi-issuer Deed, the terms of this deed will prevail in respect of the Acceding Party.

2. ACCESSION

2.1 **Accession:** The Acceding Party hereby:

- (a) agrees with the Subscriber that with effect on and from the date of this deed, it will be bound by the Multi-issuer Deed as an Issuer as if it had been an original party thereto and named therein as an Issuer, and agrees to be bound by the terms of, and perform its obligations under, the Multi-issuer Deed; and
- (b) agrees that it will be bound by the special conditions (if any) set out in the annexure to this deed as if those were terms of the Multi-issuer Deed.

2.2 **Acknowledgement:** The Subscriber acknowledges and agrees to the accession made under this deed.

2.3 **Implied provisions:** For the purposes of section 14 of the Property Law Act 2007, the Acceding Party acknowledges that this deed is, and for all purposes and at all times shall be construed as being, supplemental to the Multi-issuer Deed.

**3. NOTICE**

The details for notices for the Acceding Party for the purposes of the Multi-issuer Deed are: *[specify]*

**4. GOVERNING LAW**

This deed shall be governed by the laws of New Zealand.

**5. NO CROWN GUARANTEE**

The obligations and liabilities of the *[Acceding Party and]* *[Delete bracketed text if Acceding Party is a CCO]* Subscriber under this deed and the Multi-issuer Deed are not guaranteed by the Crown.

**6. COUNTERPARTS**

This deed may be signed in any number of counterparts, all of which together constitute one and the same instrument, and any of the parties may execute this deed by signing any such counterpart.

**EXECUTED AS A DEED**

**Acceding Party**

**[LOCAL AUTHORITY/CCO]** by:

\_\_\_\_\_  
Signature of [Elected Member/Director]

\_\_\_\_\_  
Signature of [Elected Member/Director]

\_\_\_\_\_  
Name of [Elected Member/Director]

\_\_\_\_\_  
Name of [Elected Member/Director]

**Subscriber**

**NEW ZEALAND LOCAL GOVERNMENT  
FUNDING AGENCY LIMITED** by:

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Director

\_\_\_\_\_  
Name of Director

By signing the acknowledgement below, each entity identified in the annexure to this deed as a "CCO Shareholder":

- (a) acknowledges the terms of this deed and the Multi-Issuer Deed;
- (b) agrees to enter into any CCO Support Document to which it is expressed to be a party (as set out in the annexure to this deed); and
- (c) where it is identified in the annexure to this deed as a "LA Shareholder", agrees to the additional representations, undertakings and termination events specified to apply to it pursuant to the annexure to this deed.

**ACKNOWLEDGED BY:**

**[CCO SHAREHOLDER]** by:

\_\_\_\_\_  
Signature of [Elected Member/Director]

\_\_\_\_\_  
Signature of [Elected Member/Director]

\_\_\_\_\_  
Name of [Elected Member/Director]

\_\_\_\_\_  
Name of [Elected Member/Director]

## ANNEX TO THE ACCESSION DEED

*[Exemptions and any additional conditions relating to the Acceding Party to be included here.]*

*[Include text below if Acceding Party is a CCO]*

1. **CCO Shareholder:** As at the date of this deed, for the purposes of the Multi-issuer Deed, the CCO Shareholder[s] in respect of the Acceding Party is: *[specify, including each CCO Shareholder's holding and whether each is a LA Shareholder or Other Shareholder]*.
2. **CCO Credit Support:** As at the date of this deed, for the purposes of the Multi-issuer Deed, the CCO Credit Support is: *[specify, noting whether it reflects a "protected transaction" for any LA Shareholder]*.
3. **CCO Support Document:** As at the date of this deed, for the purposes of the Multi-issuer Deed, the CCO Support Document is: *[specify, including the Debenture Trust Deed and Security Stock Certificate where a LA shareholder is giving a CCO Guarantee]*.
4. **[CCO Negative Pledge and Covenant: *[specify]*.]**
5. **Financial covenants:** *[For the purposes of clause 7.5 of the Multi-issuer Deed, the Acceding Party shall procure that [as at each Test Date for the financial year ending on that Test Date]: *[specify financial covenants]*]/[specify that no financial covenants apply]*
6. **Insolvency Event:** means the occurrence of any of the following events in relation to the Acceding Party or any CCO Shareholder, without the prior written consent of the Subscriber:
  - (a) it is declared or becomes bankrupt or insolvent or is unable to pay its debts when they fall due;
  - (b) it is presumed to be unable to pay its debts in accordance with section 287 of the Companies Act;
  - (c) a receiver, receiver and manager, liquidator, provisional or interim liquidator, or administrator is appointed in respect of it or any of its assets;
  - (d) an application is made to a court, a meeting is convened or a resolution is passed for it to be wound up or dissolved or for the appointment of a receiver, liquidator, provisional or interim liquidator, statutory manager or administrator to it or any of its assets and such application is not withdrawn or dismissed within **[●]** Business Days;

- (e) any step is taken to appoint, or with a view to appointing, a statutory manager (including the making of any recommendation in that regard by the Financial Markets Authority) under the Corporations (Investigation and Management) Act 1989 in respect of it, or it or any of its associated persons (as that term is defined in that Act) is declared at risk pursuant to the provisions of that Act;
- (f) it:
  - (i) resolves to enter into, or enters into, a scheme of arrangement, a deed of company arrangement, compromise or composition with its creditors or an assignment for their benefit;
  - (ii) proposes or is subject to a moratorium of its debts; or
  - (iii) takes proceedings or actions similar to those mentioned in this paragraph as a result of which its assets are, or are proposed to be, submitted to the control of its creditors;
- (g) it seeks or obtains protection from its creditors under any statute or any other law;
- (h) any attachment, distress, execution or other process is made or levied against any asset of it in an amount in excess of \$[•] (or its equivalent in any currency or currencies) and is not withdrawn, stayed or dismissed within [•] Business Days; or
- (i) an event occurs in relation to it which is analogous to anything referred to above or which has a substantially similar effect. *[Can be amended to reflect a CCO Shareholder's status]*.

- 7. **Permitted security interest (cl 6.1A(a)(xiv), (xv))** *[specify]/[None]*.
- 8. **Permitted disposal (cl 7.1A(a)(viii)):** *[specify]/[None]*.
- 9. **Permitted Distribution (cl 7.1A(a)(xii)(aa)):** *[specify]/[None]*.
- 10. **Permitted financial accommodation (cl 7.1A(a)(xiii)):** *[specify]/[None]*.
- 11. **Permitted acquisition (cl 7.1A(a)(xv)):** *[specify]/[None]*.
- 12. **Permitted merger (cl 7.1A(a)(ix)):** *[specify]/[None]*.
- 13. **Additional representations by the Acceding Party (cl 6.1A(a)(xviii)):** *[specify, including representations as to ranking obligations under the Multi-issuer Deed]/[None]*.
- 14. **Additional representations by each LA Shareholder (cl 6.1A(b)(viii)):** *[specify]/[None]*.

15. **Additional undertakings by the Acceding Party (cl 7.1A(a)(xxi)):** *[specify, including undertakings as to ranking of obligations under the Multi-issuer Deed]/[None]*.
16. **Additional undertakings by each LA Shareholder (cl 7.1A(b)(ix)(aa)):** *[specify]/[None]*.
17. **Additional termination event in respect of the Acceding Party (cl 7.8(d)):**  
*[specify]/[None]*.
18. **Additional termination event in respect of each LA Shareholder (cl 7.8(d)):**  
*[specify]/[None]*.
19. **Additional Events of Default in respect of the Acceding Party:**
- (a) **Cross default:**
- (i) any indebtedness of the Acceding Party is not paid when due nor within any originally applicable grace period;
- (ii) any indebtedness of the Acceding Party is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an enforcement event, event of default, acceleration event or similar event (howsoever described);
- (iii) any creditor of the Issuer becomes entitled to declare any indebtedness of the Issuer due and payable prior to its specified maturity as a result of an enforcement event, event of default, acceleration event or similar event (howsoever described),
- provided that no Event of Default will occur under this provision if the aggregate amount of indebtedness or commitment for indebtedness falling within paragraphs (i) to (iii) above is less than \$[●] (or its equivalent in any other currency or currencies);
- [specify each additional Event of Default (if any)]*.
20. **Test Date:** For the purposes of the Multi-issuer Deed, the Test Date for the Acceding Party is: *[specify]* of each year.
21. **Exceptions:** For the purposes of the Multi-issuer Deed, the following amendments are made to clauses 6.1A, 7.1A, 7.8 and 7.9: *[specify]/[None]*.

## SCHEDULE 5

### Form of Term Sheet

*The term sheet in respect of each Tranche of Securities (other than EC Securities) will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the Securities and their issue. Text in this section appearing in italics does not form part of the term sheet but denotes directions for their completion.*



**NEW ZEALAND  
LOCAL GOVERNMENT  
FUNDING AGENCY**

SETTLEMENTS CONTACT  
EMAIL [LGFAtenderoperations@lgfa.co.nz](mailto:LGFAtenderoperations@lgfa.co.nz)  
PH 04 974 6530

### NZ LOCAL GOVERNMENT FUNDING AGENCY LIMITED TERM SHEET

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions ("**Conditions**") contained in the multi-issuer deed dated 7 December 2011 made by New Zealand Local Government Funding Agency Limited and various Local Authorities. This term sheet contains the final terms of the Securities and must be read in conjunction with the Conditions.

*[Include whichever of the following apply or specify as "Not Applicable" (N/A).]*

	<b>LOCAL AUTHORITY LENDING SECURITY</b>
LGFA Term Sheet Security Reference	<b>[•]</b>
Subscriber	New Zealand Local Government Funding Agency Limited
Issuer	<b>[•]</b>
Series Number	<b>[•]</b>
Tranche Number	<b>[•]</b>
Type of Securities	<i>[Fixed Rate Securities/Floating Rate Securities/Zero Coupon Securities/Amortising Security]</i>
Security Identifier	<b>[•]</b>
Aggregate Principal Amount	<b>[•]</b>
Issue Price	<b>[•]</b> % of the aggregate Principal Amount
Maturity Date	<b>[•]</b>
Fixed Interest Rate (if Fixed Rate Securities)	<b>[•]</b>
Trade Yield (if Fixed Rate Securities)	<b>[•]</b>

Base Rate + Margin (if Floating Rate Securities)	[•]
Pricing Date (if Fixed Rate Securities) / Interest Rate Set Date (if Floating Rate Securities)	[•]
Issue Date	[•]
Interest Accrual Start Date	[•]
First Interest Payment Date	[•]
Interest Payment Dates	[•]
Interest Periods	[•]
Date Roll (Interest Payment Date and Maturity Date)	[•]
Annual Yield (if Zero Coupon Securities)	[•]
Daycount Convention	Modified Following
Holidays (Business Day)	Christchurch, Wellington, Auckland
Minimum Subscription Amount/multiples	[•]
Governing Law	New Zealand
Additional conditions	[Specify] [N/A]
Registrar	[•]
Agency Agreement	[•]
CCO Support Documents	[specify each security and guarantee document] or [N/A if not a CCO Issuer]
CCO Credit Support	[specify each security and guarantee] or [N/A if not a CCO Issuer]
CCO Negative Pledge and Covenant	[specify full negative pledge (if applicable) and any permitted security interest. See definition of "CCO Negative Pledge and Covenant" in clause 1.1 of the Conditions] or [N/A if not a CCO Issuer]
Insolvency Event	[The occurrence of any of the following events in relation to the Issuer or any CCO Shareholder, without the prior written consent of the Holders:  (a) it is declared or becomes bankrupt or insolvent or is unable to pay its debts when they fall due;



	<p>(b) it is presumed to be unable to pay its debts in accordance with section 287 of the Companies Act;</p> <p>(c) a receiver, receiver and manager, liquidator, provisional or interim liquidator, or administrator is appointed in respect of it or any of its assets;</p> <p>(d) an application is made to a court, a meeting is convened or a resolution is passed for it to be wound up or dissolved or for the appointment of a receiver, liquidator, provisional or interim liquidator, statutory manager or administrator to it or any of its assets and such application is not withdrawn or dismissed within <b>[•]</b> Business Days;</p> <p>(e) any step is taken to appoint, or with a view to appointing, a statutory manager (including the making of any recommendation in that regard by the Financial Markets Authority) under the Corporations (Investigation and Management) Act 1989 in respect of it, or it or any of its associated persons (as that term is defined in that Act) is declared at risk pursuant to the provisions of that Act;</p> <p>(f) it:</p> <ul style="list-style-type: none"><li>(i) resolves to enter into, or enters into, a scheme of arrangement, a deed of company arrangement, compromise or composition with its creditors or an assignment for their benefit;</li><li>(ii) proposes or is subject to a moratorium of its debts; or</li><li>(iii) takes proceedings or actions similar to those mentioned in this paragraph as a result of which its assets are, or are proposed to be, submitted to the control of its creditors;</li></ul> <p>(g) it seeks or obtains protection from its creditors under any statute or any other law;</p>
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	<p>(h) any attachment, distress, execution or other process is made or levied against any asset of it in an amount in excess of \$[●] (or its equivalent in any currency or currencies) and is not withdrawn, stayed or dismissed within [●] Business Days; or</p> <p>(i) an event occurs in relation to it which is analogous to anything referred to above or which has a substantially similar effect. <i>[Can be amended to reflect a CCO Shareholder's status] or [N/A if not a CCO Issuer]</i></p>
<p>Additional Event of Default</p>	<p>(a) <b>Cross default:</b></p> <p>(i) any indebtedness of the Issuer is not paid when due nor within any originally applicable grace period;</p> <p>(ii) any indebtedness of the Issuer is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an enforcement event, event of default, acceleration event or similar event (howsoever described);</p> <p>(iii) any creditor of the Issuer becomes entitled to declare any indebtedness of the Issuer due and payable prior to its specified maturity as a result of an enforcement event, event of default, acceleration event or similar event (howsoever described),</p> <p>provided that no Event of Default will occur under this provision if the aggregate amount of indebtedness or commitment for indebtedness falling within paragraphs (i) to (iii) above is less than \$[●] (or its equivalent in any other currency or currencies).</p> <p><i>[specify each additional Event of Default (if any)]</i></p>

**NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED** by *[insert Execution method]*:

*[Insert execution block for local authority]*

*[For the avoidance of doubt, term sheets may include the terms of the corresponding Borrower Notes at the Subscriber's sole discretion and such inclusion shall not invalidate the relevant term sheet]*

SCHEDULE 6

Form of Notice of Commitment for EC Securities

**To:** New Zealand Local Government Funding Agency Limited ("**Subscriber**")  
**Attention:** { }

**Email:** { }  
**Date:** { }

**Re:** Multi-issuer Deed dated 7 December 2011 ("**Deed**")

Terms defined in the Deed have the same meaning in this Notice of Commitment unless the context requires otherwise.

1. For the purpose of clause 4.2(b) of the Deed, the Issuer hereby irrevocably and unconditionally offers to issue the EC Securities on the terms contained in the preliminary Final Terms enclosed with this notice.
2. The Issuer requests that the Subscriber accepts the above offer for the purposes of clause 4.2 of the Deed by counter-signing and returning to the Issuer a duplicate copy of this Notice of Commitment.

Yours faithfully  
[Local Authority]

\_\_\_\_\_  
Signature of officer

The Subscriber hereby accepts the offer of the issuance of the EC Securities described in this notice, such acceptance subject to the conditions specified in clause 4.5 of the Deed.

**NEW ZEALAND LOCAL GOVERNMENT  
FUNDING AGENCY LIMITED** by:

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Name of director

\_\_\_\_\_  
Name of director

Date: [●]  
[Attach preliminary Final Terms]

SCHEDULE 7

Form of Compliance Certificate

To: New Zealand Local Government Funding Agency Limited

Attention: { }

Email: { }

Date: { }

Re: Multi-issuer Deed dated 7 December 2011 ("**Deed**")

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Terms defined in the Deed have the same meanings in this Compliance Certificate unless the context requires otherwise.

1. This certificate is given to you pursuant to clause 7.5 of the Deed.
2. For the purposes of this certificate the Test Date is *[insert date]*.
3. I, *[name]* the *[insert position of Authorised Signatory]* of *[Council name]* Council ("**Issuer**") certify that to the best of my knowledge and belief, having made due enquiry the covenants and ratios detailed in appendix A (comparing actual performance to the financial covenant) were true and correct in all respects as at the Test Date.
- [4. The Issuer provides the following details relating to breaches of the covenants and ratios detailed in appendix A (if any) as at the Test Date: *[insert details]*].

Dated: [•]

*[name of Issuer]* by:

---

*[Authorised Signatory]*

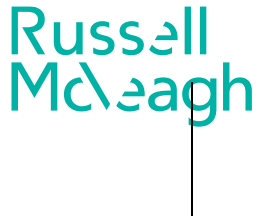
APPENDIX A TO COMPLIANCE CERTIFICATE

Financial Covenant (clause 7.5)	Required Performance (%)	Actual Performance (%)
Net Debt: Total Revenue	[insert]	[insert]
Net Interest: Total Revenue	[insert]	[insert]
Net Interest: Annual Rates Income	[insert]	[insert]
Available Financial Accommodation: External Indebtedness	[insert]	[insert]

**Financial Covenant Components**

Net Debt	[insert]
Total Revenue	[insert]
Net Interest	[insert]
Annual Rates Income	[insert]
Available Financial Accommodation	[insert]
External indebtedness	[insert]

*[insert/attach supporting information used to determine relevant financial covenant components, including providing details of various amounts at Issuer and/or Consolidated Group depending on parameters that apply under the Deed]*



# Notes Subscription Agreement

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## **PARTIES**

New Zealand Local Government Funding Agency Limited

**Issuer**

The Local Authorities Listed in Schedule 1

**Principal Shareholders**

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**AGREEMENT** dated 7 December 2011 (as amended [and restated](#) by the ~~agreement~~[deed](#) to which this agreement is attached as an appendix)

## PARTIES

New Zealand Local Government Funding Agency Limited  
("Issuer")

The Local Authorities Listed in Schedule 1  
("Principal Shareholders")

## INTRODUCTION

- A. The Issuer and the Principal Shareholders wish to record the arrangements agreed between them in relation to the issue of Borrower Notes by the Issuer from time to time to the Principal Shareholders, and other Local Authorities [or CCOs](#) that may accede to this agreement, as Subscribers.
- B. This agreement records those arrangements.

## AGREEMENT

### 1. INTERPRETATION

1.1 **Definitions:** In this agreement, unless the context otherwise requires:

"**Accession Deed**" means a deed in the form, or substantially in the form, of schedule 2.

"**Amortising Security**" has the meaning given to it in the Conditions.

"**Amortised Redemption Amount**" means, in relation to an Amortising Security, as at any date, the aggregate LG Redemption Amount that the relevant Subscriber (in its capacity as issuer of that LG Security) has repaid to the Issuer in respect of that LG Security in accordance with its terms.

"**Borrowed Money Indebtedness**" means any indebtedness of the Issuer to a person (other than indebtedness owed to a Subscriber in respect of Borrower Notes) in respect of money borrowed or raised or any other financial accommodation whatsoever in the nature of, or having a similar economic effect to, borrowing or raising money, including indebtedness under or in respect of a negotiable or other financial instrument, guarantee, interest or currency exchange hedge or other arrangement of any kind (calculated on a net and marked to market basis).

"**Borrower Note**" means each note issued by the Issuer under this agreement.

["BN Percentage" means, in respect of a date:](#)

[\(a\) \\_\\_\\_\\_\\_ from 7 December 2011 until \(and excluding\) the Initial BN Change Date, 1.6%; and](#)

(b) from (and including) the Initial BN Change Date, 2.5% or such other percentage approved by the board of the Issuer and notified (in writing) by the Issuer to all Subscribers from time to time as being applicable from (and including) the date specified in such notification.

"BN Percentage Period" means, in relation to a BN Percentage, the period during which that BN Percentage applies (in respect of the then current BN Percentage) or was applicable (in respect of any historic BN Percentage).

"**Business Day**" means a day (other than a Saturday, Sunday or public holiday) on which registered banks are generally open for business in Christchurch, Wellington and Auckland.

"CCO Subscriber" means a Subscriber that is a CCO.

"**Commercial Paper**" means in relation to a Subscriber, any securities issued by the Subscriber under the Multi-~~Issuer~~ issuer Deed which have a maturity date falling no more than 364 days after the issue date of those securities.

"**Companies Act**" means the Companies Act 1993.

"**Constitution**" means the Issuer's constitution.

"**Conversion**" means the conversion of Borrower Notes into Redeemable Shares in accordance with this agreement and "**Convert**", "**Convertible**" and "**Converted**" shall be construed accordingly.

"**Conversion Date**" means the date specified as such in a Conversion Notice, which may be a day on or following the date of the Conversion Notice.

"**Conversion Notice**" has the meaning given to it in clause 8.1.

"**Early Redemption Date**" has the meaning given to it in clause 7.1(c).

"**Extension Notice**" has the meaning given to it in clause 8.6.

"**FMC Act**" means the Financial Markets Conduct Act 2013.

"Initial BN Change Date" means, and includes, the date of the deed to which this agreement is attached as an appendix.

"**Issue Date**" means, in relation a Borrower Note, the date on which the Borrower Note is issued, as recorded as such in the Register. The Issue Date of a Borrower Note shall be the same as the "Issue Date" of the related LG Securities issued by the Subscriber under the Multi-~~Issuer~~ issuer Deed.

"**Issue Price**" means:

- (a) in relation to Borrower Notes issued to a Subscriber on a particular date under clause 4.1, an amount equal to the aggregate Principal Amount of those Borrower Notes determined in accordance with clause 4.1(a); and
- (b) in relation to Borrower Notes issued to a Subscriber following the giving of a Top-up Notice, an amount equal to the aggregate Principal Amount of the Borrower Notes to be issued to the Subscriber as specified in the Top-up Notice.

**"Interest Rate"** means the interest rate applicable to a Borrower Note from time to time as determined by the Issuer, which interest rate shall be a percentage rate (p.a.) and shall be determined by the Issuer by reference to the applicable interest rate which is (or would be) payable by the Issuer in respect of the Borrowed Money Indebtedness it incurs to subscribe for the LG Securities to which the Borrower Note relates, and includes the Issuer's "issuance margin", being all of the Issuer's costs and expenses relating to that Borrowed Money Indebtedness (including, without limitation, dealer fees, commissions, listing fees and any Approved Issuer Levy which is or may be payable by the Issuer under the terms of that Borrowed Money Indebtedness). The interest rate determined by the Issuer must not include any additional spread to its issuance margin which it applies in determining the interest rate for the applicable LG Security.

**"LG Interest Rate"** means:

- (a) in relation to an LG Security which is a Floating Rate Security or Fixed Rate Security, the "Interest Rate" for that LG Security; and
- (b) in relation to an LG Security which is a Zero Coupon Security, the "annual yield" for the LG Security.

**"LG Issue Price"** means, in relation to a Tranche of LG Securities, the "Issue Price" as specified in the applicable Final Terms, expressed as a dollar amount.

**"LG Redemption Amount"** means, in relation to a LG Security, the "Principal Amount" as specified in the applicable Final Terms.

**"LG Securities"** means, in relation to a Subscriber, the securities issued by the Subscriber under the Multi-~~Issuer~~issuer Deed, but excluding any Commercial Paper.

**"Local Authority"** means a ~~Local Authority~~local authority as defined in the Local Government Act 2002.

**"Maturity Date"** means, in relation to any Borrower Notes issued to a Subscriber, the date specified as such in the Register. Subject to clause 8.6, the Maturity Date of a Borrower Note shall be the same as the "Maturity Date" of the related LG Securities issued by the Subscriber under the Multi-~~Issuer~~issuer Deed.

**"Multi-~~Issuer~~issuer Deed"** means the deed dated on or about the date of this agreement between New Zealand Local Government Funding Agency Limited and various Local Authorities entitled "Multi-~~Issuer~~issuer Deed".

**"Principal Amount"** means, for each Borrower Note, \$1.00.

**"Redeemable Share"** has the meaning given to it in the Constitution.

**"Redemption Amount"** means, in relation to a Borrower Note, an amount equal to:

- (a) the Principal Amount or, in the case of a Borrower Note that is issued in relation to a LG Security that is an Amortising Security, the amount of the Principal Amount that remains outstanding as at the Maturity Date, Early Redemption Date, Sale Redemption Date or Conversion Date (as applicable); and

- (b) the aggregate of interest accrued and unpaid on the Borrower Note from (and including) the Issue Date to (but excluding) the Maturity Date, Early Redemption Date, Sale Redemption Date or -Conversion Date (as applicable).

"**Registrar**" means the Issuer or such other person appointed by the Issuer to maintain the Register on the Issuer's behalf.

"**Register**" means the register of Borrower Notes established and maintained by the Issuer in accordance with this agreement.

"**Repo Arrangement**" has the meaning given to it in clause 7.1(b).

"**RWT-Exempt Status**" has the meaning given to it in the Taxation (Annual Rates for 2017–18, Employment and Investment Income, and Remedial Matters) Act 2018.

"**Sale Redemption Date**" has the meaning given to it in clause 7.1(b).

"**Securities Act**" means the Securities Act 1978.

"**Senior Creditors**" means all creditors (present and future) of the Issuer:

- (a) whose claims are or would be admitted in the Winding-Up of the Issuer; and
- (b) who are not the holders of indebtedness, the right to payment of which by its terms is, or is expressed to be, subordinated in the event of the Winding-Up of the Issuer to the claims of all unsubordinated creditors of the Issuer.

"**Shareholders' Agreement**" has the meaning given to it in the Constitution.

"**Subscriber**" means a Local Authority set out in schedule 1 or any other Local Authority or CCO which is or becomes a Subscriber in accordance with clause 2.3- or 2A.3 (as applicable).

"**Subscription Price**" means, in relation to a Subscriber, an amount equal to the Redemption Amount of the Borrower Notes held by that Subscriber that are required to be Converted as determined under clauses 8.1 and 8.2.

"**Top-up Notice**" has the meaning given to it in clause 4.3(a).

"**Winding Up**" means any procedure, brought or instigated by any person, for the dissolution of the Issuer otherwise than for the purposes of, and followed by, an amalgamation or solvent reconstruction on terms previously approved by the Subscribers, and "**Wound Up**" shall have a corresponding meaning.

1.2 **Multi-Issuer**issuer **Deed**: Words and expressions defined in the Multi-~~Issuer~~issuer Deed and used in this agreement shall have the same meanings in this agreement, unless the context requires otherwise.

1.3 **References**: Except to the extent that the context otherwise requires, any reference in this agreement to:

an "**authorisation**" includes:

- (a) any consent, authorisation, registration, filing, agreement, notarisation, certificate, permission, licence, approval, authority or exemption from, by or with a governmental agency; or
- (b) in relation to anything which will be proscribed or restricted in whole or part by law if a governmental agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of such period without such intervention or action.

a "**clause**" or "**schedule**" is a reference to a clause of, or schedule to, this agreement.

"**dollars**" and "\$" means the lawful currency of New Zealand.

the "**dissolution**" of any person includes the bankruptcy, winding up or liquidation of that person, and any equivalent or analogous procedure under the law of any jurisdiction in which that person is incorporated, domiciled or resident or carries on business or has assets.

"**indebtedness**" means any obligation (whether present or future, actual or contingent, secured or unsecured, as principal or surety or otherwise) for the payment or repayment of money.

#### 1.4 **Miscellaneous:**

- (a) The introduction to and headings in this agreement are inserted for convenience only and shall be ignored in construing this agreement.
- (b) Unless the context otherwise requires words denoting only the singular number shall include the plural and vice versa and words denoting any gender shall include all genders.
- (c) References to any legislation or to any provision of any legislation are deemed to be references to that legislation or provision as from time to time amended, re-enacted or substituted and, unless the context otherwise requires, shall also include any statutory instruments issued under any such legislation or provision.
- (d) References to any document (however described) shall include references to such document as modified, novated, supplemented, varied or replaced from time to time.
- (e) References to any party to this agreement or any other document shall include its successors or permitted assigns.
- (f) References to a time of day are references to New Zealand time unless otherwise stated.
- (g) Anything which may be done at any time may also be done from time to time.

## 2. **ACCESSION OF LOCAL AUTHORITY AS A SUBSCRIBER**

2.1 **Local Authority to sign Accession Deed:** A Local Authority may become a Subscriber under this agreement by:

- (a) completing and signing an Accession Deed and delivering it to the Issuer;

- (b) delivering to the Issuer a legal opinion from counsel acceptable to the Issuer in a form satisfactory to the Issuer;
- (c) providing the Issuer with evidence (in a form satisfactory to the Issuer) that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to its entry into this agreement and the Accession Deed have been obtained and are current and satisfactory; and
- (d) providing the Issuer with such evidence or documentation as the Issuer may require so as to be satisfied that the Subscriber is permitted to be a party to this agreement and subscribe for Borrower Notes in accordance with clause 15.4(a).

2.2 **Subscriber to countersign Accession Deed:** On receipt of the documents described in clause 2.1 in form and substance satisfactory to the Issuer, the Issuer shall:

- (a) countersign the counterpart of the Accession Deed;
- (b) enter the Accession Deed in a register kept by it (which shall be conclusive); and
- (c) retain one counterpart and deliver the other to the relevant Local Authority.

2.3 **Accession effective:** On an Accession Deed being countersigned by the Issuer in accordance with clause 2.2, the Local Authority shall be bound by this deed as if it were a party hereto and named herein as a Subscriber.

## 2A. ACCESSION OF CCO AS A SUBSCRIBER

2A.1 CCO to sign Accession Deed: A CCO may become a Subscriber under this agreement by:

- (a) completing and signing and procuring each LA shareholder to sign an Accession Deed and delivering it to the Issuer;
- (b) delivering to the Issuer a legal opinion from counsel acceptable to the Issuer in a form satisfactory to the Issuer;
- (c) providing the Issuer with evidence (in a form satisfactory to the Issuer) that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to its and each LA Shareholder's entry into this agreement and the Accession Deed have been obtained and are current and satisfactory; and
- (d) providing the Issuer with such evidence or documentation as the Issuer may require so as to be satisfied that the Subscriber is permitted to be a party to this agreement and subscribe for Borrower Notes in accordance with clause 15.4(a).

2A.2 Subscriber to countersign Accession Deed: On receipt of the documents described in clause 2A.1 in form and substance satisfactory to the Issuer, the Issuer shall:

- (a) countersign the counterpart of the Accession Deed;
- (b) enter the Accession Deed in a register kept by it (which shall be conclusive); and

(c) retain one counterpart and deliver the other to the relevant CCO.

**2A.3 Accession effective:** On an Accession Deed being countersigned by the Issuer in accordance with clause 2A.2, the CCO shall be bound by this deed as if it were a party hereto and named herein as a Subscriber.

### 3. OBLIGATIONS SEVERAL

3.1 The obligations of each Subscriber under this agreement are several. No Subscriber shall be responsible for the obligations of any other Subscriber under this agreement. The failure of a Subscriber to perform its obligations under this agreement shall not release any other Subscriber from its obligations under this agreement.

### 4. ISSUE AND SUBSCRIPTION

4.1 **Issue and subscription relating to issue of LG Securities:** Subject to clause ~~15.4~~, 15.4, on each date on which a Subscriber issues LG Securities to the Issuer under the Multi-~~Issuer~~ issuer Deed:

- (a) the Issuer shall issue to the Subscriber Borrower Notes in an aggregate Principal Amount (rounded to the nearest dollar, with \$0.50 being rounded up) equal to ~~1.6 percent~~ the BN Percentage on that date of the ~~aggregate~~ LG Issue Price of the related LG Securities; and
- (b) the Subscriber shall subscribe for those Borrower Notes and pay to the Issuer the Issue Price for those Borrower Notes.

4.2 **Set-off:** On each Issue Date, unless the Issuer and the relevant Subscriber agree otherwise, the Subscriber's obligation to pay the Issue Price to the Issuer automatically shall be set-off against the Issuer's obligation to pay the LG Issue Price to the Subscriber for the related Tranche of LG Securities.

4.3 **Issue and subscription following Conversion:**

(a) If, following the Conversion of Borrower Notes in accordance with clause 8.1, in respect of each BN Percentage Period and a Subscriber:

(i) the aggregate Principal Amount of Borrower Notes (in respect of related LG Securities issued by the Subscriber during that BN Percentage Period) held by a ~~the~~ Subscriber;

is less than ~~1.6% of the aggregate;~~

(ii) the BN Percentage for that BN Percentage Period of the LG Issue Price of the related LG Securities (issued by the Subscriber during that BN Percentage Period) and then held by the Issuer (less, where the related LG Securities are Amortising Securities, the aggregate Amortised Redemption Amount of such Amortising Securities on the date of the Top-up Notice),

(such a BN Percentage Period a "Relevant BN Percentage Period") the Issuer may, by giving written notice to the Subscriber ("**Top-up Notice**") require the

Subscriber on the date specified in the Top-up Notice (which must be a date not less than 3 months after the date of the Top-up Notice) to subscribe for such number of additional Borrower Notes as are required to be issued to the Subscriber so that:

(iii) the aggregate Principal Amount of Borrower Notes (in respect of related LG Securities issued by the Subscriber during that BN Percentage Period) held by the Subscriber;

will be equal to ~~1.6% of the aggregate;~~

~~(a)(iv)~~ the BN Percentage for that BN Percentage Period of the LG Issue Price of those related LG Securities (issued by the Subscriber during that BN Percentage Period) and then held by the Issuer (less, where the related LG Securities are Amortising Securities, the aggregate Amortised Redemption Amount of such Amortising Securities on the date of the Top-up Notice).

- (b) If a Subscriber receives a Top-up Notice in accordance with clause 4.3(a), on the date specified in the Top-up Notice as the date on which the additional Borrower Notes are to be issued:
- (i) the Issuer shall, subject to the board of directors of the Issuer complying with section 49 of the Companies Act, issue to the Subscriber the amount of Borrower Notes as is specified in the Top-up Notice; and
  - (ii) the Subscriber shall subscribe for those Borrower Notes and pay to the Issuer the Issue Price for those Borrower Notes.
- (c) The Issuer shall not give a Top-up Notice to a Subscriber in accordance with clause 4.3(a) unless it gives a Top-up Notice in respect of all Relevant BN Percentage Periods of that Subscriber and at the same time to all other Subscribers who meet the criteria set out in clause ~~4.3(a)~~, (a) in respect of all Relevant BN Percentage Periods of those other Subscribers, with the intent that the requirement to subscribe for additional Borrower Notes is made to all applicable Subscribers, provided that the Issuer is not obliged to deliver a Top-up Notice to a Subscriber that does not meet the criteria set out in clause ~~15.4(a)~~ 15.4(a) as at the date of the Top-Up Notice.
- (d) For the purposes of this clause 4.3, LG Securities which have been sold by the Issuer pursuant to a Repo Arrangement shall be treated as being held by the Issuer.
- (e) Where the Issuer proposes to give Top-up Notice(s) under clause ~~4.3(a)~~ (a) it may require a Subscriber to provide evidence or documentation in accordance with clause ~~15.4(b)~~ 15.4(b).

4.4 **Creation and issue:** Borrower Notes are issued and created by the Registrar entering into the Register the particulars of the Borrower Notes.

4.5 **Warranty:** Each Subscriber warrants:



- (a) as at the date it becomes a Subscriber, that it is permitted to be a party to this agreement in accordance with clause ~~15.4(a)~~; 15.4(a); and
- (b) as at the date it subscribes for any Borrower Notes, it met the criteria set out in clause ~~15.4(a)~~ 15.4(a) as at the date the offer of the Borrower Notes was made to it by the Issuer and continues to meet the criteria as at the date it subscribes for the Borrower Notes.

## 5. LIMITED RIGHTS FOR SUBSCRIBERS

- 5.1 **No voting rights:** The Borrower Notes do not confer on a Subscriber any right to attend and/or vote at any meeting of the Issuer.
- 5.2 **Corporate events:** The Borrower Notes do not confer on any Subscriber the right to participate in any rights issue or bonus issues of the Issuer.
- 5.3 **Transfer:** The Borrower Notes are not transferrable by a Subscriber, except with the prior written approval of the Issuer ~~-~~ or in accordance with clause 8.5(ia).

## 6. INTEREST

- 6.1 Interest shall accrue on the Principal Amount of each Borrower Note at the applicable Interest Rate. Interest shall accrue daily, shall not compound and, subject to clause 8.3, shall be paid to the relevant Subscriber on the Maturity Date.

## 7. REDEMPTION

- 7.1 **Redemption:** The Issuer shall redeem each Borrower Note (in full) on the earliest of:
  - (a) its Maturity Date;
  - (b) the date the Issuer ceases to be the holder of the related LG Security (other than pursuant to a repurchase arrangement with the Reserve Bank of New Zealand ("**Repo Arrangement**") ("**Sale Redemption Date**"); and
  - (c) the date the Subscriber redeems the related LG Security (in full), other than on the "Maturity Date" of that LG Security, in accordance with the terms and conditions applicable to that LG Security ("**Early Redemption Date**").

Such redemption is to be made in accordance with this clause 7, provided however that, clause ~~7.4(e)~~ 7.1(c) shall not apply to any Borrower Note to which clause ~~8.6~~ 8.6 applies.

- 7.2 **Redemption by set-off:** Where a Borrower Note is being redeemed on its Maturity Date or Early Redemption Date, unless:

- (a) the Issuer and the relevant Subscriber agree otherwise; or
- (b) ~~-~~ clause 8.6 applies to the Borrower Note,

(in which case clause 7.4 shall apply), and subject to clause 12.1, the Issuer's obligation to pay the Redemption Amount to the Subscriber automatically shall be set-off against the

Subscriber's obligation to pay the LG Redemption Amount (or portion thereof) for the related LG Securities and accrued and unpaid interest thereon (if any).

7.3 **Payment in instalments:** If a Borrower Note is issued in relation to a LG Security that is an Amortising Security:

- (a) the Principal Amount of the Borrower Note shall be repayable in instalments on each of the same dates (each an "**instalment date**") that a portion of the LG Redemption Amount of the related LG Security is repayable;
- (b) the amount of the Principal Amount of the Borrower Note that is repayable on each instalment date shall be an amount that bears the same proportion to the Principal Amount as the amount of the LG Redemption Amount repayable on the instalment date bears to the LG Redemption Amount of the related LG Security; and
- (c) unless the Issuer and the relevant Subscriber agree otherwise or the Issuer has ceased to be the holder of the corresponding LG Security and subject to clause 12.1, the Issuer's obligation to repay a portion of the Principal Amount of the Borrower Note on an instalment date automatically shall be set-off against the Subscriber's obligation to repay the portion of the LG Redemption Amount of the related LG Security on the instalment date.

7.4 **Redemption other than by set-off:** Where a Borrower Note is being redeemed on its Sale Redemption Date or, if in accordance with clause 7.2, this clause 7.4 applies to the redemption of a Borrower Note, on the applicable redemption date the Issuer shall, subject to clause 12.1, redeem the Borrower Note by paying the Redemption Amount to the Subscriber.

## 8. CONVERSION

8.1 **Right to Convert:** If, following the Issuer having made calls for all unpaid capital of the Issuer to be paid in full, the board of directors of the Issuer has determined that there is a risk of imminent default by the Issuer under the terms of any of its Borrowed Money Indebtedness the Issuer may, by giving written notice to each Subscriber ("**Conversion Notice**") elect to Convert such number of the Borrower Notes as the Issuer determines.

8.2 **Pro rata Conversion:** If a Conversion Notice is given in accordance with clause 8.1, the Conversion shall be made proportionally across all Borrower Notes so that the proportionate holdings of Borrower Notes by each Subscriber remains unchanged [\(subject, in the case of a CCO Subscriber, to the transfers of Borrower Notes required to its LA Shareholders under clause 8.5\)](#) following the Conversion (unless all Borrower Notes are Converted).

8.3 **Conversion:** If a Conversion Notice is given in accordance with clause 8.1, on the Conversion Date, the number of Redeemable Shares to be issued to each Subscriber [that is a Local Authority \(including, in respect of a CCO Subscriber, each LA Shareholder, as contemplated by clause 8.5\(ia\)\)](#) on Conversion of the relevant Borrower Notes shall be determined by the Issuer in accordance with the following formula:

$$N = RA \div IP$$

Where:

- N = the number of Redeemable Shares to be issued to the Subscriber (rounded to the nearest whole unit, with 0.5 being rounded up);
- RA = the aggregate Redemption Amount of the Borrower Notes held by the Subscriber that are to be Converted on the Conversion Date; and
- IP = \$1.00, being the issue price per Redeemable Share.

8.4 **Selection by Issuer:** The Issuer shall select the Borrower Notes held by each Subscriber that are to be Converted on a Conversion Date in accordance with clause 8.2 and, if it is not also the Registrar, shall notify the Registrar of the selection.

8.5 **Settlement:** On the relevant Conversion Date without the need for any further act or step by the Issuer, any Subscriber or any other person:

(ia) first, each Borrower Note held by a CCO Subscriber (that is to be Converted on the Conversion Date) shall be automatically and immediately transferred to each LA Shareholder in the number determined by the following formula:

$$N = TBN \times (SH / TSH)$$

Where:

N = the number of Borrower Notes to be transferred to the LA Shareholder (rounded up or down to the nearest whole unit at the Issuer's discretion);

TBN = the total number of Borrower Notes held by the CCO Subscriber that are to be Converted on the Conversion Date;

SH = the number of equity securities in the CCO Subscriber held by the LA Shareholder; and

TSH = the aggregate number of equity securities in the CCO Subscriber held by the LA Shareholders.

The consideration for such transfer shall be as agreed between the CCO Subscriber and relevant LA Shareholder;

(a) second:

(i) each Borrower Note to be Converted will immediately be required to be redeemed for its Redemption Amount;

(ii) each Subscriber holding such Borrower Note that is to be Converted agrees to subscribe for the number of Redeemable Shares to be issued to it (calculated in accordance with clause 8.3);

(iii) each Subscriber agrees to pay the Subscription Price to the Issuer on the Conversion Date in consideration for the Issuer issuing Redeemable Shares to it on the Conversion Date;

(iv) the Issuer will immediately and irrevocably apply, on the Subscriber's behalf, the Redemption Amount of the Borrower Notes required to be Converted in satisfaction of the Subscription Price for the Redeemable Shares to be issued to that Subscriber (calculated in accordance with clause 8.3); and

~~(v)~~(v) the Issuer shall (in respect of each Subscriber) issue to that Subscriber the number of Redeemable Shares to be issued to it (calculated in accordance with clause 8.3), enter the name of that Subscriber in the share register of the Issuer as the holder of such Redeemable Shares, and issue to that Subscriber a share certificate for such Redeemable Shares; and

- (b) if requested by the Issuer, each Subscriber shall (if that Subscriber is not an existing shareholder of the Issuer) deliver a signed deed of accession to the Shareholders' Agreement. The Subscriber shall (upon entry of its name in the share register in accordance with clause ~~8.5(a)~~(a)) be deemed to have agreed to be bound by the terms of the Shareholders' Agreement in the event it does not sign such a deed of accession.

8.6 **Exception:** If the board of directors of the Issuer determines:

- (a) having taken legal advice, that the Issuer cannot, with sufficient certainty, determine that it is able to (in compliance with all laws) Convert Borrower Notes; or
- (b) that the Issuer cannot, with sufficient certainty, determine that it is able to (in compliance with all laws) Convert Borrower Notes on or before a date it considers appropriate having regard to the risk of default referred to in clause 8.1,

then the Issuer may, in lieu of Converting Borrower Notes under clause 8.1, by giving written notice to each Subscriber ("**Extension Notice**"), elect to extend the Maturity Date (for such period as the Issuer determines) of such number of Borrower Notes as the Issuer determines. If an Extension Notice is given under this clause 8.6, the extension shall be made in respect of the Borrower Notes that would otherwise have been Converted in accordance with clause 8.2.

8.7 **Effect of Conversion:** Notwithstanding anything to the contrary in any Transaction Document:

(a) if a Borrower Note is transferred to a LA Shareholder in accordance with clause 8.5(ia), then with effect from the Conversion Date:

(i) the LA Shareholder will be the holder of the Borrower Note; and

(ii) the Borrower Note will immediately be required to be Converted in accordance with clause 8.5(a); and

(b) if a Borrower Note is required to be Converted in accordance with clause 8.5(a):

(i) all of the Issuer's obligations to pay, and the relevant Subscriber's rights to receive, interest on the Borrower Note (including any accrued but unpaid interest) are immediately and irrevocably terminated, and interest will cease to accrue on the Borrower Note; and

(ii) clause 7 will cease to apply to the Borrower Note.

## 9. PAYMENTS

9.1 **Payments:** Unless otherwise agreed in writing between the parties and subject to clauses 4.2, 7.2-~~and~~ 7.3(c), 8.5(a) and 9.4, all amounts payable under this agreement shall be paid in dollars in immediately available funds to the respective bank account each party may nominate from time to time.

9.2 **Payments to be free and clear:** All amounts payable under this agreement shall be paid:

- (a) on an irrevocable basis free and clear of any restriction or condition;
- (b) free and clear of and (except to the extent required by law) without any deduction or withholding on account of any tax. If any such deduction or withholding is required, the Issuer shall not be required to pay any additional amounts in respect of the amounts deducted or withheld; and
- (c) unless otherwise agreed in writing and subject to clauses 4.2, 7.2-~~and~~ 7.3(c), 8.5(a) and 9.4, without any deduction or withholding on account of any other amount, whether by way of set-off, counterclaim or otherwise.

9.3 **Resident Withholding Tax:** New Zealand resident withholding tax will be deducted from payments of interest (or payments deemed by law to be interest) to Subscribers who are tax resident unless an appropriate exemption certificate is produced to the Issuer (or, on or after 1 April 2020, the Issuer is satisfied that the relevant Subscriber has RWT-Exempt Status) on or before the date 10 days before the date of the relevant payment.

9.4 **No gross-up:** The Issuer will not be required to and will not make any additional payment by way of gross-up or otherwise with respect to the deduction or withholding from any payment made in respect of the Borrower Notes under clause 9.3. If, in respect of any Borrower Note, the Issuer becomes liable to make any payment of, or on account of, tax payable by any Subscriber, then the Issuer shall be indemnified by the relevant Subscriber in respect of such liability. Any moneys paid by the Issuer in respect of such liability may be recovered from the Subscriber as a debt due to the Issuer and may be withheld from any further payments to that Subscriber. Nothing in this clause will prejudice or affect any other right or remedy of the Issuer.

9.5 **Maximum rate:** Deductions of resident withholding tax will be made at the maximum rates from time to time applicable unless a Subscriber provides evidence to the Issuer (acceptable to it) that a lesser rate is applicable.

9.6 **Tax status:** The Issuer shall be entitled for the purposes of this clause 9 to rely, without further enquiry, upon any statement made by or on behalf of a Subscriber in relation to that Subscriber's tax status or tax residency.

9.7 **Refund of payments:** If any payment received or recovered by a Subscriber or any other person on behalf of the Subscriber is or may be avoided, whether by law or otherwise, then:

- (a) such payment shall be deemed not to have affected or discharged the liability of the Issuer under this agreement and the Subscriber shall, to the maximum extent permitted by law, be restored to the position in which it would have been if such payment had not been received or recovered; and
- (b) the Subscriber shall be entitled to exercise all rights which the Subscriber would have been entitled to exercise if such payment had not been received or recovered.

9.8 **Business Days:** Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

## 10. REGISTER

10.1 **Register:** The Issuer agrees to establish and maintain the Register in which the Issuer will record such details as it considers fit, including:

- (a) the name and address of each Subscriber;
- (b) the Issue Date and Maturity Date (and any extension made under clause 8.6) of the Borrower Notes;
- (c) the related LG Securities; and
- (d) each redemption or Conversion of the Borrower Notes.

10.2 **Register conclusive:** Each Subscriber and the Issuer is:

- (a) entitled to rely upon the entries in the Register as constituting the sole and conclusive record of each Borrower Note and as to the person entitled to the Borrower Notes; and
- (b) to have the power, in its absolute discretion, to correct (or, in the case of the Subscriber and in respect of its Borrower Notes only, require correction of) the Register if the Register is incorrect.

10.3 **Inspection:** The Issuer shall make that part of the Register that relates to a Subscriber available for inspection by a Subscriber at the Issuer's principal place of business during normal office hours upon receiving reasonable notice from the Subscriber.

10.4 **Appointment of Registrar:** The Issuer shall be entitled to appoint an appropriately qualified person to maintain the Register in accordance with clause 10.1 on its behalf.

## 11. RANKING OF NOTES

11.1 The Borrower Notes are unsecured debt securities issued by the Issuer, subordinated in accordance with clause 12, and an unsecured liability of the Issuer. The Borrower Notes

rank pari passu without any preference among themselves. The Issuer may issue securities ranking equally with or in priority to the Borrower Notes.

## 12. SUBORDINATION

12.1 **Subordination:** The rights and claims of Subscribers are, in a Winding Up of the Issuer, subordinated to the claims of the Senior Creditors (with the intent that all claims of Senior Creditors shall be paid in full before any claims of the Subscribers are paid), and prior to the commencement of a Winding Up of the Issuer:

- (a) the obligation of the Issuer to make any payment in respect of the Borrower Notes is conditional upon the Issuer being solvent at the time the relevant payment falls due; and
- (b) no payment shall be made in respect of the Borrower Notes except to the extent that the Issuer may make such payment and still be solvent immediately thereafter.

12.2 **Solvency:**

- (a) For the purposes of clause 12.1, the Issuer shall be considered to be solvent at any time if at that time it is able to meet the solvency test in section 4 of the Companies Act.
- (b) A certificate as to whether the Issuer is solvent signed by two authorised signatories of the Issuer shall be prima facie evidence of the information contained therein.

12.3 **Contingent debt:** On a Winding Up of the Issuer, the Subscribers shall only be entitled to prove for any sum payable in respect of the Borrower Notes as a debt which is subject to and contingent upon prior payment in full of the Senior Creditors. Each Subscriber agrees, and by subscribing for a Borrower Note each Subscriber of the Borrower Note will be deemed to agree, that:

- (a) in accordance with section 313(3) of the Companies Act, it is accepting a lower priority in respect of the debt represented by the Borrower Note than that which it would otherwise have under section 313; and
- (b) nothing in section 313 will prevent this agreement from having effect in accordance with its terms.

12.4 **No set-off:** No Subscriber shall be entitled to set-off against any amounts due in respect of the Borrower Notes held by that Subscriber any amount held by the Subscriber to the credit of the Issuer or otherwise to reduce the amount due to such Subscriber in respect of a Borrower Note by merger of accounts or lien or the exercise of any other rights of like effect, except to the extent permitted by clause 7.2 or 7.3(c). To the extent any set-off (other than a set-off permitted by clause 7.2 or 7.3(c)), merger, lien or other right is required by law to be exercised that exercise shall be subject to clause 12.5.

12.5 **Trust:** Any payment, whether voluntarily or in any other circumstances, received by a Subscriber from or on account of the Issuer (including by way of credit, set-off or otherwise) or from any liquidator, receiver, manager or statutory manager of the Issuer in breach of this clause 12 will be held by the relevant Subscriber in trust for and to the order of the Senior

Creditors. The trust hereby created shall be for a term expiring on the earlier of the date on which all Senior Creditors have been paid in full or eighty years [\(or such longer period as permitted by law\)](#) from the date of this agreement. No Subscriber shall have any obligation under this clause 12 in respect of any payment received by anyone other than itself.

- 12.6 ~~Contracts Privity~~[Contract and Commercial Law Act](#): For the purposes of the ~~Contracts (Privity)~~[Contract and Commercial Law Act 1982](#)~~2017~~ the provisions of this clause 12 are intended to confer a benefit upon the Senior Creditors and to be enforceable by the Senior Creditors directly, but no consent of the Senior Creditors shall be required to any modification or amendment to this clause 12 in accordance with clause 14.

### 13. NOTICES

- 13.1 **Writing:** Each notice or other communication to be given or made under this agreement to any person must:

- (a) **Writing:** be given or made in writing by email or letter and be signed by the sender or an authorised officer of the sender;
- (b) **Address:** be given or made to the recipient at the address or email address, and marked for the attention of the person (if any), from time to time designated by the recipient to the other for the purposes of this agreement;
- (c) **Deemed delivery:** not be effective until received by the recipient, and any such notice or communication shall be deemed to be received:
  - (i) (if given or made by letter) when left at the address of the recipient or 5 Business Days after being put in the post, postage prepaid, and addressed to the recipient at that address; or
  - (ii) (if given or made by email) when dispatched in tangible, readable form by the sender to the email address advised by the recipient from time to time,

provided that any notice or communication received or deemed received after 5pm on a working day in the place to which it is sent, or on a day which is not a working day in that place, shall be deemed not to have been received until the next working day in that place.

- 13.2 **Initial address and numbers:** The initial address, email address and person (if any) designated for the purposes of this agreement, are set out below:

- (a) **The Subscribers:** those details set out under the heading "Details for notices" for the relevant Subscriber in schedule 1 or otherwise provided in the relevant Accession Deed.
- (b) **The Issuer:**

City Chambers  
Level 8, 142 Featherston Street  
PO Box 5704, Wellington, 6145



Email: lgfa@lgfa.co.nz  
Attention: Chief Executive

## 14. AMENDMENTS

14.1 This agreement shall not be amended except with the written agreement of the Issuer and all of the Subscribers, provided that the Issuer may, by notice to all parties to this agreement, vary clause ~~15.4~~[15.4](#) to permit persons to become parties to this agreement and Subscribers to subscribe for Borrower Notes (as applicable) if they satisfy the terms of any exemption obtained by the Issuer from the requirements of the FMC Act with respect to this agreement, but any such variation shall not affect the status of any existing Subscriber as a Subscriber under this agreement.

## 15. MISCELLANEOUS

15.1 **Waivers and remedies:** Time shall be of the essence of this agreement but no delay in acting, or failure to act, by the Issuer is a waiver of any of the Issuer's rights. The rights provided in this agreement do not exclude any rights provided by law.

15.2 **Partial invalidity:** An invalid provision in this agreement shall not affect the enforceability of the remaining provisions of this agreement.

15.3 **Sections 40 and 49 of the Companies Act:** This agreement is subject to the board of directors of the Issuer complying with section 49 of Companies Act.

### 15.4 Securities Act and FMC Act:

(a) The only persons which are permitted to become parties to this agreement and/or subscribe for Borrower Notes are:

(i) prior to 1 June 2015:

(aa) "eligible persons" for the purposes of sections 5(2CB) and 5(2CBA) of the Securities Act, as defined in section 5(2CC) of the Securities Act; and

(bb) persons who fall within 1 or more of the categories set out in subparagraphs (i) to (iii) of section 3(2)(a) of the Securities Act, and

(ii) on and from 1 June 2015, "wholesale investors" as that term is defined in clauses 3(2)(a), (c) and (d) [and \(in the case of a CCO Subscriber only\) clause 3\(3\)\(a\)](#) of Schedule 1 to the FMC Act, being a person who is:

(aa) an "investment business";

(bb) "large"; ~~or~~

(cc) a "government agency"; ~~or~~ [or](#)

[\(dd\) an "eligible investor" \(in the case of a CCO Subscriber only\).](#)

in each case as defined in Schedule 1 to the FMC Act. ~~For the avoidance of doubt, "eligible investors" (as defined in (each a "wholesale investor"), or an entity controlled by a wholesale investor where "control" has the FMC Act), among others, may not become parties to this agreement and/or subscribe for Borrower Notes.~~ meaning given in clause 48 of Schedule 1.

- (b) Prior to the Issuer offering to issue Borrower Notes to a Subscriber and/or a Subscriber subscribing for any Borrower Notes in each case in accordance with clauses ~~4.1 or 4.3~~, 4.1 or 4.3, the Subscriber must promptly (if requested by the Issuer) provide the Issuer with evidence or documentation (in a form satisfactory to the Issuer) which satisfies the Issuer that the Subscriber meets the criteria set out in sub-clauses ~~15.4(a)(i) or (ii)~~, (a)(i) or (a)(ii) as at the date of the offer by the Issuer and subscription by the Subscriber.

15.5 **Counterparts:** This agreement may be signed in any number of counterparts, all of which together constitute one and the same instrument, and any of the parties may execute this agreement by signing any such counterpart.

## 16. GOVERNING LAW

16.1 This agreement shall be governed by New Zealand law.

## 17. NO CROWN GUARANTEE

17.1 The parties acknowledge that the obligations and liabilities of the Issuer under this agreement are not guaranteed by the Crown.

**SIGNATURES**

**[ORIGINAL EXECUTION BLOCKS INTENTIONALLY DELETED]**

## SCHEDULE 1 - PRINCIPAL SHAREHOLDERS

**Local Authority name:**

**Details for notices:**

Auckland Council	<p>Delivery Address:  <del>1 Greys Avenue</del>  <a href="#">135 Albert Street</a>  Auckland <del>Central</del> <a href="#">1010</a></p> <p>Postal Address:  Private Bag 92300  <a href="#">Victoria Street West</a>  Auckland 1142</p> <p><del>Fax: (09) 368 5964</del></p> <p><a href="mailto:john.bishop@aucklandcouncil.govt.nz">Email: john.bishop@aucklandcouncil.govt.nz</a></p> <p>Attention: <del>Mark Butcher</del> <a href="#">John Bishop, Group Treasurer</a></p>
Bay Of Plenty Regional Council	<p>Delivery Address:  5 Quay Street  Whakatāne</p> <p>Postal Address:  P O Box 364  Whakatāne 3158</p> <p><del>0800 884 882</del></p> <p><a href="mailto:mat.taylor@boprc.govt.nz">Email: mat.taylor@boprc.govt.nz</a></p> <p>Attention: <del>Brian Trott</del> <a href="#">Mat Taylor</a></p>
Christchurch City Council	<p>Delivery Address:  Civic Offices  53 Hereford Street  Christchurch</p> <p>Postal Address:  P O Box 73016  Christchurch 8154</p> <p><del>Fax: 03 941 8811</del></p> <p><a href="mailto:Treasury@ccc.govt.nz">Email: Treasury@ccc.govt.nz</a></p> <p>Attention: <del>Paul Anderson</del> <a href="#">Andrew Jefferies</a></p>
Hamilton City Council	<p>Delivery Address:  <a href="#">260 Anglesea Street</a>  Council Building  Garden Place  Hamilton  <a href="#">3240</a></p>

	<p>Postal Address: Private Bag 3010 Hamilton 3240</p> <p><del>Fax: 07-838-6616</del></p> <p><a href="mailto:david.bryant@hcc.govt.nz">Email: david.bryant@hcc.govt.nz</a></p> <p>Attention: <del>Matthew Walker</del> <a href="#">David Bryant</a></p>
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<p>Masterton District Council</p>	<p>Delivery Address: <del>64 Chapel Street</del> <a href="#">27 Lincoln Road</a> Masterton <del>5840-5810</del></p> <p>Postal Address: PO Box 444 Masterton 5840</p> <p><del>Fax: 06-378-8400</del></p> <p><a href="mailto:davidp@mstn.govt.nz">Email: davidp@mstn.govt.nz</a></p> <p>Attention: <del>David Paris</del> <a href="#">Manager Finance</a></p>
<p>New Plymouth District Council</p>	<p>Delivery Address: Liardet St New Plymouth</p> <p>Postal Address: Private Bag 2025 New Plymouth 4342</p> <p><del>Fax: 06-759-6072</del></p> <p><a href="mailto:alison.trustrumrainey@npdc.govt.nz">Email: alison.trustrumrainey@npdc.govt.nz</a> / <a href="mailto:carla.freeman@npdc.govt.nz">carla.freeman@npdc.govt.nz</a></p> <p>Attention: <del>Philip Armstrong</del> <a href="#">Alison TrustrumRainey</a> / <a href="#">Carla Freeman</a></p>

<p><del>Otorohanga</del><a href="#">Otorohanga</a> District Council</p>	<p>Delivery Address: 17 Maniapoto Street <del>Otorohanga</del><a href="#">Otorohanga</a> 3940</p> <p>Postal Address PO Box 11 <del>Otorohanga</del><a href="#">Otorohanga</a> 3940 <del>Fax: 07-873-4300</del> <a href="mailto:grahamb@otodc.govt.nz">Email: grahamb@otodc.govt.nz</a></p> <p>Attention: Graham Bunn</p>
<p>Selwyn District Council</p>	<p>Delivery Address: 2 Norman Kirk Drive Rolleston</p> <p>Postal Address: P O Box 90 Rolleston 7643 <del>Fax: 03-347-2799</del></p> <p><a href="mailto:Treasury.management@selwyn.govt.nz">Email: Treasury.management@selwyn.govt.nz</a></p> <p>Attention: <del>Douglas Marshall</del><a href="#">Greg Bell</a></p>
<p>South Taranaki District Council</p>	<p>Delivery Address: 105-111 Albion Street Hawera 4610</p> <p>Postal Address: Private Bag 902 Hawera 4640</p> <p><del>Fax: 06-278-8757</del> <a href="mailto:Vipul.mehta@stdc.govt.nz">Email: Vipul.mehta@stdc.govt.nz</a></p> <p>Attention: Vipul Mehta</p>
<p>Tasman District Council</p>	<p>Delivery Address: 189 Queen Street, Richmond, Nelson 7050</p> <p>Postal Address Private Bag 4 Richmond, Nelson 7050</p> <p><del>Fax: 03-543-9524</del> <a href="mailto:treasury@tasman.govt.nz">Email: treasury@tasman.govt.nz</a></p> <p>Attention: <del>Murray Stait</del><a href="#">Corporate Services Manager</a></p>
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Tauranga City Council	<p>Delivery Address: 91 Willow Street Tauranga 3143</p> <p>Postal Address: Private Bag 12022 Tauranga 3143</p> <p><del>Fax: 07 577 7056</del></p> <p><a href="mailto:treasury.settlements@tauranga.govt.nz">Email: treasury.settlements@tauranga.govt.nz</a></p> <p>Attention: Mohan De Mel</p>
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Wellington City Council	<p>Delivery Address: <del>101 Wakefield Street</del> <a href="#">Wellington City Council</a> <a href="#">113 The Terrace</a> Wellington</p> <p>Postal Address: PO Box 2199 Wellington 6140</p> <p><del>Fax: 04 801 3090</del></p> <p><a href="mailto:martin.read@wcc.govt.nz">Email: martin.read@wcc.govt.nz</a></p> <p>Attention: <del>Danny McComb</del> <a href="#">Martin Read</a></p>
Wellington Regional Council	<p>Delivery Address: <del>142 Wakefield Street</del></p>

	<p><a href="#">Shed 39, 2 Fryatt Quay, Pipitea</a> Wellington <a href="#">6011</a></p> <p>Postal Address: P O Box 11646 Manners Street Wellington 6142</p> <p><del>Fax: 04 385 3973</del> <a href="mailto:mike.timmer@gw.govt.nz">Email: mike.timmer@gw.govt.nz</a> <a href="mailto:matthias.zuschlag@gw.govt.nz">matthias.zuschlag@gw.govt.nz</a></p> <p>Attention: Mike Timmer</p>
Western Bay Of Plenty District Council	<p>Delivery Address: Barkes Corner Greerton Tauranga</p> <p>Postal Address: Private Bag 12803 Tauranga 3143</p> <p><del>Fax: 07 577 9280</del> <a href="mailto:kumaren.perumal@westernbay.govt.nz">Email: kumaren.perumal@westernbay.govt.nz</a></p> <p>Attention: <del>Matthew Potton</del> <a href="#">Kumaren Perumal</a></p>
Whangarei District Council	<p>Delivery Address: Forum North Rust Avenue Whangarei</p> <p>Postal Address: Private Bag 9023 Whangarei 0148</p> <p><del>Fax: 09 438 7632</del> <a href="mailto:alan.adcock@wdc.govt.nz">Email: alan.adcock@wdc.govt.nz</a></p> <p>Attention: Alan Adcock</p>



## SCHEDULE 2 - FORM OF ACCESSION DEED

~~ACCESSION DEED~~ dated [●].

~~BETWEEN [—] PARTIES~~

[●]

(~~"Acceding Party"~~, and ~~—~~)

New Zealand Local Government Funding Agency Limited

("Issuer")

pursuant to the Notes Subscription Agreement defined below.

## INTRODUCTION

- A. The Issuer has agreed that the Acceding Party may accede to the Notes Subscription Agreement as a "Subscriber".
- B. This deed records the accession.

## AGREEMENT:

## 1. INTERPRETATION

- 1.1 **Interpretation:** In this deed:

"Local Authority" means has the meaning given to it in the Local Government Act 2002.

"Notes Subscription Agreement" means the notes subscription agreement dated [●] ~~2014~~ 7 December 2011 (as amended from time to time) between the Issuer and various Local Authorities.

- 1.2 **Notes Subscription Agreement:** Terms defined in the Notes Subscription Agreement have the same meaning in this deed unless the context requires otherwise.

## 2. ACCESSION

- 2.1 **Accession:** The Acceding Party hereby agrees with the Issuer that with effect on and from the date this deed is counter-signed by the Issuer, it will be bound by the Notes Subscription Agreement as a Subscriber as if it had been an original party thereto and named therein as a Subscriber, and agrees to be bound by the terms of, and perform its obligations under, the Notes Subscription Agreement.
- 2.2 **Acknowledgement:** The Issuer acknowledges and agrees to the accession made under this deed.
- 2.3 **Implied provisions:** For the purposes of section 14 of the Property Law Act 2007, the Acceding Party acknowledges that this deed is, and for all purposes and at all times shall be construed as being, supplemental to the Notes Subscription Agreement.

### 3. NOTICE

The details for notices for the Acceding Party for the purposes of the Notes Subscription Agreement are: *[specify]*

### 4. GOVERNING LAW

This deed shall be governed by the laws of New Zealand.

### 5. NO CROWN GUARANTEE

The obligations and liabilities of the [Acceding Party and] Issuer under this deed and the Notes Subscription Agreement are not guaranteed by the Crown. *[Note: Delete reference to Acceding Party if CCO is acceding as no equivalent to section 122 of the Act for CCO.]*

### 6. COUNTERPARTS

*This deed may be signed in any number of counterparts, all of which together constitute one and the same instrument, and any of the parties may execute this deed by signing any such counterpart.*

**EXECUTED AS A DEED**

**Acceding Party**

[Local Authority/CCO] by:

\_\_\_\_\_  
Signature of [Elected Member/Director]

\_\_\_\_\_  
Signature of [Elected Member/Director]

\_\_\_\_\_  
Name of [Elected Member/Director]

\_\_\_\_\_  
Name of [Elected Member/Director]

**Issuer**

**NEW ZEALAND Local Government Funding**

**AGENCY LIMITED** by:

\_\_\_\_\_  
Signature of ~~director~~Director

\_\_\_\_\_  
Signature of ~~director~~Director

\_\_\_\_\_  
Name of ~~director~~Director

\_\_\_\_\_  
Name of ~~director~~Director

By signing the acknowledgement below, each entity identified in the annexure to this deed as a "LA Shareholder":

- (a) \_\_\_\_\_ acknowledges the terms of this deed and the Notes Subscription Agreement; and
- (b) \_\_\_\_\_ agrees to the automatic and immediate transfer to it of any Borrower Notes held by the Acceding Party in the manner contemplated by clause 8 of the Notes Subscription Agreement.

**ACKNOWLEDGED BY:**

**[LA SHAREHOLDER]** by:

\_\_\_\_\_  
Signature of Elected Member

\_\_\_\_\_  
Signature of Elected Member

\_\_\_\_\_  
Name of Elected Member

\_\_\_\_\_  
Name of Elected Member

ANNEX TO THE ACCESSION DEED

1. LA Shareholder: As at the date of this deed, for the purposes of the Notes Subscription Agreement, the LA Shareholder[s] in respect of the Acceding Party is: [specify].

# Guarantee and Indemnity

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## **PARTIES**

The Local Authorities Listed in Schedule 1

### **Initial Guarantors**

TEL Security Trustee (LGFA) Limited

### **Security Trustee**

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~~DEED dated \_\_\_\_\_ 2011~~

DEED dated 7 December 2011 (as amended and restated by the deed to which this deed is attached as an appendix)

## PARTIES

The Local Authorities Listed in Schedule 1  
("Initial Guarantors")

TEL Security Trustee (LGFA) Limited  
("Security Trustee")

## INTRODUCTION

- A. In consideration for the Guaranteed Creditors agreeing to make financial accommodation and/or other services available to the Principal Debtor from time to time at the request of each Initial Guarantor (as evidenced by an Initial Guarantor's entry into this deed), the Initial Guarantors have agreed to enter into this deed at the request of the Principal Debtor.
- B. The Security Trustee has agreed to enter into this deed as security trustee for the Guaranteed Creditors. The Security Trustee holds the benefit of this deed on trust for the Guaranteed Creditors under the terms of the Security Trust Deed.

## COVENANTS

### 1. INTERPRETATION

1.1 **Definitions in the Multi-~~Issuer~~issuer Deed:** Words and expressions defined in the Multi-~~Issuer~~issuer Deed (including in the Conditions to the Multi-~~Issuer~~issuer Deed) and used in this deed shall, unless the context otherwise requires, have the meanings given to them in the Multi-~~Issuer~~issuer Deed.

1.2 **Definitions:** In addition, in this deed, unless the context otherwise requires:

"**Additional Guarantor**" means a person which has become an Additional Guarantor in accordance with clause 12.4.

"**Additional Relevant Proportion**" has the meaning given to it in clause 3.4(c).

"**Annual Rates Income**" has the meaning given in the Multi-issuer Deed, as if references therein to "Issuer" were to "Guarantor".

"**Beneficiary**" has the meaning given to it in the Security Trust Deed.

"**Defaulting Guarantor**" has the meaning given to it in clause 3.4(c).

"**Demand**" means a demand for payment on a Guarantor in the relevant form, or substantially in the relevant form, set out in schedule 3, signed by on or behalf of the Security Trustee.

"**Demand Confirmation**" has the meaning given to it in clause ~~3.5(e)~~-[3.5\(e\)](#).

"**Disclosure Information**" has the meaning given to it in clause 16.12(a)(i).

"**Full Release**" means a letter from the Security Trustee to a Guarantor in the form, or substantially in the form, of part 2 of schedule 6.

"**Full Release Request**" means a letter from a Guarantor to the Security Trustee in the form, or substantially in the form, of part 1 of schedule 6.

"**Further Principal Debt Release**" means a letter from the Security Trustee to a Guarantor in the form, or substantially in the form, of part 2 of schedule 5.

"**Further Principal Debt Release Date**" has the meaning given to it in clause [15.1\(g\)](#)~~15.1(fg)~~.

"**Further Principal Debt Release Request**" means a letter from a Guarantor to the Security Trustee in the form, or substantially in the form, of part 1 of schedule 5.

"**Further Relevant Amount**" has the meaning given to it in clause 3.4(e).

"**Guarantor Accession Deed**" means a deed in the form, or substantially in the form, of schedule 4.

"**Guaranteed Creditor**" means each creditor of the Principal Debtor that is a Beneficiary under or pursuant to the terms of the Security Trust Deed.

"**Guaranteed Money**" means, subject to clauses ~~15.1(f) and (g)~~,[15.1\(f\) and 15.1\(g\)](#), when used with reference to a Guarantor, all amounts which that Guarantor (whether alone, or jointly, or jointly and severally with any other person) is, or may at any time become, liable (whether actually or contingently) to pay to the Security Trustee under this deed (for the benefit of any Guaranteed Creditor) and, when used without reference to a particular Guarantor, means the Guaranteed Money of the Guarantors collectively, and a reference to Guaranteed Money includes any part of it.

"**Guarantor**" means an Initial Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor pursuant to clause 15.2 or clause 15.3.

"**Indemnified Guarantor**" has the meaning given to it in clause ~~3.5(b)~~-[3.5\(b\)](#).

"**LGFA Finance Document**" has the meaning given to it in the Security Trust Deed.

"**Local Authority**" means a Local Authority as defined in the Act.

"**Multi-~~Issuer~~issuer Deed**" means the deed dated ~~on or about the date of this deed~~ [7 December 2011](#) between the Principal Debtor and various Local Authorities entitled "Multi-~~Issuer~~issuer Deed".

"**Non-Defaulting Guarantor**" has the meaning given to it in clause 3.4(c).

"**Partially Released Guarantor**" has the meaning given to it in clause 3.4(e).

"**Principal Debt**" means all amounts of any nature which the Principal Debtor (whether alone, or jointly, or jointly and severally with any other person) is, or may at any time become, liable



(whether actually or contingently) to pay or deliver to one or more Guaranteed Creditors (whether alone, or jointly, or jointly and severally with any other person) under, pursuant to, or arising out of a LGFA Finance Document, and a reference to Principal Debt includes any part of it.

"**Principal Debtor**" means New Zealand Local Government Funding Agency Limited, a company incorporated in New Zealand.

"**Relevant Amount**" has the meaning given to it in clause 3.4(b).

"**Relevant Financial Year**" has the meaning given to it in clause ~~3.4(b)~~, [3.4\(b\)](#).

"**Relevant Proportion**" has the meaning given to it in clause 3.4(b).

"**Sale Notice**" has the meaning given in the Shareholders' Agreement.

"**Security Trust Deed**" means the deed dated ~~on or about the date of this deed~~ [7 December 2011](#) between the Security Trustee and the Principal Debtor entitled "Security Trust Deed".

"**Shortfall Amount**" has the meaning given to it in clause 3.4(c).

"**Transaction Documents**" means:

- (a) the "Transaction Documents" as defined in the Multi-~~Issuer~~ [issuer](#) Deed; and
- (b) the LGFA Finance Documents,

and any document or agreement entered into by the Principal Debtor or any Guarantor (amongst others) for the purpose of amending, supplementing or novating any of the above.

"**Verified Statements**" has the meaning given to it in clause 16.12(a)(ii).

1.3 **References:** Except to the extent that the context otherwise requires, any reference in this deed to:

the "**dissolution**" of a person includes the bankruptcy of that person or, where that person is a company, its liquidation, administration, deed of company arrangement, creditors' compromise, scheme of arrangement or removal from the register, and also includes any equivalent or analogous procedure under the law of any relevant jurisdiction.

"**government**" includes central or local government, and "**governmental agency**" includes any government or any governmental, semi-governmental or judicial entity or authority, or legislative body, or any person or body charged with the administration of any law. It also includes any self-regulatory organisation established under statute or any stock exchange.

"**law**" includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute or other legislative measure, in each case of any jurisdiction whatever and "**lawful**" shall be construed accordingly.

"**person**" includes an individual, firm, company, corporation, unincorporated body of persons, organisation or trust, and any governmental agency or authority, in each case whether or not having separate legal personality.

**"security"** includes a guarantee or indemnity, a security interest (as construed and defined in the Personal Property Securities Act 1999), mortgage, lien, pledge, any interest in land of a security nature, any other security arrangement creating in effect security for the payment of a monetary obligation or the observance of any other obligation, and any other arrangement having like economic effect over any property, assets or revenues.

**"tax"** includes any present or future tax, levy, impost, duty, rate, charge, fee, deduction or withholding of any nature and whatever called, imposed or levied by any government, governmental agency or authority, together with any interest, penalty, charge, fee or other amount imposed or made on, or in relation to, any of the foregoing.

1.4 **Miscellaneous:** Unless the context otherwise requires:

- (a) Headings are inserted for convenience only and do not affect interpretation of this deed.
- (b) References to a person include that person's successors, permitted assigns, executors and administrators (as applicable).
- (c) Unless the context otherwise requires the singular includes the plural and vice versa and words denoting individuals include other persons and vice versa.
- (d) References to any legislation or to any provision of any legislation are deemed to be references to that legislation or provision as from time to time amended, re-enacted or substituted and, unless the context otherwise requires, shall also include any statutory instruments issued under any such legislation or provision.
- (e) References to any document (however described) shall include references to such document as modified, novated, supplemented, varied or replaced from time to time.
- (f) Except where inconsistent with the context, the expression **"at any time"** also means from time to time.
- (g) A reference to **"including"**, **"for example"** or **"such as"**, when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind.
- (h) Unless otherwise stated, reference to a clause, schedule or part of a schedule is a reference to a clause of, or schedule to, or part of a schedule to, this deed.

1.5 **Capacity of the Security Trustee:**

- (a) The parties acknowledge that the Security Trustee holds the benefit of this deed on trust for the Guaranteed Creditors. Notwithstanding any other provision of any LGFA Finance Document, any liability incurred by the Security Trustee pursuant to this deed can be enforced against the Security Trustee only to the extent to which it can be satisfied out of the assets subject to the Security Trust Deed. This limitation of the Security Trustee's liability applies notwithstanding any other provision of this deed (other than paragraph (c)) and extends to:

- (i) all liabilities and obligations of the Security Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction relating to any LGFA Finance Document; and
  - (ii) every delegate, attorney, agent or other similar person appointed by the Security Trustee.
- (b) Subject to paragraph (a), the Beneficiaries may not sue the Security Trustee personally or seek the appointment of a liquidator, administrator, receiver or similar person to the Security Trustee or prove in any liquidation, administration or arrangement of or affecting the Security Trustee.
- (c) Paragraphs (a) and (b) will not apply to any liability of the Security Trustee arising out of the fraud, gross negligence, wilful default or wilful breach of trust of or by the Security Trustee.
- (d) In addition to the rights and trusts conferred on the Security Trustee by any LGFA Finance Document, the Security Trustee shall have all the rights, privileges and immunities which gratuitous trustees have or may have in New Zealand, even though it is entitled to remuneration.

## 2. GUARANTEE AND INDEMNITY

- 2.1 **Guarantee:** Each Guarantor guarantees to the Security Trustee, for the benefit of the Guaranteed Creditors, the due payment or delivery by the Principal Debtor of the Principal Debt.
- 2.2 **Continuing guarantee:** In relation to each Guarantor the guarantee in this deed is a continuing guarantee and shall operate irrespective of any intervening payment, settlement of account or other matter or thing whatever, until the relevant Guarantor has received a Full Release from the Security Trustee pursuant to clause 15.2 or a written release from the Security Trustee pursuant to clause 15.3.
- 2.3 **Indemnity:** Each Guarantor indemnifies the Security Trustee, for the benefit of the Guaranteed Creditors, against:
- (a) all claims, liabilities, damages, losses and payments; and
  - (b) all costs, charges and expenses (including legal expenses on a full indemnity basis and goods and services and similar taxes thereon),

suffered, incurred or sustained by any of the Guaranteed Creditors at any time as a direct or indirect consequence of any Principal Debt not being recoverable from a Guarantor under the guarantee given in clause 2.1, including as a result of the obligation to pay the Principal Debt becoming void, voidable or unenforceable.

## 3. OBLIGATIONS OF THE GUARANTORS

- 3.1 **Payment:** If the Principal Debtor does not pay any Principal Debt to any Guaranteed Creditor on its due date, each Guarantor shall upon demand being made in accordance with clause 3.4 pay to the Security Trustee (for the benefit of the Guaranteed Creditors) that Principal

Debt in accordance with clause 3.4 (whether or not demand for payment has been made on the Principal Debtor or any other person).

3.2 **Payments to be free and clear:** The Guaranteed Money shall be paid:

- (a) free and clear of any restriction or condition;
- (b) free and clear of and (except to the extent required by law) without any deduction or withholding on account of any tax; and
- (c) without any deduction or withholding on account of any other amount, whether by way of set-off, counterclaim or otherwise.

3.3 **Cleared funds:** Any Guaranteed Money received by the Security Trustee shall not satisfy a Guarantor's obligation to pay such amount until it is cleared and immediately available to the Security Trustee.

3.4 **Demands:**

- (a) The Security Trustee shall not make any demand for payment on a Guarantor under this deed except in accordance with this clause 3.4.
- (b) Subject to paragraph (e), if the Security Trustee wishes to make demand for payment of an amount (a "**Relevant Amount**") under this deed, it shall deliver a Demand to each Guarantor requiring the Guarantor to pay the proportion of the Relevant Amount (or, if sub-paragraph (e)(ii) applies, the proportion of that part of the Relevant Amount that is not a Further Relevant Amount) that the Guarantor's Annual Rates Income for the most recent financial year in respect of which all Guarantors have completed and adopted annual reports in accordance with sections 98 and 99 of the Act before the date of the Demand (the "**Relevant Financial Year**") bears to the aggregate Annual Rates Income of all Guarantors for the Relevant Financial Year (for each Guarantor, its "**Relevant Proportion**").
- (c) Subject to paragraph (e), if one or more Guarantors (each a "**Defaulting Guarantor**") fails to pay in full its Relevant Proportion of a Relevant Amount within two Business Days after receipt of a Demand under paragraph (b) (the aggregate of all amounts unpaid by the Defaulting Guarantors by the end of that period being the "**Shortfall Amount**"), the Security Trustee may deliver a further Demand to each Guarantor other than the Defaulting Guarantors (each a "**Non-Defaulting Guarantor**") requiring that Non-Defaulting Guarantor to pay the proportion of the Shortfall Amount that its Annual Rates Income for the Relevant Financial Year bears to the aggregate Annual Rates Income of all Non-Defaulting Guarantors for the Relevant Financial Year (for each Non-Defaulting Guarantor, its "**Additional Relevant Proportion**").
- (d) Subject to paragraph (e), if one or more Non-Defaulting Guarantors fails to pay in full its Additional Relevant Proportion of a Shortfall Amount within two Business Days after receipt of a Demand under paragraph (c) (including pursuant to the operation of this paragraph (d)), the Security Trustee may deliver a further Demand to each other Non-Defaulting Guarantor, and the provisions of paragraph (c) (and, in the event of a further subsequent default, this paragraph (d)) shall apply to the relevant shortfall amount (as if it were a "Shortfall Amount") and such other Non-Defaulting Guarantors (such that the "Additional Relevant Proportion" is

determined having regard only to the Annual Rates Income of such Non-Defaulting Guarantors, and no other Guarantors). For the avoidance of doubt, the parties agree that paragraph (c) and this paragraph (d) shall, in respect of each Relevant Amount, continue to apply until the Relevant Amount has been paid in full to the Security Trustee.

- (e) If, by reason of having received a Further Principal Debt Release, one or more Guarantors (each a "**Partially Released Guarantor**") is not liable under this deed (by reason of the operation of clause ~~15.1(f) or (g)~~ 15.1(f) or 15.1(g)) in respect of:
- (i) all of a Relevant Amount, paragraphs (b), (c) and (d) shall apply in relation to that Relevant Amount only in respect of the Guarantors other than the Partially Released Guarantors;
  - (ii) part of a Relevant Amount (a "**Further Relevant Amount**"), the Security Trustee must deliver a separate Demand in respect of the Further Relevant Amount to each of the Guarantors other than the Partially Released Guarantors, and the provisions of paragraphs (b), (c) and (d) shall apply in relation to the Further Relevant Amount (as if it were a "Relevant Amount") only in respect of those Guarantors.

### 3.5 Proportionate sharing of liabilities:

- (a) It is the intention of the Guarantors that each Relevant Amount, and each Further Relevant Amount, shall be borne by the Guarantors, or the relevant Guarantors, as applicable, in accordance with their respective Relevant Proportions.
- (b) If one or more Guarantors or relevant Guarantors contributes more in payment of a Relevant Amount or a Further Relevant Amount, as applicable, pursuant to the operation of clause 3.4 than its Relevant Proportion of that Relevant Amount or Further Relevant Amount, as applicable (each such Guarantor being an "**Indemnified Guarantor**"), each Guarantor or relevant Guarantor, as applicable, other than the Indemnified Guarantors shall indemnify each Indemnified Guarantor upon demand in respect of each such excess amount.
- (c) In making payment in respect of excess amounts under the indemnity in paragraph (b), account shall be taken of any amounts which an Indemnified Guarantor has actually received or recovered by reason of having exercised (whether through the Security Trustee or otherwise) any right (including of subrogation) against the Principal Debtor, in respect of the Relevant Amount or the Further Relevant Amount.
- (d) Subject to paragraph (c), each Guarantor or relevant Guarantor will be required to make indemnity payments under this clause 3.5 until all such Guarantors have contributed (whether to the Security Trustee or to Indemnified Guarantors) their Relevant Proportion of the Relevant Amount or the Further Relevant Amount, as applicable, as contemplated by paragraph (a).
- (e) Where the Security Trustee has, following receipt of a written request from an Indemnified Guarantor, confirmed (in writing) ("**Demand Confirmation**") that:
  - (i) no Demand is outstanding; and

- (ii) the Security Trustee has not (as at the date of such Demand Confirmation) received any request under the Security Trust Deed to make a Demand,

an Indemnified Guarantor may exercise against the relevant Guarantors its right to be indemnified under this clause 3.5, provided however that, such Indemnified Guarantor must immediately cease seeking any such indemnity when a Demand is made.

3.6 **No competition:** No Guarantor shall (unless requested to do so by the Security Trustee):

- (a) take, accept or continue to hold any security from the Principal Debtor or any other person who has given any security to the Security Trustee or any other Guaranteed Creditor for any Principal Debt;
- (b) subject to clause ~~3.5(e)~~, 3.5(e), exercise any right or take the benefit of subrogation, contribution or indemnity, or require marshalling, or claim the benefit of any security now or in the future held by the Security Trustee or any other Guaranteed Creditor for the payment of any Principal Debt;
- (c) take steps to recover (whether directly or by set-off, counterclaim or otherwise), or accept, money or other property, or exercise, enforce or receive the benefit of any rights (including by way of set-off), in respect of any amount due (whether actually or contingently) from the Principal Debtor to that Guarantor; or
- (d) claim or prove in the dissolution of the Principal Debtor or any other person in competition with the Security Trustee or any other Guaranteed Creditor.

3.7 **Guarantor to account:** If, notwithstanding, and in breach of, clause 3.5 or clause 3.6, a Guarantor:

- (a) takes, accepts or continues to hold any such security, money or other property from the Principal Debtor, or from any person who has given any security to the Security Trustee or any other Guaranteed Creditor for any Principal Debt or receives the benefit of a set-off; or
- (b) proves in that Guarantor's own name in the dissolution of the Principal Debtor, or of any other person who has given any security to the Security Trustee or any other Guaranteed Creditor for any Principal Debt (whether or not the Security Trustee or, as applicable, that other Guaranteed Creditor has required that Guarantor to do so, or has consented to that Guarantor doing so), for all or any part of any amount due (whether actually or contingently) from the Principal Debtor or such other person to a Guarantor,

that Guarantor shall immediately pay or transfer to the Security Trustee all such security, money, other property or the benefit of set-off, or all amounts received by that Guarantor in relation to any such proof, and all interest accruing thereon, until the Principal Debt is discharged in full and, until that payment or transfer is made, shall hold such security, money or other property, or the benefit of that proof or set-off, and all interest thereon, on trust for the Security Trustee in an amount not exceeding the Principal Debt then outstanding.

#### 4. NATURE AND EXTENT OF OBLIGATIONS

- 4.1 **Unconditional and irrevocable:** Each obligation of a Guarantor under this deed is, subject to clause 3.4, unconditional and irrevocable and enforceable notwithstanding that any instrument (negotiable or otherwise) relating to all or any part of the Principal Debt may still be outstanding at the date of enforcement.
- 4.2 **Liable as principal:** Each Guarantor's liability under this deed shall be as a principal debtor and not merely as a surety.
- 4.3 **Other securities:** This deed is in addition to and not in substitution for, is collateral to, and shall not prejudicially affect or be prejudicially affected by, any other security or right which the Security Trustee or any other Guaranteed Creditor may have in respect of any Principal Debt. Any security given by a Guarantor to the Security Trustee (whether given before or after the date of this deed) shall constitute security for the Guaranteed Money.
- 4.4 **Initial Documentation:** Each Initial Guarantor shall, on the date of this deed, deliver the following documents (each of which must be in form and substance satisfactory to the Security Trustee) to the Security Trustee:
- (a) a duly executed first ranking Security Stock Certificate in favour of the Security Trustee in respect of that Guarantor's obligations under this deed;
  - (b) a certificate of compliance for the purposes of section 118 of the Act in relation to the Guarantor's obligations under this deed and the Security Stock Certificate described in paragraph (a);
  - (c) a legal opinion addressed to the Security Trustee from legal counsel acceptable to the Security Trustee in relation to that Guarantor's entry into this deed and the issuance of the first ranking Security Stock Certificate described in paragraph (a);
  - (d) evidence that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to its entry into this deed and the issuance of the first ranking Security Stock Certificate described in paragraph (a) have been obtained and are current and satisfactory; and
  - (e) notification of the Annual Rates Income in the Financial Statements of the Guarantor in the most recent financial year for which all Initial Guarantors have prepared and adopted an annual report in accordance with sections 98 and 99 of the Act.

#### 5. RIGHTS OF THE SECURITY TRUSTEE

- 5.1 **Discretions:** The Security Trustee may at any time:
- (a) determine whether or not to enforce this deed or any other security or right;
  - (b) enforce this deed without first taking steps or proceedings against the Principal Debtor or any other person;
  - (c) make any arrangement or compromise with the Principal Debtor or any other person which the Security Trustee thinks fit; and



- (d) retain, carry to an interest bearing suspense account, and appropriate at the Security Trustee's discretion, any amount received by the Security Trustee under this deed until the Principal Debt has been paid and satisfied in full.

5.2 **No prejudice:** The Security Trustee's rights under this deed are without prejudice, and in addition, to any other right to which the Security Trustee is at any time entitled (whether under this deed or by law, contract or otherwise), and subject to clause 3.4, may be exercised by the Security Trustee without prior notice to the relevant Guarantor, the Principal Debtor or any other person.

## 6. GROSS-UP

6.1 If a Guarantor is required by law to make any deduction or withholding from any amount paid or payable by that Guarantor under this deed then:

- (a) the relevant Guarantor shall ensure that any such deduction or withholding does not exceed the legal minimum and shall pay the amount required to be so deducted, withheld, or paid to the relevant authority before the date on which penalties attach thereto;
- (b) the amount payable by the relevant Guarantor in respect of which that deduction or withholding is required to be made shall, if the Principal Debtor would have been required to pay an increased amount had the Principal Debtor been required to make the relevant deduction or withholding, be increased to the extent necessary to ensure that after that deduction or withholding is made the Security Trustee receives and retains (free from any liability in respect of any such deduction or withholding) a net amount equal to the amount which the Security Trustee would have received and so retained had no such deduction or withholding been made; and
- (c) the relevant Guarantor shall promptly deliver to the Security Trustee a receipt issued by the applicable authority evidencing that such deduction or withholding has been made.

## 7. CURRENCY INDEMNITY

7.1 **Currency of payment:** Any amount which a Guarantor is required to pay under this deed in respect of the Principal Debt shall be paid in the currency in which the Principal Debtor is obliged to pay the corresponding amount.

7.2 **Extent of satisfaction of each Guarantor's obligation:** If any Guaranteed Money is received by the Security Trustee in a currency ("**first currency**") other than the currency ("**second currency**") in which it is payable (whether as a result of obtaining or enforcing an order or judgment, the dissolution of any person or otherwise), the amount received shall only satisfy the relevant Guarantor's obligation to pay such amount to the extent of the amount in the second currency which the Security Trustee is able, in accordance with reasonable practice, to purchase with the amount received in the first currency on the date of that receipt (or, if it is not practicable to make that purchase on that date, on the first date upon which it is practicable to do so).

7.3 **Indemnity:** Each Guarantor indemnifies the Security Trustee against:



- (a) any loss sustained by the Security Trustee as a result of the amount purchased by the Security Trustee in the second currency pursuant to clause 7.2 being less than the amount due; and
- (b) all costs and expenses incurred by the Security Trustee in purchasing the second currency.

## 8. DEFAULT INTEREST

- 8.1 **Default interest payable:** If a Guarantor fails to pay any Guaranteed Money when due ("**overdue amount**"), that Guarantor shall pay interest ("**default interest**") on that overdue amount from its due date until it is paid in full (both before and after any judgment) at the rate per annum determined by the Security Trustee to be equal to the aggregate of 5% per annum and the cost to the relevant Guaranteed Creditor of funding the overdue amount, as advised by the relevant Guaranteed Creditor to the Security Trustee and by the Security Trustee to the relevant Guarantor.
- 8.2 **Calculation of default interest:** Default interest shall be calculated and payable by reference to successive periods of a duration selected by the Security Trustee from time to time (or in the absence of such selection, a period of one month), each of which (other than the first, which shall begin on and include the due date) shall begin on the last day of the previous period, and shall be payable on the last day of each period in respect of which it is calculated and on the date of payment of each overdue amount. Any default interest which is not paid when due shall be added to the overdue amount in respect of which it is payable and shall itself bear interest in accordance with this clause 8.
- 8.3 **Credit to be given:** In calculating the amount of any default interest under this clause 8, credit shall be given, to the extent necessary to avoid any double counting, for any interest payable by the Principal Debtor in the nature of default interest which is included in the Principal Debt.

## 9. REPRESENTATIONS AND ACKNOWLEDGEMENTS

- 9.1 **Representations:** Each Guarantor represents and warrants to the Security Trustee in relation to itself that:
- (a) **Status:** it is either a territorial authority or regional council named as a local authority in Schedule 2 to the Act;
  - (b) **Power:** it has the power generally to enter into, exercise its rights and perform and comply with its obligations under this deed and the other Transaction Documents to which it is a party;
  - (c) **Authorisations:** it has taken all necessary action required on its part to authorise the entry into, execution and delivery of this deed and the other Transaction Documents to which it is a party and the performance of all obligations expressed to be binding on it;
  - (d) **Obligations legally binding:** its obligations under this deed and the other Transaction Documents to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to laws

affecting creditors' rights generally and (as to enforceability) to equitable principles of general application);

- (e) **No conflict:** neither the entry by it into, nor the performance by it of, this deed and the other Transaction Documents to which it is a party will:
- (i) conflict with or result in a breach of, any agreement, document, arrangement, obligation or duty to which it is a party or by which it or any of its assets may be bound; or
  - (ii) violate or contravene any law to which it is subject;
- (f) **Protected transaction:** for the purposes of section 117 of the Act, the entry by the Guarantor into, and the performance by the Guarantor of, this deed and the other Transaction Documents to which it is a party:
- (i) is in compliance with the Act;
  - (ii) is not contrary to any provision of the Act;
  - (iii) is within the capacity, rights and powers of the Guarantor; and
  - (iv) is for a purpose authorised by either the Act or another Act; ~~and~~

[provided that the Security Trustee acknowledges that section 117 of the Act does not apply to any CCO Guarantee given by the Guarantor in respect of a CCO Issuer; and](#)

- (g) **Ranking of obligations:** its obligations under this deed are secured by the Debenture Trust Deed and rank, and will at all times rank, rateably and at least equally in right and priority of payment with all other first ranking secured money under the Debenture Trust Deed.

9.2 **Repetition:** Each Guarantor shall be deemed to repeat the representations and warranties in clause 9.1 on the first day of each month during the term of this deed by reference to the facts and circumstances then existing, until that Guarantor is released in full from its obligations under this deed.

9.3 **Acknowledgements:** Each Guarantor acknowledges:

- (a) for the benefit of the Security Trustee and each other Guaranteed Creditor, in entering into this deed, that it did not rely on any statement, representation, warranty or information of any nature provided to it by or on behalf of any person (including the Security Trustee, any other Guaranteed Creditor, the Principal Debtor or any other Guarantor);
- (b) that the Security Trustee is not under any duty to disclose information to a Guarantor, or to do or execute anything, relating to the affairs of the Principal Debtor with the Security Trustee; and
- (c) that the Security Trustee may disclose any information which the Security Trustee may have concerning a Guarantor to a potential assignee or any other person with

whom the Security Trustee may wish to enter into contractual relations in connection with any Principal Debt.

## 10. ATTORNEY

10.1 Each Guarantor irrevocably appoints the Security Trustee and every officer of the Security Trustee, individually, to be the attorney of that Guarantor ("**Attorney**") (with full power to delegate the Attorney's powers to any person for any period and to revoke any such delegation) to, on behalf of that Guarantor, do anything which, in the Attorney's opinion, is desirable to protect the Security Trustee's or any other Guaranteed Creditor's interests under this deed, and each Guarantor hereby ratifies anything done by the Attorney or any delegate in accordance with this clause.

## 11. LIABILITY NOT PREJUDICED

11.1 **Liability not prejudiced:** Neither the liability of any Guarantor, nor any of the rights of the Security Trustee, under this deed shall be affected or discharged by anything which, but for this clause 11.1, might operate to affect or discharge the liability of, or otherwise provide a defence to, that Guarantor (whether or not known to that Guarantor, the Security Trustee or any other person), including:

- (a) any limitation or incapacity of, or affecting, the Principal Debtor, the Security Trustee or any other Guaranteed Creditor;
- (b) the granting of any time, credit, indulgence or other concession, to the Principal Debtor or any other person by the Security Trustee or any other Guaranteed Creditor;
- (c) any amendment to, or variation of, this deed or any other document, or the Principal Debtor or a Guarantor not receiving notice of any such amendment or variation;
- (d) any other person joining in this deed or giving any other security, or failing or being incompetent to join in this deed or give any other security, or failing to become legally bound to the Security Trustee as intended under any such security;
- (e) the liability of the Principal Debtor or any other person to a Guaranteed Creditor in respect of any of the Principal Debt ceasing from any cause whatever (including release or discharge by a Guaranteed Creditor or the Security Trustee), or any other person failing to become legally bound to a Guaranteed Creditor or the Security Trustee as intended or to perform any of their respective obligations to a Guaranteed Creditor or the Security Trustee;
- (f) failure by the Principal Debtor or any other person to provide any security which has been requested by the Security Trustee or any other person;
- (g) any security held or taken in respect of, or any transaction relating to, any Principal Debt being void, voidable, unenforceable, defective or informal, or being released, partially released, discharged, partially discharged or varied in any way;

- (h) any compounding, compromise, release, abandonment, waiver, variation, relinquishment or renewal, of any agreements, securities, documents of title or assets, or any of the rights of the Guaranteed Creditors or the Security Trustee against the Principal Debtor or any other person;
- (i) the enforcement of, or failure to enforce, any rights of the Security Trustee or any other Guaranteed Creditors under this deed or any other document, or under any law;
- (j) the dissolution of the Principal Debtor or any other person, or the appointment of any receiver, receiver and manager, statutory manager, voluntary administrator, or similar person, or the establishment of any compromise, deed of company arrangement or other arrangement, in respect of the Principal Debtor or any other person;
- (k) the amalgamation, change in constitution, status or control, or reconstruction or reorganisation, of the Principal Debtor, the Security Trustee, any other Guaranteed Creditor or any other person;
- (l) any failure by the Security Trustee or any other Guaranteed Creditor to present, demand, or give notice in respect of, any negotiable instrument;
- (m) the making or granting by a Guaranteed Creditor (whether alone or together with any other person) to, or at the request of, the Principal Debtor (whether alone or together with any other person) of further advances or accommodation or the withdrawal or restriction by a Guaranteed Creditor of any advances or accommodation, or a Guarantor not receiving notice of any such making, granting, withdrawal or restriction;
- (n) any variation to the terms of, or replacement or rearrangement of, any advance made, or accommodation granted, by a Guaranteed Creditor (whether alone or together with any other person) to, or at the request of, the Principal Debtor (whether alone or together with any other person), or a Guarantor not receiving notice of any such variation, replacement or rearrangement;
- (o) the powers of any person purporting to act on behalf of the Principal Debtor in relation to the incurring of any Principal Debt proving to be defective in any respect;
- (p) anything done, or omitted or neglected to be done, by the Security Trustee or any other Guaranteed Creditor, whether in exercise of the rights, powers and remedies vested in the Security Trustee or any other Guaranteed Creditor by this deed or any other document, or otherwise;
- (q) the Principal Debtor or a Guarantor not receiving notice of any Local Authority becoming an Additional Guarantor or of any release under this deed (including, the Principal Debtor or a Guarantor not receiving a copy of any Further Principal Debt Release or Full Release in accordance with clause 15.1 or 15.2); or
- (r) any other matter or thing whatsoever, other than a release of this deed under clause 15.3 (or, as applicable, a Guarantor ceasing to be a Guarantor in accordance with clause 15.2).

## 12. CHANGES TO THE PARTIES

- 12.1 **Deed binding:** This deed is binding on, and is for the benefit of, the parties and their respective successors, permitted assigns and transferees.
- 12.2 **Guarantor may not assign:** No Guarantor may assign or transfer any of its rights or obligations under this deed without the prior written consent of the Security Trustee.
- 12.3 **Security Trustee may assign:** The Security Trustee may assign and transfer its rights and obligations under this deed to any successor security trustee appointed in accordance with the Security Trust Deed without the consent of any Guarantor. Any such successor security trustee is to have the same rights against the Guarantors under this deed as if named in this deed as the Security Trustee.
- 12.4 **Additional Guarantors:**
- (a) A Local Authority:
- (i) who is to become a holder of ordinary shares in the Principal Debtor;
  - (ii) who is to become an Issuer under the Multi-~~Issuer~~ issuer Deed; or
  - (iii) who is an existing Issuer under the Multi-~~Issuer~~ issuer Deed and is required to accede to this deed as an Additional Guarantor,
- may become an Additional Guarantor if:
- (iv) the Local Authority has delivered to the Security Trustee a duly completed and executed Guarantor Accession Deed; and
  - (v) the Security Trustee has received all of the documents and other evidence listed in schedule 2 in relation to that Local Authority, each in form and substance satisfactory to the Security Trustee.
- (b) The Security Trustee shall notify the relevant Local Authority and the Principal Debtor (who shall notify each other Guarantor) promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in schedule 2.

## 13. NOTICES

- 13.1 **Writing:** Each notice or other communication to be given or made by a party under this deed shall:
- (a) **Writing:** be given or made in writing by facsimile, email or letter and be signed by the sender or an authorised officer of the sender;
  - (b) **Address:** be given or made to that party at the address, email address or facsimile number, and marked for the attention of the person (if any), from time to time designated by that party to the other for the purposes of this deed;
  - (c) **Deemed delivery:** not be effective until received by that party, and any such notice or communication shall be deemed to be received by that party:

- (i) (if given or made by letter) when left at the address of that party or five Business Days after being put in the post, postage prepaid, and addressed to that party at that address;~~or~~
- (ii) (if given or made by facsimile) upon production of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient;or
- (iii) (if given or made by email) when dispatched in tangible, readable form by the sender to the email address advised by the recipient from time to time,

provided that any notice or communication received or deemed received after 5 pm on a working day in the place to which it is sent, or on a day which is not a working day in that place, will be deemed not to have been received until the next working day in that place.

13.2 **Initial address and numbers:** The initial address, facsimile number and contact person (if any) designated by:

- (a) each Initial Guarantor, are set out next to the name of that Initial Guarantor in Schedule 1; and
- (b) the Security Trustee, are set out under its execution block in this deed.

## 14. COSTS

14.1 **Costs:** The Guarantors shall pay to the Security Trustee upon Demand all of the Security Trustee's costs, losses and liabilities on a full indemnity basis (including legal expenses on a full indemnity basis and goods and services and similar taxes thereon) incurred or sustained by the Security Trustee in connection with:

- (a) the negotiation, preparation, signing, administration and release of this deed;
- (b) the exercise, enforcement or preservation, or attempted or contemplated exercise, enforcement or preservation, of any right under this deed, or in suing for or recovering any Guaranteed Money; and
- (c) the consideration and/or granting of any waiver or consent under, or the consideration and/or giving of any variation or release of, this deed.

14.2 **Stamp duty and taxes:** The Guarantors shall pay all stamp, documentary, transaction, registration and other like duties and taxes (including fines, interest and penalties), if any, which may be payable or determined to be payable in connection with the signing, delivery, registration, performance, exercise of any right under, or enforcement or variation of, this deed, and each Guarantor shall indemnify the Security Trustee upon Demand against all liabilities with respect to, or resulting from, any delay or omission to pay any such duties or taxes.

## 15. RELEASE AND REINSTATEMENT

15.1 **Release of a Guarantor in respect of further Principal Debt:**

- (a) A Guarantor may request to be released from all liability under this deed for or in relation to further Principal Debt to be incurred by the Principal Debtor, by delivering to the Security Trustee a duly completed Further Principal Debt Release Request.
- (b) A Guarantor may not deliver a Further Principal Debt Release Request unless:
- (i) that Guarantor:
- (aa) is not a holder of ordinary shares in the Principal Debtor; or
- (bb) has given a valid Sale Notice in accordance with the Shareholders' Agreement in respect of all of its ordinary shares in the Principal Debtor, and was in accordance with clause 10.6 of the Shareholders' Agreement permitted to transfer such shares within the period referred to in that clause, but despite its commercially reasonable endeavours to do so, was unable to effect such a transfer in that period; and
- (ii) all amounts which may be or become payable by that Guarantor and, where the Guarantor is a CCO Shareholder, the relevant CCO Issuer(s) to the Principal Debtor under or in connection with the Multi-~~Issuer~~ Issuer Deed and the Securities issued by it and the relevant CCO Issuer(s) (if any) have been irrevocably paid in full.
- (c) Where a Guarantor has delivered a Further Principal Debt Release Request in accordance with this clause 15, provided that all amounts which may be or become payable by that Guarantor and, where the Guarantor is a CCO Shareholder, the relevant CCO Issuer(s) to the Principal Debtor under or in connection with any financial indebtedness of the Guarantor or relevant CCO Issuer(s) owed to the Subscriber have been irrevocably paid in full, any arrangements for the provision of debt funding to the Guarantor and (if applicable) relevant CCO Issuer(s) by the Subscriber are immediately and irrevocably cancelled.
- ~~(e)~~(d) The Guarantor shall provide evidence of the satisfaction of the conditions in sub-paragraphs (b)(i) and (b)(ii) by delivering to the Security Trustee:
- (i) in relation to the condition in sub-paragraph (b)(i) either:
- (aa) a certified copy of the share register of the Principal Debtor showing that the Guarantor is not a holder of ordinary shares in the Principal Debtor; or
- (bb) written confirmation signed by a director of the Principal Debtor that the condition at sub-paragraph (b)(i)(bb) has been met,
- (and the Principal Debtor agrees to provide the documents described above upon receiving reasonable notice from the Guarantor and provided the condition in sub-paragraph (b)(i) has been satisfied); and
- (ii) in relation to the condition in sub-paragraph (b)(ii), written confirmation signed by a director of the Principal Debtor that the condition has been met.

~~(d)~~(e) The Security Trustee must accept a duly completed Further Principal Debt Release Request if it is satisfied (acting reasonably) that the conditions set out in subparagraphs ~~(d)(i)~~~~(e)~~(i) and ~~(d)(ii)~~~~(e)~~(ii) have been met.

~~(e)~~(f) The Security Trustee shall notify the relevant Guarantor of its acceptance of the Further Principal Debt Release Request by delivering a Further Principal Debt Release to the relevant Guarantor and a copy to the Principal Debtor (who shall notify each other Guarantor).

~~(f)~~(g) From the date of the Further Principal Debt Release (for a Guarantor, the "**Further Principal Debt Release Date**"), the relevant Guarantor:

- (i) shall be released from all liability under this deed in respect of all Principal Debt for which the Principal Debtor becomes actually or contingently liable after the Further Principal Debt Release Date; and
- (ii) shall continue to be liable under this deed in respect of all Principal Debt for which the Principal Debtor is actually or contingently liable as at the Further Principal Debt Release Date (including, for the avoidance of doubt, any amounts actually or contingently payable under any swap transactions entered into by the Principal Debtor on or prior to the Further Principal Debt Release Date),

and the "Guaranteed Money" of that Guarantor shall be construed accordingly.

~~(g)~~(h) Notwithstanding any provision of this deed to the contrary, a Guarantor that has received a Further Principal Debt Release under this clause 15.1 shall have no liability under clauses 2.1, 2.3, 3.1, 7.3 and 14 for any amounts whatsoever relating to or otherwise in respect of Principal Debt for which the Principal Debtor becomes actually or contingently liable after the Further Principal Debt Release Date relating to that Guarantor (and the "Guaranteed Money" of that Guarantor shall be construed accordingly).

## 15.2 Full release of a Guarantor:

- (a) Where the Security Trustee has delivered a Further Principal Debt Release to a Guarantor, that Guarantor may, at any time after the date of the Further Principal Debt Release, request to be released from all liability under this deed by delivering to the Security Trustee a duly completed Full Release Request attaching written confirmation from the Principal Debtor (signed by a director of the Principal Debtor) that all Principal Debt for which that Guarantor was liable under this deed has been irrevocably paid in full.
- (b) The Security Trustee shall accept a duly completed Full Release Request complying with the requirements of paragraph (a) by delivering a Full Release to that Guarantor and a copy to the Principal Debtor (who shall notify each other Guarantor) as soon as is reasonably practicable following receipt of the Full Release Request.
- (c) On and from the date of the Full Release, the relevant Guarantor shall be released from all liability under this deed.



15.3 **Release of other Guarantors:** Subject to clauses 15.1 and 15.2, the Security Trustee shall not be obliged to sign or deliver a release of this deed unless the Security Trustee is satisfied that:

- (a) the Security Trustee has received all the Guaranteed Money; and
- (b) no payment received, or to be received, by the Security Trustee may be avoided, or required to be repaid by the Security Trustee, whether under any law relating to insolvency or otherwise.

15.4 **Reinstatement:** If any payment received or recovered by the Security Trustee, or any other person on behalf of the Security Trustee, is or may be avoided, whether by law or otherwise, then:

- (a) such payment shall be deemed not to have affected or discharged the liability of a Guarantor under this deed or any other security given by a Guarantor in favour of the Security Trustee, and the Security Trustee and each Guarantor shall be restored to the position in which each would have been if such payment had not been received or recovered; and
- (b) the Security Trustee shall be entitled to exercise all its rights under this deed which it would have been entitled to exercise if such payment had not been received or recovered,

notwithstanding that the Security Trustee may have signed a release pursuant to this clause 15.

## 16. MISCELLANEOUS

16.1 **Partial invalidity:** If at any time any provision of this deed is or becomes illegal, invalid or unenforceable in any respect under the law of any relevant jurisdiction, that illegality, invalidity or unenforceability shall not affect the enforceability of the remaining provisions of this deed, nor shall the legality, validity or enforceability of any provision under the law of any other jurisdiction be in any way affected or impaired thereby.

16.2 **No implied waivers:** Time shall be of the essence in respect of performance by a Guarantor of its obligations under this deed, but no failure on the part of the Security Trustee or any other Guaranteed Creditor to exercise, and no delay on its part in exercising, any right, power or remedy under this deed or any other document relating to any Principal Debt shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

16.3 **Remedies cumulative:** The rights, powers and remedies provided in this deed are in addition to, and not exclusive of, any rights, powers or remedies provided by law.

16.4 **Consents:** The Security Trustee may give or withhold any approval or consent under this deed in its absolute discretion, and either conditionally or unconditionally.

16.5 **Enforcement:** It shall not be necessary for the Security Trustee to incur any expense or make any payment before enforcing any of the Security Trustee's rights in respect of any obligation of any Guarantor under this deed.

**16.6 Payments on Demand:**

- (a) For the avoidance of doubt, all amounts payable to the Security Trustee under this deed (including all costs and all amounts payable under any indemnity) shall be payable by the relevant Guarantor upon Demand being made on that Guarantor in accordance with the terms of clause 3.4, and form part of the Guaranteed Money of that Guarantor.
- (b) Each Demand shall be in writing, may be made by facsimile, [email](#) or letter, signed by the Security Trustee or an authorised officer of the Security Trustee and must be received in legible form by the relevant Guarantor at the address, [email address](#) or facsimile number, and marked for the attention of the person (if any), from time to time designated by that Guarantor to the Security Trustee for the purposes of this deed.

**16.7 Separate obligations:** Each of the obligations of the Guarantors under the indemnity given in clause 2.3, and under clauses 3.7, 6, 7, 8 and 14, constitute continuing obligations, separate and independent from each of the Guarantors' other obligations under this deed and shall survive payment of the Principal Debt and termination or release of this deed, provided that, the obligations of the Guarantors under clauses ~~2.3~~[2.3](#) and ~~14~~[14](#) are each subject to clauses ~~3.4~~[3.4](#) and ~~3.5~~[3.5](#).

**16.8 Certificates:** A certificate of the Security Trustee as to any amount or fact which might reasonably be expected to be within the Security Trustee's knowledge shall be prima facie evidence of such amount or fact.

**16.9 Annual Rates Income:**

- (a) Each Guarantor shall deliver to the Security Trustee each annual report completed and adopted by it in accordance with sections 98 and 99 of the Act no later than five months after the end of each of its financial years.
- (b) Each Guarantor shall, upon request (in writing) from the Security Trustee, provide the Security Trustee with any such completed and adopted annual report sooner than the five month period referred to in this clause if the Security Trustee advises that it is required for the purposes of clause ~~3.4~~[3.4](#).
- (c) Each Guarantor shall include its Annual Rates Income for the relevant financial year in the audited financial statements (or notes thereto) included in each annual report referred to in this clause 16.9, as a separate identifiable amount.
- (d) In the event of any dispute or uncertainty as to the Annual Rates Income of a Guarantor, the Security Trustee shall determine the amount of that Annual Rates Income, and provided the Security Trustee acts in good faith, that determination shall be binding on all the parties.

**16.10 Obligations of Guarantors:** This deed binds each of the Guarantors which has executed it (or which has become party to this deed by executing a Guarantor Accession Deed) even though one or more of the named Guarantors may never execute this deed.

**16.11 Disclosure by Security Trustee:** Each Guarantor consents to and authorises the Security Trustee to provide any Guaranteed Creditor with information concerning its affairs, financial

condition or business which comes into the possession of the Security Trustee from time to time.

16.12 **Offer documents:** Each Guarantor undertakes that:

- (a) it will promptly:
- (i) and in any event within 15 Business Days following receipt of a request from the Principal Debtor, provide the Principal Debtor with all information in relation to itself which the Principal Debtor reasonably requests for the purposes of preparing an offering document. The information provided by the Guarantor under this sub-paragraph (a)(i) and paragraph (b) being, "**Disclosure Information**"; and
  - (ii) and in any event within 10 Business Days following receipt of a draft offering document from the Principal Debtor, (acting reasonably and in writing) approve, or provide suggested amendments to, statements in the draft offering document relating to the Guarantor, as identified in writing by the Principal Debtor when providing the draft offering document to the Guarantor ("**Verified Statements**"). Nothing in this clause 16.12 entitles the Guarantor to suggest amendments to any statement in a draft offering document other than those which relate to itself; and

(b) if it becomes aware of any event having occurred as a result of which any Verified Statement or Disclosure Information would:

(i) be false or misleading, or likely to mislead;

~~(i)(ii)~~ not be true and accurate in all material respects; or

~~(ii)(iii)~~ omit any fact in relation to the Guarantor the omission of which would make misleading in any material respect any Verified Statement or Disclosure Information,

it will promptly notify the Principal Debtor and provide the Principal Debtor with any information required by the Principal Debtor in order to amend or supplement the Offering Document within 10 Business Days of receipt of a request from the Principal Debtor. The provisions of sub-paragraph (a)(ii) shall apply to any draft amendment or supplement to any Offering Document as if such document was a "draft offering document", provided that the timeframe in sub-paragraph (a)(ii) shall be deemed to be 5 Business Days.

16.13 ~~Contracts Privity~~Contract and Commercial Law Act: For the purposes of the ~~Contracts (Privity)~~Contract and Commercial Law Act ~~1982~~2017 the provisions of clause ~~16.12~~16.12 are intended to confer a benefit upon the Principal Debtor and to be enforceable by the Principal Debtor directly.

## 17. COUNTERPARTS

17.1 **Counterparts:** This deed may be signed in any number of counterparts, all of which will together constitute one and the same instrument, and any of the parties may execute this deed by signing any such counterpart.

## 18. GOVERNING LAW AND JURISDICTION

- 18.1 **Governing law:** This deed shall be governed by, and construed in accordance with, the laws of New Zealand, and the parties hereby submit to the non-exclusive jurisdiction of the courts of New Zealand.

## 19. NO CROWN GUARANTEE

- 19.1 The parties acknowledge that the obligations and liabilities of the Principal Debtor under this deed are not guaranteed by the Crown.

**SIGNATURES**

**Guarantors**

~~AUCKLAND COUNCIL~~ by:

and witnessed by:

\_\_\_\_\_  
Signature of Chief Executive

\_\_\_\_\_  
Name of Chief Executive

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
City/town of residence

~~BAY OF PLENTY REGIONAL COUNCIL~~

by:

\_\_\_\_\_  
Signature of Chief Executive

\_\_\_\_\_  
Signature of Chairman

\_\_\_\_\_  
Name of Chief Executive

\_\_\_\_\_  
Name of Chairman

~~THE COMMON SEAL OF  
CHRISTCHURCH CITY COUNCIL~~ was  
affixed in the presence of:

\_\_\_\_\_  
Signature of Authorised Signatory

\_\_\_\_\_  
Name of Authorised Signatory

**THE COMMON SEAL OF HAMILTON CITY  
COUNCIL** was affixed in the presence of:

\_\_\_\_\_  
Signature of Chief Executive

\_\_\_\_\_  
Signature of Elected Member

\_\_\_\_\_  
Name of Chief Executive

\_\_\_\_\_  
Name of Elected Member

**THE COMMON SEAL OF HASTINGS  
DISTRICT COUNCIL** was affixed in the  
presence of:

\_\_\_\_\_  
Signature of the Mayor

\_\_\_\_\_  
Signature of the Deputy Mayor

\_\_\_\_\_  
Name of Mayor

\_\_\_\_\_  
Name of Deputy Mayor

**THE COUNCIL SEAL OF MASTERTON  
DISTRICT COUNCIL** was affixed in the  
presence of:

\_\_\_\_\_  
Signature of Mayor

\_\_\_\_\_  
Signature of Chief Executive

\_\_\_\_\_  
Name of Mayor

\_\_\_\_\_  
Name of Chief Executive

**NEW PLYMOUTH DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of Council Member

\_\_\_\_\_  
Signature of Council Member

\_\_\_\_\_  
Name of Council Member

\_\_\_\_\_  
Name of Council Member

**THE COMMON SEAL OF OTOROHONGA  
DISTRICT COUNCIL** was affixed in the  
presence of:

\_\_\_\_\_  
Signature of Mayor

\_\_\_\_\_  
Signature of Chief Executive

\_\_\_\_\_  
Name of Mayor

\_\_\_\_\_  
Name of Chief Executive

~~SELWYN DISTRICT COUNCIL~~ by:

\_\_\_\_\_  
Signature of Elected Member

\_\_\_\_\_  
Signature of Elected Member

\_\_\_\_\_  
Name of Elected Member

\_\_\_\_\_  
Name of Elected Member

~~SOUTH TARANAKI DISTRICT COUNCIL~~

by:

\_\_\_\_\_  
Signature of Mayor/Deputy Mayor

\_\_\_\_\_  
Signature of Chief Executive

\_\_\_\_\_  
Name of Mayor/Deputy Mayor

\_\_\_\_\_  
Name of Chief Executive

**TASMAN DISTRICT COUNCIL** by:

and witnessed by:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
City/town of residence

and by:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
City/town of residence

**THE COMMON SEAL OF TAUPO  
DISTRICT COUNCIL** was affixed in the  
presence of:

\_\_\_\_\_  
Signature of Mayor

\_\_\_\_\_  
Signature of Deputy Mayor

\_\_\_\_\_  
Name of Mayor

\_\_\_\_\_  
Name of Deputy Mayor



**TAURANGA CITY COUNCIL** by:

\_\_\_\_\_  
Signature of Mayor

\_\_\_\_\_  
Signature of Chief Executive

\_\_\_\_\_  
Name of Mayor

\_\_\_\_\_  
Name of Chief Executive

\_\_\_\_\_  
Signature of Deputy Mayor

\_\_\_\_\_  
Name of Deputy Mayor

**WAIPA DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of Elected Member

\_\_\_\_\_  
Signature of Chief Executive

\_\_\_\_\_  
Name of Elected Member

\_\_\_\_\_  
Name of Chief Executive

**WELLINGTON CITY COUNCIL** by:

\_\_\_\_\_  
Signature of Elected Member

\_\_\_\_\_  
Signature of Elected Member

\_\_\_\_\_  
Name of Elected Member

\_\_\_\_\_  
Name of Elected Member

**WELLINGTON REGIONAL COUNCIL** by:

\_\_\_\_\_  
Signature of Elected Member

\_\_\_\_\_  
Signature of Elected Member

\_\_\_\_\_  
Name of Elected Member

\_\_\_\_\_  
Name of Elected Member

~~THE COMMON SEAL OF WESTERN BAY  
OF PLENTY DISTRICT COUNCIL~~ was  
affixed in the presence of:

\_\_\_\_\_  
~~Signature of Chief Executive~~

\_\_\_\_\_  
~~Name of Chief Executive~~

~~WHANGAREI DISTRICT COUNCIL~~ by:

and witnessed by:

\_\_\_\_\_  
~~Signature of Chief Executive~~

\_\_\_\_\_  
~~Name of Chief Executive~~

\_\_\_\_\_  
~~Signature of witness~~

\_\_\_\_\_  
~~Name of witness~~

\_\_\_\_\_  
~~Occupation~~

\_\_\_\_\_  
~~City/town of residence~~

**Security Trustee**

**SIGNED** for and on behalf of ~~TEL~~  
~~SECURITY TRUSTEE (LGFA) LIMITED~~

by:

\_\_\_\_\_  
Signature of Authorised Signatory

\_\_\_\_\_  
Signature of Authorised Signatory

\_\_\_\_\_  
Name of Authorised Signatory

\_\_\_\_\_  
Name of Authorised Signatory

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
City/town of residence

\_\_\_\_\_  
City/town of residence

Address: \_\_\_\_\_ Level 5, 10 Customhouse Quay  
\_\_\_\_\_ PO Box 3222  
\_\_\_\_\_ Wellington 6143

Fax: \_\_\_\_\_ (04) 496 2952

Attention: \_\_\_\_\_ Business Manager, Corporate Trust

| ~~s~~SCHEDULE [Original execution blocks intentionally deleted]

SCHEDULE 1

Initial Guarantors

INITIAL GUARANTORS	ADDRESS FOR NOTICES
Auckland Council	<p>Delivery Address:  <del>1 Greys Avenue</del>  <a href="#">135 Albert Street</a>  Auckland <del>Central</del> <a href="#">1010</a></p> <p>Postal Address:  Private Bag 92300  <a href="#">Victoria Street West</a>  Auckland 1142</p> <p><del>Fax: (09) 368 5964</del></p> <p><a href="mailto:john.bishop@aucklandcouncil.govt.nz">Email: john.bishop@aucklandcouncil.govt.nz</a></p> <p>Attention: <del>Mark Butcher</del> <a href="#">John Bishop, Group Treasurer</a></p>
Bay Of Plenty Regional Council	<p>Delivery Address:  5 Quay Street  Whakatāne</p> <p>Postal Address:  P O Box 364  Whakatāne 3158</p> <p><del>0800 884 882</del></p> <p><a href="mailto:mat.taylor@boprc.govt.nz">Email: mat.taylor@boprc.govt.nz</a></p> <p>Attention: <del>Brian Trott</del> <a href="#">Mat Taylor</a></p>
Christchurch City Council	<p>Delivery Address:  Civic Offices  53 Hereford Street  Christchurch</p> <p>Postal Address:  P O Box 73016  Christchurch 8154</p> <p><del>Fax: 03 941 8811</del></p>

INITIAL GUARANTORS

ADDRESS FOR NOTICES

[Email: Treasury@ccc.govt.nz](mailto:Treasury@ccc.govt.nz)

Attention: ~~Paul Anderson~~ [Andrew Jefferies](#)

Hamilton City Council

Delivery Address:

[260 Anglesea Street](#)

Council Building

Garden Place

Hamilton

[3240](#)

Postal Address:

Private Bag 3010

Hamilton 3240

~~Fax: 07 838 6616~~

[Email: david.bryant@hcc.govt.nz](mailto:david.bryant@hcc.govt.nz)

Attention: ~~Matthew Walker~~ [David Bryant](#)

Hastings District Council

Delivery Address:

207 Lyndon Road East

Hastings 4122

Postal Address:

Private Bag 9002

Hastings 4156

~~Fax: 06 871 5101~~

[Email: brucea@hdc.govt.nz](mailto:brucea@hdc.govt.nz)

Attention: ~~Tony Gray~~ [Bruce Allan](#)

Masterton District Council

Delivery Address:

~~64 Chapel Street~~

[27 Lincoln Road](#)

Masterton ~~5840~~ [5810](#)

Postal Address:

PO Box 444

Masterton 5840

INITIAL GUARANTORS

ADDRESS FOR NOTICES

~~Fax: 06-378-8400~~

Email: [davidp@mstn.govt.nz](mailto:davidp@mstn.govt.nz)

Attention: ~~David Paris~~ [Manager Finance](#)

New Plymouth District Council

Delivery Address:

Liardet St  
New Plymouth

Postal Address:  
Private Bag 2025  
New Plymouth 4342

~~Fax: 06-759-6072~~

Email:  
[alison.trustrumrainey@npdc.govt.nz](mailto:alison.trustrumrainey@npdc.govt.nz) /  
[carla.freeman@npdc.govt.nz](mailto:carla.freeman@npdc.govt.nz)

Attention: ~~Philip Armstrong~~ [Alison TrustrumRainey / Carla Freeman](#)

~~Otorohanga~~ [Ōtorohanga](#) District Council

Delivery Address:

17 Maniapoto Street  
~~Otorohanga~~ [Ōtorohanga](#) 3940

Postal Address  
PO Box 11  
~~Otorohanga~~ [Ōtorohanga](#) 3940  
~~Fax: 07-873-4300~~

Email: [grahamb@otodc.govt.nz](mailto:grahamb@otodc.govt.nz)

Attention: [Graham Bunn](#)

Selwyn District Council

Delivery Address:

2 Norman Kirk Drive  
Rolleston

Postal Address:  
P O Box 90  
Rolleston 7643  
~~Fax: 03-347-2799~~

INITIAL GUARANTORS

ADDRESS FOR NOTICES

[Email: Treasury.management@selwyn.govt.nz](mailto:Treasury.management@selwyn.govt.nz)

Attention: ~~Douglas Marshall~~ [Greg Bell](#)

South Taranaki District Council

Delivery Address:  
105-111 Albion Street  
Hawera 4610

Postal Address:  
Private Bag 902  
Hawera 4640

~~Fax: 06 278 8757~~

[Email: Vipul.mehta@stdc.govt.nz](mailto:Vipul.mehta@stdc.govt.nz)

Attention: [Vipul Mehta](#)

Tasman District Council

Delivery Address:  
189 Queen Street,  
Richmond, Nelson 7050

Postal Address  
Private Bag 4  
Richmond, Nelson 7050

~~Fax: 03 543 9524~~

[Email: treasury@tasman.govt.nz](mailto:treasury@tasman.govt.nz)

Attention: ~~Murray Staitt~~ [Corporate Services Manager](#)

Taupo District Council

Delivery Address:  
72 Lake Terrace  
Taupo 3330

Postal Address:  
Private Bag 2005  
Taupo 3352

~~Fax: 07 377 2985~~

[Email: nward@taupo.govt.nz](mailto:nward@taupo.govt.nz)

Attention: ~~Rob Williams~~ [Neil Ward](#)



## INITIAL GUARANTORS

## ADDRESS FOR NOTICES

Tauranga City Council

Delivery Address:  
91 Willow Street  
Tauranga 3143

Postal Address:  
Private Bag 12022  
Tauranga 3143

Fax: 07-577-7056

Email: [treasury.settlements@tauranga.govt.nz](mailto:treasury.settlements@tauranga.govt.nz)

Attention: Mohan De Mel

Waipa District Council

Delivery Address:  
101 Bank Street  
Te Awamutu

Postal Address:  
Private Bag 2402  
Te Awamutu 3800

Fax: 07-872-0033

Email: [Farrah.Templeton@waipadc.govt.nz](mailto:Farrah.Templeton@waipadc.govt.nz)  
[Kumaren.PerumalSarah.Davies@waipadc.govt.nz](mailto:Kumaren.PerumalSarah.Davies@waipadc.govt.nz)  
[Ken.Morris@waipadc.govt.nz](mailto:Ken.Morris@waipadc.govt.nz)

Attention: Ken Morris

Wellington City Council

Delivery Address:  
~~401 Wakefield Street~~  
[Wellington City Council](#)  
[113 The Terrace](#)  
Wellington

Postal Address:  
PO Box 2199  
Wellington 6140

Fax: 04-801-3090

Email: [martin.read@wcc.govt.nz](mailto:martin.read@wcc.govt.nz)

Attention: ~~Danny McComb~~ [Martin Read](#)

INITIAL GUARANTORS	ADDRESS FOR NOTICES
Wellington Regional Council	<p>Delivery Address: <del>142 Wakefield Street</del> <a href="#">Shed 39, 2 Fryatt Quay, Pipitea</a> <a href="#">Wellington 6011</a></p> <p>Postal Address: P O Box 11646 Manners Street Wellington 6142</p> <p><del>Fax: 04 385 3973</del> <a href="mailto:mike.timmer@gw.govt.nz">Email: mike.timmer@gw.govt.nz</a> <a href="mailto:matthias.zuschlag@gw.govt.nz">matthias.zuschlag@gw.govt.nz</a></p> <p>Attention: <a href="#">Mike Timmer</a></p>
Western Bay Of Plenty District Council	<p>Delivery Address: Barkes Corner Greerton Tauranga</p> <p>Postal Address: Private Bag 12803 Tauranga 3143</p> <p><del>Fax: 07 577 9280</del></p> <p><a href="mailto:kumaren.perumal@westernbay.govt.nz">Email: kumaren.perumal@westernbay.govt.nz</a></p> <p>Attention: <del>Matthew Potton</del> <a href="#">Kumaren Perumal</a></p>
Whangarei District Council	<p>Delivery Address: Forum North Rust Avenue Whangarei</p> <p>Postal Address: Private Bag 9023 Whangarei 0148</p> <p><del>Fax: 09 438 7632</del></p> <p><a href="mailto:alan.adcock@wdc.govt.nz">Email: alan.adcock@wdc.govt.nz</a></p> <p>Attention: <a href="#">Alan Adcock</a></p>

## SCHEDULE 2

## Conditions precedent to be delivered by an Additional Guarantor

1. **Accession Documents**

- (a) A Guarantor Accession Deed duly executed by the Additional Guarantor.
- (b) A first ranking Security Stock Certificate issued by the Additional Guarantor in favour of the Security Trustee in respect of the Additional Guarantor's obligations under this deed, in a form acceptable to the Security Trustee.

2. **Additional Guarantor certificate**

A certificate of compliance for the purposes of section 118 of the Act in relation to the [Additional](#) Guarantor's obligations under this deed and the first ranking [Security Stock and Security Stock Certificate](#) described in paragraph 1(b).

3. **Legal opinion**

Legal opinion addressed to the Security Trustee from legal counsel acceptable to the Security Trustee in relation to the Additional Guarantor's entry into the Guarantor Accession Deed and the issuance of the first ranking Security Stock [and Security Stock](#) Certificate described in paragraph 1(b).

4. **Other documents and evidence**

- (a) Evidence that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to the Additional Guarantor's entry into the Guarantor Accession Deed and the issuance of the first ranking Security Stock [and Security Stock](#) Certificate described in paragraph 1(b) have been obtained and are current and satisfactory.
- (b) Notification of the Annual Rates Income in the Financial Statements of the [Additional](#) Guarantor in the most recent financial year for which all Guarantors have prepared and adopted an annual report in accordance with sections 98 and 99 of the Act.
- (c) Any other document or evidence reasonably requested by the Security Trustee.

SCHEDULE 3

Form of Demand

Part 1

Form of initial Demand under clause 3.4(b)

To: [Name of Guarantor] ("**Guarantor**")

From: [Name of Security Trustee] as Security Trustee

Dated:

Dear Sirs

**Guarantee and Indemnity dated [•]7 December 2011 ("Guarantee")**

1. We refer to the Guarantee. Terms defined in the Guarantee have the same meaning when used in this Demand unless given a different meaning in this Demand.
2. We advise that the sum of [NZ\$•] ("**Relevant Amount**") is payable to the Security Trustee under the Guarantee.
3. We further advise that your Relevant Proportion is [•]%, calculated as:

Annual Rates Income for the Relevant Financial Year	
Aggregate Annual Rates Income of all Guarantors for the Relevant Financial Year	

4. We therefore demand payment of the sum of [NZ\$•], being your Relevant Proportion of the Relevant Amount.
5. Payment should be made to the following account by no later than 5:00 pm on [insert date two Business Days after the date of this Demand assuming delivery by courier, [email](#) or fax]:

Name: [•]  
 Account Number: [•]  
 Bank: [•]

6. This Demand is governed by New Zealand law.

Yours faithfully

**[Name of Security Trustee]**

By:

**Part 2**  
**Form of further Demand under clause 3.4(c)\***

To: [Name of Guarantor] ("**Guarantor**")

From: [Name of Security Trustee] as Security Trustee

Dated:

Dear Sirs

**Guarantee and Indemnity dated [●]7 December 2011 ("Guarantee")**

1. We refer to the Guarantee and to the Demand[s] dated [●] ("**Prior Demand[s]**"). Terms defined in the Guarantee have the same meaning when used in this Demand unless given a different meaning in this Demand.
2. We advise that there is a Shortfall Amount of [NZ\$●].
3. We further advise that your Additional Relevant Proportion is [●]%, calculated as:

Annual Rates Income for the Relevant Financial Year	
Aggregate Annual Rates Income of all Non-Defaulting Guarantors for the Relevant Financial Year	

4. We therefore demand payment of the sum of [NZ\$●], being your Additional Relevant Proportion of the Shortfall Amount.
5. Payment should be made to the following account by no later than 5:00 pm on [insert date two Business Days after the date of this Demand assuming delivery by courier, [email](#) or fax]:

Name: [●]  
Account Number: [●]  
Bank: [●]

6. This Demand is governed by New Zealand law.

Yours faithfully  
**[Name of Security Trustee]**

By:

\* Security Trustee to update the form of notice each time a further Demand is provided under 3.4(d).

**SCHEDULE 4**

**Form of Guarantor Accession Deed**

**ACCESSION DEED** dated

**GRANTED BY**

[*Name of Additional Guarantor*] ("**Additional Guarantor**")

**IN FAVOUR OF**

[*Name of Security Trustee*] ("**Security Trustee**")

**INTRODUCTION**

- A. Each of the Local Authorities listed in schedule 1 to this deed ("**Guarantors**") is party to a guarantee and indemnity ("**Guarantee**") dated ~~17~~ 7 December 2011 in favour of the Security Trustee (whether as a party to the original Guarantee or by becoming a Guarantor pursuant to a deed equivalent to this deed).
- B. The Additional Guarantor is to become a Guarantor under the Guarantee by entering into this deed.

**COVENANTS**

- 1. **Definitions:** In this deed, capitalised terms shall have the meanings given to them in the Guarantee unless they are defined in this deed.
- 2. **Deemed to be a Guarantor:** With effect from the date of this deed, the Additional Guarantor will be deemed to be named as a Guarantor under the Guarantee as if originally included and named in the Guarantee.
- 3. **Guarantee:** The Additional Guarantor guarantees to the Security Trustee, for the benefit of the Guaranteed Creditors, the due payment or delivery by the Principal Debtor of the Principal Debt. The provisions of the Guarantee shall apply to the guarantee given by the Additional Guarantor under this deed in the same manner, and to the same extent, as if the same had (with all necessary modification) been set out in full in this deed.
- 4. **Representations and warranties:** The Additional Guarantor makes the representations and warranties in clause 9.1 of the Guarantee in relation to itself to the Security Trustee by reference to the facts and circumstances then existing (and as though each reference in clause 9.1 to Guarantor was to the Additional Guarantor and each reference to the Transaction Documents included this deed).
- 5. **Attorney:** The Additional Guarantor irrevocably appoints the Security Trustee and every officer of the Security Trustee, individually, to be the attorney of the Additional Guarantor ("**Attorney**") (with full power to delegate the Attorney's powers to any person for any period and to revoke any such delegation) to, on behalf of the Additional Guarantor, do anything which, in the

Attorney's opinion, is desirable to protect the Security Trustee's or any other Guaranteed Creditor's interests under this deed and/or the Guarantee, and the Additional Guarantor hereby ratifies anything done by the Attorney or any delegate in accordance with this clause 4.

6. **Implied provisions:** For the purposes of section 14 of the Property Law Act 2007, the Additional Guarantor acknowledges that this deed is, and for all purposes and at all times shall be construed as being, supplemental to the Guarantee.

7. **Address for notice:** The initial address, facsimile number, [email address](#) and contact person (if any) of the Additional Guarantor for the service of notices is:

Address:

Fax:

[Email:](#)

Attention:

8. **Governing law:** This deed shall be governed by, and construed in accordance with the laws of New Zealand, and the parties hereby submit to the non-exclusive jurisdiction of the courts of New Zealand.—

9. [\[CCO\]: \[Include if Additional Guarantor is a CCO Shareholder\]](#).

9.1 [\[CCO Shareholder\]: \[As at the date of this deed, the Additional Guarantor is a CCO Shareholder in respect of: \[specify each relevant CCO Issuer\]\]](#).

## EXECUTED AS A DEED

### Additional Guarantor

**[Execution block to be inserted]**

**SCHEDULE 1**

**Existing Guarantors**

**[Insert names of existing Guarantors]**



## SCHEDULE 5

**Part 1**  
**Form of Further Principal Debt Release Request**

To: [Name of Security Trustee] as Security Trustee

From: [Name of terminating Guarantor]

Dated:

**Guarantee and Indemnity dated ~~17~~ 7 December 2011 ("Guarantee")**

1. We refer to the Guarantee.
2. This is a Further Principal Debt Release Request. Terms defined in the Guarantee shall have the same meaning in this Further Principal Debt Release Request.
3. We request pursuant to clause 15.1 of the Guarantee that we be released from all liability under the Guarantee for or in relation to further Principal Debt to be incurred by the Principal Debtor.
4. We confirm that:
  - (a) [we are not a holder of ordinary shares of the Principal Debtor, as evidenced by the current share register of the Principal Debtor showing that the Guarantor is not a holder of ordinary shares of the Principal Debtor, a certified copy of which is attached to this Further Principal Debt Release Request] **OR** [we have given a valid Sale Notice in accordance with the Shareholders' Agreement in respect of all of our ordinary shares in the Principal Debtor, and were in accordance with clause 10.6 of the Shareholders' Agreement permitted to transfer such shares within the period referred to in that clause, but despite our commercially reasonable endeavours to do so, were unable to effect such a transfer in that period, as evidenced by the letter from the Principal Debtor (signed by a director) attached to this Further Principal Debt Release Request]; *[delete option as applicable]* and
  - (b) all amounts which may be or become payable by us to the Principal Debtor and, where we are a CCO Shareholder, the relevant CCO Issuer(s) under or in connection with the Multi-~~Issuer~~ issuer Deed and the Securities issued by us and the relevant CCO Issuer(s) (if any) have been irrevocably paid in full, as evidenced by the letter from the Principal Debtor (signed by a director) attached to this Further Principal Debt Release Request.

Yours faithfully  
[Name of terminating Guarantor]

By:

*[Attach supporting documents]*

Part 2  
Form of Further Principal Debt Release

To: [Name of terminating Guarantor]  
Copy to: New Zealand Local Government Funding Agency Limited  
From: [Name of Security Trustee] as Security Trustee  
Dated:

Guarantee and Indemnity dated ~~[•]~~ 7 December 2011 ("Guarantee")

1. We refer to the Guarantee and your Further Principal Debt Release Request dated [•].
2. This is a Further Principal Debt Release. Terms defined in the Guarantee shall have the same meaning in this Further Principal Debt Release unless given a different meaning in this Further Principal Debt Release.
3. We confirm that with effect from the date of this Further Principal Debt Release (the "**Further Principal Debt Release Date**"), you:
  - (a) shall be released from all liability under the Guarantee in respect of all Principal Debt for which the Principal Debtor becomes actually or contingently liable after the Further Principal Debt Release Date; and
  - (b) shall continue to be liable under the Guarantee in respect of all Principal Debt for which the Principal Debtor is actually or contingently liable as at the Further Principal Debt Release Date (including, for the avoidance of doubt, any amounts actually or contingently payable under any swap transactions entered into by the Principal Debtor on or prior to the Further Principal Debt Release Date).
4. We request the Principal Debtor to notify the other Guarantors of this Further Principal Debt Release in accordance with clause ~~15.1(f)~~ 15.1(e) of the Guarantee.

Yours faithfully  
[Name of Security Trustee]

By:

SCHEDULE 6

Part 1  
Form of Full Release Request

To: [Name of Security Trustee] as Security Trustee

From: [Name of terminating Guarantor]

Dated:

**Guarantee and Indemnity dated ~~10~~ 7 December 2011 ("Guarantee")**

1. We refer to the Guarantee.
2. This is a Full Release Request. Terms defined in the Guarantee shall have the same meaning in this Full Release Request.
3. We request to cease to be a Guarantor pursuant to clause 15.2 of the Guarantee.
4. We confirm that all Principal Debt for which we were liable under the Guarantee has been irrevocably paid in full, as evidenced by the written confirmation from the Principal Debtor (signed by a director of the Principal Debtor) to that effect attached to this Full Release Request.

Yours faithfully  
[Name of terminating Guarantor]

By:

[Attach supporting letter]

## Part 2 Form of Full Release

To: [Name of terminating Guarantor]  
Copy to: New Zealand Local Government Funding Agency Limited  
From: [Name of Security Trustee] as Security Trustee  
Dated:

### Guarantee and Indemnity dated ~~[•]~~ 7 December 2011 ("Guarantee")

1. We refer to the Guarantee and your Full Release Request dated [•]. This is a Full Release. Terms defined in the Guarantee shall have the same meaning in this Full Release.
2. With effect from the date of this Full Release the Security Trustee releases you from the Guarantee.
3. However, notwithstanding the release given in paragraph 2, if any payment received or recovered by the Security Trustee, or any other person on the Security Trustee's behalf, is or may be avoided, whether by law or otherwise, then:
  - (a) such payment shall be deemed not to have affected or discharged your liability as a Guarantor under the Guarantee or any other security given by you as a Guarantor in favour of the Security Trustee, and the Security Trustee and you shall be restored to the position in which each would have been if such payment had not been received or recovered; and
  - (b) the Security Trustee shall be entitled to exercise all its rights under the Guarantee which it would have been entitled to exercise if such payment had not been received or recovered.
4. We request the Principal Debtor to notify the other Guarantors of this Full Release in accordance with clause 15.2(b) of the Guarantee.

Yours faithfully  
[Name of Security Trustee]

By:

# Multi-issuer Deed

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## **PARTIES**

The Local Authorities Listed in Schedule 1

### **Principal Shareholders**

New Zealand Local Government Funding Agency Limited

### **Subscriber**

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DEED dated 7 December 2011 (as amended [and restated](#) by the deed to which this deed is attached as an appendix)

## PARTIES

The Local Authorities Listed in Schedule 1

("Principal Shareholders")

New Zealand Local Government Funding Agency Limited

("Subscriber")

## INTRODUCTION

- A. The Principal Shareholders and the Subscriber wish to record the arrangements agreed between them in relation to the issue of Securities to the Subscriber from time to time by the Principal Shareholders, and other Local Authorities [or CCOs](#) that may accede to this deed, as Issuers.
- B. This deed records those arrangements.
- C. ~~The Subscriber's~~ [None of the](#) obligations under this deed [of the Subscriber nor any Issuer that is a Local Authority](#) are ~~not~~ guaranteed by the Crown.

## COVENANTS

### 1. INTERPRETATION

- 1.1 **Definitions:** In this deed, unless the context otherwise requires:

"**Accession Deed**" means a deed in the form, or substantially in the form, of schedule 4.

"**Agency Agreement**" means, in relation to an Issuer, the issue and paying agency agreement between the Issuer and an agent or agents in relation to the issue of Securities by the Issuer.

"**Annual Rates Income**" means, in relation to an Issuer [that is a Local Authority and](#) for a financial year, an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by that



Issuer from other Local Authorities for services provided by that Issuer for which those other Local Authorities rate and in each case as shown in the Financial Statements of that Issuer for that financial year, provided that if such Financial Statements are with respect to a period of less than 12 months, then such amount shall be annualised (so as to reflect a period of 12 months), and the annualised amount shall be the Annual Rates Income.

**"Authorised Signatory"** means, in relation to an Issuer, a person nominated as the Issuer's authorised signatory for the purposes of this deed and notified as such to the Subscriber from time to time.

**"Available Financial Accommodation"** means, in relation to an Issuer on any Test Date, the aggregate as at that date of:

- (a) External Indebtedness;
- (b) committed but undrawn financial accommodation that is available to the Issuer, to the extent there is no legal, contractual or other restriction on the Issuer's ability to draw upon that financial accommodation; and
- (c) Liquid Investments ~~of the Issuer (and not its Consolidated Group)~~.

**"Borrowed Money Indebtedness"** means any indebtedness of the Subscriber to a person (other than indebtedness owed to an Issuer in respect of Borrower Notes) in respect of money borrowed or raised or any other financial accommodation whatsoever in the nature of, or having a similar economic effect to, borrowing or raising money, including indebtedness under or in respect of a negotiable or other financial instrument, guarantee, interest or currency exchange hedge or other arrangement of any kind (calculated on a net and marked to market basis).

**"Borrower Notes"** has the meaning given to it in the Notes Subscription Agreement.

**"Cash"** means, in relation to an Issuer:

- (a) any credit balance on any deposit, savings, current or other account with a registered bank which has outstanding debt securities rated as referred to in paragraph (c) of the definition of "Liquid Investments" and which is freely withdrawable on demand by the Issuer;
- (b) any credit balance of any term deposit with a maturity of less than 180 days with a registered bank which has outstanding debt securities rated as referred to in paragraph (c) of the definition of "Liquid Investments"; and
- (c) any cash in hand.

"CCO Credit Support" means, in relation to a CCO Issuer, any combination of the following:

- (a) a CCO Security;
- (b) a CCO Negative Pledge and Covenant;
- (c) a CCO Guarantee;
- (d) where a LA Shareholder provides a CCO Guarantee, the Security Stock issued by the LA Shareholder in respect of its obligations under the CCO Guarantee; and/or
- (e) any other security arrangements,

as specified in the relevant Accession Deed or as otherwise subsequently specified (in writing) by the Subscriber.

"CCO Negative Pledge and Covenant" means the undertakings given by a CCO Issuer in favour of the Subscriber and the Holder and, set out in the relevant Accession Deed, relating to:

- (a) for so long as any Series issued by the Issuer is outstanding, the restrictions on the creation or subsistence of any security interest over the whole or any part of its assets, other than a permitted security interest (as specified in the relevant Accession Deed);
- (b) for so long as any Series issued by the Issuer is outstanding, the amount of its indebtedness relative to the aggregate amount uncalled and unpaid in respect of equity securities in the Issuer owned legally and beneficially by the CCO Shareholders; and
- (c) if applicable, calling up and/or demanding payment of, the whole or part (as specified in the request from the Subscriber or Holder) of the amount uncalled and/or unpaid in respect of the equity securities referred to in paragraph (b) on written request from the Subscriber or a Holder, provided that such request may only be made following the occurrence of an Event of Default that is continuing.

"CCO Support Document" means, in relation to a CCO Issuer, any document in relation to CCO Credit Support, as specified in the relevant Accession Deed.

**"Compliance Certificate" means:**

- (a) in the case of an Issuer that is a Local Authority, a certificate in the form, or substantially in the form, set out in schedule 7-; and

(b) in the case of a CCO Issuer, a certificate in the form specified by the Subscriber for that Issuer.

**"Conditions"** means the terms and conditions contained in schedule 2.

**"Confirmation Email"** means, in relation to an Issuer and Securities, an email (or other communication which is satisfactory to the Subscriber) from the Issuer to the Subscriber confirming that the Issuer is offering to issue a Series or Tranche of Securities on the terms set out in the applicable Indicative Terms Email. The Confirmation Email must specify:

- (a) the Principal Amount and Maturity Date of the Securities the Issuer is offering to issue; and
- (b) whether the Securities it is offering to issue are Fixed Rate Securities, Floating Rate Securities, Amortising Securities, Zero Coupon Securities or any other type of Security set out in the Indicative Terms Email.

**"Consolidated Group"** means, in relation to an Issuer, the group of persons (including the Issuer) against which the financial covenants in clause 7.5(a) may be tested (as required in accordance with clause 7.5(a)), such group must be agreed in writing by the Subscriber and that Issuer.

**"Demand"** has the meaning given in the Guarantee.

**"Disclosure Information"** has the meaning given to it in clause 7.4(a)(i).

**"Distribution"** means:

- (a) any dividend, charge, fee, payment, other distribution (whether cash or assets), redemption, repurchase, defeasance, retirement or repayment on or in respect of any equity securities or ownership interest of a CCO Issuer;
- (b) any interest payment, any repayment or prepayment of any amount of principal or any other payment in respect of any liability of a CCO Issuer to a CCO Shareholder; and

without limiting the above, a "distribution" as defined in the Companies Act.

**"EC Securities"** means Securities the proceeds of which are to be applied by the relevant Issuer in paying the Exercise Price for Commitment Shares to be subscribed by the Issuer on the Issue Date.

**"Equity Commitment Deed"** means the deed dated on or about the date of this deed between various Local Authorities and the Subscriber entitled "Equity Commitment Deed".

**"Event of Review"** means, in relation ~~an Issuer, a breach of any of the financial covenants in clause 7.5.~~to:

(a) an Issuer that is a Local Authority, a breach of any of the financial covenants in clause 7.5; and

(b) a CCO Issuer, a breach of any of the financial covenants in the Accession Deed.

**"External Indebtedness"** means, in relation to an Issuer on any Test Date, the aggregate amount of indebtedness of the Issuer to any person in respect of money borrowed or raised or any other financial accommodation whatsoever in the nature of, or having a similar economic effect to, borrowing or raising money, including indebtedness under or in respect of a negotiable or other financial instrument, as shown in the Financial Statements of the Issuer for the financial year ending on that Test Date, but excluding:

- (a) indebtedness that is classed as "internal indebtedness" of the Issuer in the Issuer's Financial Statements for the financial year ending on that Test Date;
- (b) indebtedness that is classified as a contingent liability of the Issuer in the Issuer's Financial Statements for the financial year ending on that Test Date; and
- (c) any indebtedness of the Issuer which is an unrealised loss on hedging instruments as shown in the Issuer's Financial Statements for the financial year ending on that Test Date.

**"Financial Statements"** means~~;~~:

(a) in relation to a CCO Issuer, the audited financial statements the Issuer is required to produce pursuant to sections 67 to 69 of the Act; and

(b) in relation to an Issuer that is a Local Authority, the audited financial statements the Issuer is required to produce pursuant to sections 98 and 99 of the Act.

**"Final Terms"** means:

- (a) in relation to a Series or Tranche of EC Securities, final terms in the form, or substantially in the form, of schedule 3; and
- (b) in relation to a Series or Tranche of any other Securities, a term sheet in the form, or substantially in the form, of schedule 5.

**"Further Principal Debt Release Request"** has the meaning given to it in the Guarantee.

**"GAAP"** means "generally accepted accounting practice" as defined in the Act.

**"Guarantee"** means the deed of guarantee and indemnity made by various Local Authorities in respect of the indebtedness of the Subscriber.

**"Guarantor"** means a guarantor under the Guarantee.

**"Indicative Terms Email"** means an email from the Subscriber to an Issuer setting out the indicative terms of Securities (other than pricing) that the Issuer may offer to issue to the Subscriber.

**"Insolvency Event"** means, in relation to a CCO Issuer or CCO Shareholder, any Insolvency Event specified in the relevant Accession Deed in relation to such person.

**"Issuer"** means a Local Authority set out in schedule 1 or any other Local Authority or CCO which is or becomes an Issuer in accordance with ~~clause~~clauses 2.4- or 2A.4 (including a Local Authority that becomes an Issuer because it is a LA Shareholder (if applicable)).

**"Liquid Investments"** means, in relation to an Issuer on any Test Date:

- (a) Cash;
- (b) securities issued or fully guaranteed or fully insured by the New Zealand Government;
- (c) commercial paper or other debt securities which have a long-term rating of at least A- or a short-term rating of at least A-1 by Standard & Poor's ~~Ratings~~Rating Group or an equivalent rating from either Moody's Investors Service, Inc. or Fitch Ratings ~~Ltd~~Limited (or their respective related companies); and
- (d) certificates of deposit of any registered bank which has outstanding debt securities rated as referred to in paragraph (c) above,

in each case legally and beneficially held by the Issuer, and/or the Consolidated Group (as required in accordance with clause 7.5(a)), not subject to any security interest, and denominated and payable in NZ Dollars and as shown in the Financial Statements of the Issuer for the financial year ending on that Test Date.

~~**"Local Authority"** means a Local Authority as defined in the Act.~~

**"Maximum Additional Spread"** means:

- (a) in relation to an issue of Floating Rate Securities which are not EC Securities, the maximum additional spread (expressed as a percentage (p.a.)) the Subscriber will (on the date the Final Terms are delivered pursuant to clause 4.1(a)(iii)) add to its

own issuance margin in order to determine the Margin for the relevant Tranche or Series;

- (b) in relation to an issue of Fixed Rate Securities, the maximum additional spread (expressed as a percentage (p.a.)) the Subscriber will (on the date the Final Terms are delivered pursuant to clause 4.1(a)(iii)) add to its own issuance margin in order to determine the "margin" component of the Interest Rate for the relevant Tranche or Series; and
- (c) in relation to an issue of Zero Coupon Securities, the maximum additional spread (expressed as a percentage (p.a.)) the Subscriber will (on the date the Final Terms are delivered pursuant to clause 4.1(a)(iii)) add to its own issuance margin in order to determine the annual yield for the relevant Tranche or Series,

in each case calculated in accordance with the methodology notified by the Subscriber to the Issuer on or prior to the date of the Indicative Terms Email which relates to that issue of Securities. In this definition, "**issuance margin**" has the meaning given to it in clause 4.6.

**"Net Debt"** means, in relation to an Issuer and any Test Date, the aggregate of all financing liabilities of the Issuer [and/or the Consolidated Group \(as required in accordance with clause 7.5\(a\)\)](#) as at that Test Date as shown in the Financial Statements of the Issuer for the financial year ending on that Test Date less Liquid Investments as at that Test Date.

**"Net Interest"** means, in relation to an Issuer for a financial year, an amount equal to all interest and financing costs incurred by the Issuer [and/or the Consolidated Group \(as required in accordance with clause 7.5\(a\)\)](#) for that financial year as shown in Financial Statements of the Issuer less:

- (a) interest income of the Issuer [and/or the Consolidated Group \(as required in accordance with clause 7.5\(a\)\)](#) for that financial year as shown in Financial Statements of the Issuer for that financial year; and
- (b) any interest paid by the Issuer during that financial year as shown in the Financial Statements of the Issuer for that financial year on EC Securities held by the Subscriber.

**"Notes Subscription Agreement"** means the agreement dated on or about the date of this deed between the Subscriber and various Local Authorities entitled "Notes Subscription Agreement".

**"Notice of Commitment"** means:

- (a) in relation to a Series or Tranche of EC Securities, a notice in the form, or substantially in the form, of schedule 6; and
- (b) in relation to a Series or Tranche of any other Securities, a Confirmation Email.

**"Offering Document"** means, on any date, each prospectus, investment statement, product disclosure statement, information memorandum or other offer document (howsoever described) prepared by, or on behalf and with the approval of, the Subscriber under which the Subscriber is offering or is able to offer debt instruments.

**"Policies"** has the meaning given to it in the Shareholders' Agreement.

**"Potential Event of Default"** means any event which, with the passing of time, or the giving of notice, or both, would constitute an Event of Default.

**"Redemption Notice"** has the meaning given to it in clause ~~7.5 or 7.6~~, 7.6, 7.7, 7.8 or 7.9, as applicable.

**"Security Trustee"** has the meaning given in the Guarantee.

**"Shareholders' Agreement"** means the agreement dated on or about the date of this deed between the Principal Shareholders in relation to the Subscriber entitled "Shareholders' Agreement".

**"Shareholder Transaction Documents"** means, in relation to an Issuer that is a LA Shareholder:

- (a) the Guarantee;
- (b) the Equity Commitment Deed;
- (c) the accession deeds (if applicable) executed by the Issuer for the purposes of the Guarantee and the Equity Commitment Deed;
- (d) each Security Stock Certificate issued by it in respect of its obligations in respect of the Guarantee and the Equity Commitment Deed;
- (e) this deed, solely in its capacity as a LA Shareholder; and
- (f) each CCO Support Document.

**"Test Date"** means 30 June of each year ~~or~~ or, in the case of a CCO Issuer, the date specified in the relevant Accession Deed.

**"Total Revenue"** means, in relation to an Issuer that is a Local Authority and for a financial year, the total cash operating revenue of the Issuer and/or the Consolidated Group (as required in accordance with clause 7.5(a)) for that financial year as shown in Financial Statements of the Issuer for that financial year including cash earnings from rates, Government grants and subsidiaries, user charges, interest, dividends and financial and other revenue but not including non-Government capital contributions (such as developer contributions and vested assets).

**"Transaction Documents"** means ~~r~~;

(a) \_\_\_\_\_ in relation to an Issuer that is a Local Authority:

- (~~a~~) this deed;
- (~~b~~) the Notes Subscription Agreement;
- (~~c~~) each Security Stock Certificate issued by ~~that Issuer~~ it in respect of its obligations in respect of the Securities and under this deed and each of the Guarantee (if applicable), and the Equity Commitment Deed (if applicable);
- (~~d~~) if the Issuer is a Guarantor, or is required by the Subscriber in accordance with this deed, the Policies and/or required by the Shareholders' Agreement to become a Guarantor, each of the Guarantee and Equity Commitment Deed;
- (~~e~~) the Accession Deed (if applicable);
- (~~f~~) any accession deed executed by the Issuer for the purposes of the Notes Subscription Agreement, the Guarantee (if applicable) and/or the Equity Commitment Deed; (if applicable); and
- (~~g~~) any other document agreed by the Subscriber and the Issuer to be a Transaction Document; and

(b) \_\_\_\_\_ in relation to a CCO Issuer:

- (i) \_\_\_\_\_ this deed;
- (ii) \_\_\_\_\_ the Notes Subscription Agreement;
- (iii) \_\_\_\_\_ the Guarantee;
- (iv) \_\_\_\_\_ the Equity Commitment Deed;



- (v) each Security Stock Certificate issued by a LA Shareholder in respect of its obligations in respect of each of the Guarantee, the Equity Commitment Deed and any CCO Support Document;
- (vi) the Accession Deed;
- (vii) any accession deed executed by the CCO Issuer for the purposes of the Notes Subscription Agreement (if applicable);
- (viii) accession deeds (if applicable) to Guarantee and Equity Commitment Deed;
- (ix) each CCO Support Document; and
- (x) any other document agreed by the Subscriber and the CCO Issuer to be a Transaction Document.

"**Verified Statements**" has the meaning given to it in clause 7.4(a)(ii).

- 1.2 **Conditions:** Words and expressions defined in the Conditions and used in this deed shall have the same meanings in this deed, unless the context requires otherwise.
- 1.3 **Equity Commitment Deed:** Except to the extent the context requires otherwise, "Commitment Shares", "Exercise Notice", "Exercise Price" and "Settlement Date" have the meanings given to them in the Equity Commitment Deed.
- 1.4 **References:** Except to the extent that the context otherwise requires, any reference in this deed to:

an "**authorisation**" includes:

- (a) any consent, authorisation, registration, filing, agreement, notarisation, certificate, permission, licence, approval, authority or exemption from, by or with a governmental agency; or
- (b) in relation to anything which will be proscribed or restricted in whole or part by law if a governmental agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of such period without such intervention or action.

a "**clause**" or "**schedule**" is a reference to a clause of, or schedule to, this deed.

something having a "**material adverse effect**" on a person is a reference to it having a material adverse effect on the financial condition or operations of that person which

materially adversely affects the ability of that person to perform or comply with its obligations under any Transaction Document or any Security.

something being "remedied" means it is remedied to the satisfaction of the Subscriber.

## 1.5 **Miscellaneous:**

- (a) The introduction to and headings in this deed are inserted for convenience only and shall be ignored in construing this deed.
- (b) Unless the context otherwise requires words denoting only the singular number shall include the plural and vice versa and words denoting any gender shall include all genders.
- (c) References to any legislation or to any provision of any legislation are deemed to be references to that legislation or provision as from time to time amended, re-enacted or substituted and, unless the context otherwise requires, shall also include any statutory instruments issued under any such legislation or provision.
- (d) References to any document (however described) shall include references to such document as modified, novated, supplemented, varied or replaced from time to time.
- (e) References to any party to this deed or any other document shall include its successors or permitted assigns.
- (f) References to a time of day are references to New Zealand time unless otherwise stated.
- (g) Anything which may be done at any time may also be done from time to time.

## 2. **ACCESSION OF LOCAL AUTHORITY AS AN ISSUER**

2.1 **Local Authority to sign Accession Deed:** Subject to clause 2.2, a Local Authority which is not a Principal Shareholder may become an Issuer under this deed by completing and signing an Accession Deed and delivering it to the Subscriber.

2.2 **Conditions precedent to accession and issue of Securities:** A Local Authority shall not be entitled to sign and deliver an Accession Deed or to issue Securities under this deed unless and until the following conditions have been, to the satisfaction of the Subscriber, met:

- (a) the Local Authority is a party to or has acceded to the Notes Subscription Agreement;
- (b) if required by the Subscriber in accordance with the Policies and/or required by the Shareholders' Agreement, the Local Authority has become a Guarantor and is a party to or has acceded to the Equity Commitment Deed;
- (c) the Subscriber has confirmed that the Agency Agreement to be used by the Local Authority in relation to the Securities issued by it pursuant to this deed, and the identity of the paying agent, calculation agent and registrar appointed pursuant to that agreement, are acceptable to it;
- (d) the Local Authority has delivered to the Subscriber a certificate of compliance for the purposes of ~~s118~~[section 118](#) of the Act in relation to ~~the~~[its](#) entry into this deed, the Accession Deed (if applicable), the Notes Subscription Agreement, the Agency Agreement, the Guarantee (if applicable), the Equity Commitment Deed (if applicable) and the Security Stock Certificates [and Security Stock](#) issued in respect of this deed, the Guarantee (if applicable) and the Equity Commitment Deed (if applicable);
- (e) evidence that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to its entry into this deed, the Accession Deed (if applicable), the Notes Subscription Agreement, the issuance of the Security Stock Certificates [and Security Stock](#) issued in respect of this deed and the Securities (if applicable) and the issuance of the Securities from time to time (if applicable) have been obtained and are current and satisfactory;
- (f) the Subscriber has received a first ranking Security Stock Certificate evidencing that the Issuer's obligations under this deed are secured pursuant to the Debenture Trust Deed;
- (g) any additional eligibility criteria required by the Subscriber in accordance with the Policies have been satisfied;
- (h) in respect of the first issuance by an Issuer, it has notified the Subscriber of the amount of its Annual Rates Income for its immediately preceding financial year and a breakdown of the components included in its calculation of that amount, provided that this clause 2.2(h) shall not apply where an Issuer has previously delivered Financial Statements to the Subscriber in accordance with clause 7.3 which comply with clause 7.5(c); ~~and~~

(i) the Subscriber has received a legal opinion from counsel acceptable to the Subscriber and in a form acceptable to the Subscriber relating to the Issuer's entry into this deed, the Accession Deed (if applicable), the Notes Subscription Agreement, the Guarantee (if applicable) and the Equity Commitment Deed (if applicable) and the issuance of the first ranking Security Stock and the first ranking Security Stock Certificate described at clause 2.2(f); and

(j) any additional conditions specified by the Subscriber in the Accession Deed or separately notified in writing to the Issuer have been satisfied.

2.3 **Subscriber to countersign Accession Deed:** Subject to clause 2.2, on receipt of the document described in clause 2.1 in form and substance satisfactory to the Subscriber, the Subscriber shall:

- (a) countersign the counterpart of the Accession Deed;
- (b) enter the Accession Deed in a register kept by it (which shall be conclusive); and
- (c) retain one counterpart and deliver the other to the relevant Local Authority.

2.4 **Accession effective:** On an Accession Deed being countersigned by the Subscriber in accordance with clause 2.3, the Local Authority shall be bound by this deed as if it were a party hereto and named herein as an Issuer.

## 2A. ACCESSION OF CCO AS AN ISSUER

2A.1 CCO to sign Accession Deed: Subject to clause 2A.2, a CCO may become an Issuer under this deed by:

- (a) completing and signing; and
- (b) procuring each CCO Shareholder to sign,

an Accession Deed (in form and substance satisfactory to the Subscriber) and delivering it to the Subscriber.

2A.2 Conditions precedent to accession and issue of Securities: A CCO shall not be entitled to sign and deliver an Accession Deed or to issue Securities under this deed unless and until the following conditions have been, to the satisfaction of the Subscriber, met:

- (a) the CCO has acceded to the Notes Subscription Agreement;

- (b) each LA Shareholder is a party to or has acceded to this deed as an Issuer (in the manner contemplated by clauses 2.2 to 2.4 of this deed) and the Notes Subscription Agreement as a subscriber;
- (c) each LA Shareholder is or has become a Guarantor and is a party to or has acceded to the Equity Commitment Deed as a guarantor;
- (d) the Subscriber has confirmed that the Agency Agreement to be used by the CCO in relation to the Securities issued by it pursuant to this deed, and the identity of the paying agent, calculation agent and registrar appointed pursuant to that agreement, are acceptable to it;
- (e) the CCO has delivered to the Subscriber a director's certificate in relation to its entry into this deed, the Accession Deed, the Notes Subscription Agreement, the Agency Agreement, the CCO Credit Support and the CCO Support Documents;
- (f) evidence that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to the CCO's entry into this deed, the Accession Deed, the Notes Subscription Agreement, the Agency Agreement, the CCO Credit Support and the CCO Support Documents and the issuance of Securities from time to time (if applicable) have been obtained and are current and satisfactory;
- (g) each CCO Shareholder has delivered to the Subscriber a director's certificate, or in the case of a LA Shareholder, a certificate of compliance for the purposes of section 118 of the Act, in relation to its entry into the Accession Deed, the CCO Credit Support and the CCO Support Documents;
- (h) in the case of a LA Shareholder, evidence that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to its entry into the CCO Credit Support and the CCO Support Documents have been obtained and are current and satisfactory;
- (i) any additional eligibility criteria required by the Subscriber in accordance with the Policies have been satisfied;
- (j) in respect of the first issuance by an Issuer, each LA Shareholder has notified the Subscriber of the amount of its Annual Rates Income for its immediately preceding financial year and a breakdown of the components included in its calculation of that amount, provided that this clause 2A.2(j) shall not apply where the LA Shareholder (as an Issuer) has previously delivered Financial Statements to the Subscriber in accordance with clause 7.3 which comply with clause 7.5(c);

- (k) the Subscriber has received a legal opinion from counsel acceptable to the Subscriber and in a form acceptable to the Subscriber relating to the CCO's entry into this deed, the Accession Deed, the Notes Subscription Agreement, the Agency Agreement, and any CCO Support Document (if applicable);
- (l) the Subscriber has received both the CCO Support Documents and the benefit of CCO Credit Support, in each case, in a form and substance satisfactory to the Subscriber (in its sole discretion);
- (m) the Subscriber has received a legal opinion from counsel acceptable to the Subscriber and in a form acceptable to the Subscriber relating to each CCO Shareholder's entry into each relevant CCO Support Document (if applicable);
- (n) each LA Shareholder is in compliance with each of the financial covenants in, or referred to in, clause 7.5; and
- (o) any additional conditions specified by the Subscriber in the Accession Deed or separately notified in writing to the Issuer have been satisfied.

2A.3 Subscriber to countersign Accession Deed: Subject to clause 2A.2, on receipt of the document described in clause 2A.1 in form and substance satisfactory to the Subscriber, the Subscriber shall:

- (a) countersign the counterpart of the Accession Deed;
- (b) enter the Accession Deed in a register kept by it (which shall be conclusive); and
- (c) retain one counterpart and deliver the other to the relevant CCO.

2A.4 Accession effective: On an Accession Deed being countersigned by the Subscriber in accordance with clause 2A.3, the CCO shall be bound by this deed as if it were a party hereto and named herein as an Issuer.

### 3. OFFERS AND SALES OF SECURITIES

- 3.1 **Agreement to issue:** Subject to the terms and conditions of this deed, each Issuer may from time to time agree with the Subscriber to issue, and the Subscriber may agree to subscribe for, Securities. If the relevant Issuer and the Subscriber agree on the terms upon which such Securities should be issued and subscribed then the relevant Issuer shall be obliged to issue and the Subscriber shall be obliged to subscribe the relevant Securities issued by the Issuer on the relevant Issue Date, on the basis of, and in reliance upon, the

representations, warranties, undertakings and indemnities made or given or provided to be made or given pursuant to the terms of this deed, and otherwise on the terms so agreed.

3.2 **Offer and acceptance:** For the purposes of this deed (without limiting anything else in this deed), the issue of Securities under this deed shall (without more) be taken to be the result of an offer by the relevant Issuer to issue the Securities to the Subscriber, and an acceptance of that offer by the Subscriber.

3.3 **Several obligations:** The obligations of each Issuer under this deed are several. No Issuer shall be responsible for the obligations of any other Issuer under this deed. The rights of each Issuer under this deed are several.

## 4. ISSUANCE PROCESS

### 4.1 General procedure:

- (a) Except in the case of EC Securities or if the Subscriber and the relevant Issuer otherwise agree, an Issuer may not issue Securities pursuant to this deed unless:
- (i) at least eight Business Days before the proposed Issue Date (or such later date as the Issuer and the Subscriber may agree), the Subscriber provides an Indicative Terms Email to the Issuer [and, in the case of a CCO Issuer, with a copy to each LA Shareholder](#);
  - (ii) at least six Business Days before the proposed Issue Date (or such later date as the Issuer and the Subscriber may agree), the Issuer provides a Notice of Commitment to the Subscriber; and
  - (iii) at least three Business Days before the proposed Issue Date (or such later date as the Issuer and the Subscriber may agree), the Subscriber has agreed to subscribe for the Securities by signing and delivering the Final Terms for the Securities to the Issuer.
- (b) The Issuer shall counter-sign and deliver to the Subscriber a copy of the Final Terms no later than the proposed Issue Date, but failure to do so shall not affect the Issuer's obligation to issue the Securities on the proposed Issue Date and the terms set out in the Final Terms shall apply to the relevant Securities.

4.2 **Procedure for EC Securities:** An Issuer may not issue EC Securities under this deed unless:

- (a) the Issuer has received an offer to subscribe for the EC Securities under clause 3.1 of the Equity Commitment Deed; and
- (b) not less than six Business Days before the Settlement Date for the related Commitment Shares, the Issuer provides a Notice of Commitment to the Subscriber,

whereupon the Subscriber promptly (and in any case not less than four Business Days before the proposed Issue Date) shall agree to subscribe for the EC Securities specified in the Notice of Commitment by counter-signing and delivering to the Issuer a copy of the Notice of Commitment.

4.3 **[Not used]**

4.4 **Notice of Commitment:** A Notice of Commitment constitutes a binding, unconditional and irrevocable offer by the relevant Issuer to issue the Securities specified therein. Each Notice of Commitment in respect of EC Securities shall be accompanied by preliminary Final Terms for the proposed issuance of EC Securities, completed in all respects other than for pricing, and such Final Terms to be the same as the preliminary Final Terms that were sent to the Issuer by the Subscriber under clause 3.1 of the Equity Commitment Deed except that the Issuer may specify a lower aggregate Principal Amount and shorter Maturity Date.

4.5 **Acceptance by Subscriber:** Subject to clause 4.2, the Subscriber is not under any obligation whatsoever to accept an offer by an Issuer contained in a Notice of Commitment. The Subscriber signing and delivering the Final Terms to the relevant Issuer (in the case of Securities which are not EC Securities) or counter-signing and delivering to the relevant Issuer a copy of a Notice of Commitment (in the case of EC Securities) shall constitute a binding and irrevocable acceptance of the offer contained in the Notice of Commitment, subject only to the following conditions:

- (a) the Subscriber having received in a form and substance satisfactory to it:
  - (i) [where the Issuer is a Local Authority](#), a first ranking Security Stock Certificate evidencing that the Issuer's obligations in relation to the proposed Tranche or Series are secured pursuant to the relevant Debenture Trust Deed (which may, at the Subscriber's absolute discretion, be a Security Stock Certificate evidencing that the Issuer's obligations in relation to all Securities issued by it under this deed are secured pursuant to the relevant Debenture Trust Deed); and
  - (ii) [where the Issuer is a Local Authority](#), a certificate of compliance for the purposes of section 118 of the Act in relation to the proposed Tranche or



Series and the issue of the relevant Security Stock and related Security Stock Certificate (if applicable);

(iii) where the Issuer is a CCO Issuer, a certificate from an Authorised Signatory of the CCO addressing (among other things) the issue of the proposed Tranche or Series;

- (b) there is no impediment to the issue to the Issuer of the related Borrower Notes (if applicable) under the Notes Subscription Agreement (including, without limitation, due to the requirements of section 49 of the Companies Act 1993 and/or clause 15.4 of the Notes Subscription Agreement not being satisfied);
- (c) the Issuer has complied with the conditions specified in clause 2.2 or 2A.2 (as applicable) and any additional eligibility criteria required by the Subscriber in accordance with the Policies;
- (d) the representations and warranties set out in clause 6.1 (in the case of an Issuer that is a Local Authority) or 6.1A (in the case of a CCO Issuer) (as applicable) being true, accurate and correct in all material respects as of the Issue Date by reference to the facts and circumstances existing on that date;
- (e) no Event of Default, Potential Event of Default or Event of Review has occurred and is continuing in relation to the Issuer and no such event would occur on or after the Issue Date as a result of the Issuer issuing the Securities; ~~and~~
- (f) the Issuer, and (in the case of a CCO Issuer) each CCO Shareholder, is in compliance with this deed, the Notes Subscription Agreement, the Guarantee ~~and~~(if applicable), the Equity Commitment Deed (if applicable) and any CCO Support Document (if applicable); and
- ~~(f)(g)~~ the Local Government Borrowing Act 2011 has not been amended or repealed other than to the satisfaction of the Subscriber.

#### 4.6 Pricing:

- (a) The Subscriber shall determine the pricing for each Tranche or Series of:
- (i) EC Securities, on the Issue Date and shall notify the relevant Issuer of the pricing for the Tranche or Series on the Issue Date, following which the Final Terms for the Tranche or Series shall be updated to include the pricing information notified pursuant to this clause and each of the Issuer and the Subscriber shall sign the updated Final Terms; and

- (ii) Securities which are not EC Securities, on the date the Final Terms are delivered pursuant to clause 4.1(a)(iii) and such pricing shall be set out in the Final Terms for that Tranche or Series.

The pricing decisions of the Subscriber shall be final and binding on the relevant Issuer.

- (b) When determining the pricing for each Tranche or Series of Securities for the purposes of clause 4.6(a), the Subscriber must not, unless the relevant Issuer agrees otherwise, add an additional spread to ~~it~~ its own issuance margin which exceeds:

- (i) in the case of EC Securities, the maximum additional spread notified in accordance with clause 3.1 of the Equity Commitment Deed; and
- (ii) in the case of Securities which are not EC Securities, the Maximum Additional Spread.

In this clause 4.6, "**issuance margin**" means the percentage rate (p.a.) (as determined by the Subscriber) over the applicable reference rate which is payable by the Subscriber in respect of the Borrowed Money Indebtedness it incurs to subscribe for the relevant Securities and includes all of the Subscriber's costs and expenses relating to that Borrowed Money Indebtedness (including, without limitation, dealer fees, commissions, listing fees and any Approved Issuer Levy which is or may be payable by the Subscriber under the terms of that Borrowed Money Indebtedness). In this clause 4.6, "**Approved Issuer Levy**" has the meaning given to it in the Conditions as if references to the "Issuer" were to the "Subscriber" and "any Security" were to the Subscriber's "Borrowed Money Indebtedness". Without limiting the Subscriber's right to make a determination as to the "issuance margin", the Subscriber may for the purposes of determining the Approved Issuer Levy component of the issuance margin estimate its likely costs in respect of any Approved Issuer Levy.

**4.7 Notices of Commitment after release:** Where an Issuer is (or was previously) a Guarantor and it has delivered a valid Further Principal Debt Release Request in accordance with clause 15 of the Guarantee:

- (a) it must immediately provide a copy of the Further Principal Debt Release Request to the Subscriber; and
- (b) neither it nor any CCO Issuer for which that Issuer is a LA Shareholder may ~~not~~, on and from the date of such Further Principal Debt Release Request, provide any Notice of Commitment under this deed.

4.8 **Settlement delay:** Other than where the conditions set out in clause 4.5 are not satisfied, in the event that the Subscriber pays the Issue Price for the Securities other than on the Issue Date ("**settlement delay**"):

- (a) unless the Subscriber agrees otherwise (in writing), each of the Issuer and the Subscriber shall issue the Securities and the Borrower Notes (if applicable) respectively on the Issue Date; and
- (b) the maximum amount payable by the Subscriber to the Issuer in respect of such settlement delay will be interest on the unpaid Issue Price of the Securities, such interest to accrue on a daily basis from the Issue Date until the unpaid Issue Price is paid at a rate per annum equal to the Reserve Bank of New Zealand official cash rate on the Issue Date. Accrued interest shall not be compounded and shall be paid by the Subscriber on the date the unpaid Issue Price is paid in full and final settlement of such settlement delay.

## 5. ISSUE AND CREATION

5.1 Securities are issued and created by the relevant Registrar entering in the Register the particulars of the Securities.

## 6. REPRESENTATIONS AND WARRANTIES

6.1 **Representations and warranties:** (in relation to Issuers that are Local Authorities):

Each Issuer that is a Local Authority represents and warrants to the Subscriber in relation to itself (as an Issuer) that:

- (a) **Status:** it is either a territorial authority or regional council named as a local authority in Schedule 2 to the Act;
- (b) **Power:** it has the power generally to enter into, exercise its rights and perform and comply with its obligations under this deed and the other Transaction Documents and to issue the Securities;
- (c) **Authorisations:** it has taken all necessary action required on its part to authorise the entry into, execution and delivery of this deed and the other Transaction Documents and the issue of Securities and the performance of all obligations expressed to be binding on it;
- (d) **Obligations legally binding:** its obligations under this deed, the other Transaction Documents and the Debenture Trust Deed and the Securities (when issued)

constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to laws affecting creditors' rights generally and (as to enforceability) to equitable principles of general application);

- (e) **No conflict:** neither the entry by it into, nor the performance by it of this deed and the other Transaction Documents or the issue of the Securities by it will:
- (i) conflict with or result in a breach of, any agreement, document, arrangement, obligation or duty to which it is a party or by which it or any of its assets may be bound; or
  - (ii) violate or contravene any law to which it is subject;
- (f) **Accounts:** its accounts have been prepared in accordance with the Act and any other applicable legislation or guidelines and are audited in accordance with any statutory requirements;
- (g) **No default:** except to the extent it has notified the Subscriber otherwise in writing, no Event of Default or Event of Review [in relation to it](#) has occurred and remains unremedied;
- (h) **Certificate of exemption:** it holds a valid certificate of exemption from resident withholding tax issued pursuant to section RE 27 of the Income Tax Act 2007 and sections 32E to 32I of the Tax Administration Act 1994; [\(or, on or after 1 April 2020, it has RWT-Exempt Status\);](#)
- (i) **Protected transaction:** for the purposes of section 117 of the Act, the entry by the Issuer into, and the performance by the Issuer of, this deed and the other Transaction Documents and the issue of Securities:
- (i) is in compliance with the Act;
  - (ii) is not contrary to any provision of the Act;
  - (iii) is within the capacity, rights and powers of the Issuer; and
  - [\(iv\)](#) is for a purpose authorised by either the Act or another Act;
- (j) **Ranking of obligations:** its obligations under this deed and in respect of the Securities are secured by the Debenture Trust Deed and rank, and will at all times rank, rateably and at least equally in right and priority of payment with all other first ranking secured money under the Debenture Trust Deed;

- (k) **Offering material:** except to the extent it has advised the Subscriber otherwise in writing, all information it has provided to the Subscriber for the purposes of or, it has approved (in writing) for the inclusion in, any Offering Document is true, accurate and complete in all material respects and not misleading (including by omission) in any material respect; and
- (l) **Notes Subscription Agreement:** the warranties given by it at clause 4.5 of the Notes Subscription Agreement are true and accurate.

6.1A Representations and warranties (in relation to CCO Issuers): Except to the extent that the Subscriber and the relevant CCO Issuer agree otherwise in the relevant Accession Deed:

(a) CCO Issuer: each CCO Issuer represents and warrants to the Subscriber in relation to itself (as a CCO Issuer) that:

(i) Status:

(aa) it is a company duly incorporated and validly existing under the laws of New Zealand; and

(bb) it has the power to own its assets and carry on its business as it is being conducted;

(ii) Power: it has the power to enter into, exercise its rights and perform and comply with its obligations under this deed and the other Transaction Documents and to issue the Securities;

(iii) Authorisations: it has taken all necessary action required on its part:

(aa) to authorise the entry into, execution, delivery and performance of this deed and the other Transaction Documents, the transactions contemplated by those documents, the issue of Securities and the performance of all obligations expressed to be binding on it; and

(bb) for the validity and enforceability of the Transaction Documents and the effectiveness or priority of any security interest under any Transaction Document;

(iv) Obligations legally binding: its obligations under this deed, the other Transaction Documents and the Securities (when issued) constitute its legal, valid and binding obligations, enforceable in accordance with their

respective terms (subject to laws affecting creditors' rights generally and (as to enforceability) to equitable principles of general application);

(v) **No conflict:** neither the entry by it into, nor the performance by it of this deed and the other Transaction Documents or the issue of the Securities by it will:

(aa) conflict with or result in a breach of:

(A) any agreement, document, arrangement, obligation or duty to which it is a party or by which it or any of its assets may be bound;  
or

(B) its constitutional documents; or

(bb) violate or contravene any law to which it is subject;

(vi) **Accounts:** its accounts have been prepared in accordance with the Act and any other applicable legislation or guidelines and are audited in accordance with any statutory requirements;

(vii) **No default:** except to the extent it has notified the Subscriber otherwise in writing, no Event of Default or Event of Review in relation to it or each relevant LA Shareholder has occurred and remains unremedied;

(viii) **Certificate of exemption:** it holds a valid certificate of exemption from resident withholding tax issued pursuant to section RE 27 of the Income Tax Act 2007 and sections 32E to 32I of the Tax Administration Act 1994 (or, on or after 1 April 2020, it has RWT-Exempt Status);

(ix) **Offering material:** except to the extent it has advised the Subscriber otherwise in writing, all information it has provided to the Subscriber for the purposes of or, it has approved (in writing) for the inclusion in, any Offering Document is true, accurate and complete in all material respects and not misleading (including by omission) in any material respect;

(x) **Notes Subscription Agreement:** the warranties given by it at clause 4.5 of the Notes Subscription Agreement are true and accurate;

(xi) **Solvency:** no Insolvency Event has occurred in relation to it or any CCO Shareholder;

- (xii) **No proceedings pending or threatened:** no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a material adverse effect has or have (to the best of its knowledge and belief) been started or threatened against it;
- (xiii) **Immunity from suit:** it does not have, nor do any of its assets have, immunity from suit;
- (xiv) **Good title to assets:** it is the sole legal and beneficial owner of the property subject to the security interests created by any CCO Security, free from security interests other than a permitted security interest (as specified in the relevant Accession Deed);
- (xv) **Ranking of Security:** each CCO Security (if applicable) creates the security which it is expressed to create over the property to which it is expressed to apply, subject only to a permitted security interest (as specified in the relevant Accession Deed);
- (xvi) **Trustee:** it does not enter into any Transaction Document or hold any property as trustee;
- (xvii) **No misleading information:** to the best of its information, knowledge, and belief after having made due inquiry (but subject to the qualifications made when the relevant information is made available):
  - (aa) any factual information provided by or on behalf of it in writing in connection with the Transaction Documents and the transactions they contemplate was true and accurate in all material respects and not misleading in any material respect as at the date it was provided or as at the date (if any) at which it is stated;
  - (bb) any financial projections provided by it or on its behalf have been prepared on the basis of recent historical information and on the basis of reasonable assumptions; and
  - (cc) all copies of documents (including its latest Financial Statements and all authorisations) given by it or on its behalf to the Subscriber are true and complete copies as at the date they were given unless expressly specified otherwise; and

- (xviii) **Additional representations:** it makes any additional representations specified in the Accession Deed;
- (b) **LA Shareholders:** each LA Shareholder represents and warrants to the Subscriber that:

  - (i) **Status:** it is either a territorial authority or regional council named as a local authority in Schedule 2 to the Act;
  - (ii) **Power:** it has the power generally to enter into, exercise its rights and perform and comply with its obligations under the Shareholder Transaction Documents;
  - (iii) **Authorisations:** it has taken all necessary action required on its part:

    - (aa) to authorise the entry into, execution, delivery and performance of the Shareholder Transaction Documents, the transactions contemplated by those documents and the performance of all obligations expressed to be binding on it under those documents; and
    - (bb) for the validity and enforceability of the Shareholder Transaction Documents and the effectiveness or priority of any security interest under any Shareholder Transaction Document;
  - (iv) **Protected transaction:** for the purposes of section 117 of the Act, the entry by the LA Shareholder into, and the performance by the LA Shareholder of, the Shareholder Transaction Documents:

    - (aa) is in compliance with the Act;
    - (bb) is not contrary to any provision of the Act;
    - (cc) is within the capacity, rights and powers of the LA Shareholder;  
and
    - (dd) is for a purpose authorised by either the Act or another Act;  
  
provided that the Subscriber acknowledges that section 117 of the Act does not apply to any CCO Guarantee given by a LA Shareholder in respect of a CCO Issuer;
  - (v) **Ranking of obligations:** its obligations in respect of any CCO Guarantee it has given in relation to the CCO Issuer are secured by the Debenture Trust Deed and rank, and will at all times rank, rateably and at



least equally in right and priority of payment with all other first ranking secured money under the Debenture Trust Deed;

(vi) **Obligations legally binding:** its obligations under the Shareholder Transaction Documents and the Debenture Trust Deed constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to laws affecting creditors' rights generally and (as to enforceability) to equitable principles of general application);

(vii) **No conflict:** neither the entry by it into, nor the performance by it of the Shareholder Transaction Documents will:

(aa) conflict with or result in a breach of any agreement, document, arrangement, obligation or duty to which it is a party or by which it or any of its assets may be bound; or

(bb) violate or contravene any law to which it is subject; and

(viii) **Additional representations:** it makes any additional representations in relation to an LA Shareholder specified in the Accession Deed.

6.2 **Repetition:** The representations and warranties contained in ~~clause~~ clauses 6.1 and 6.1A shall be deemed to be repeated by each Issuer and, where the Issuer is a CCO Issuer, each relevant LA Shareholder for the benefit of the Subscriber on each Issue Date in respect of each Series or Tranche issued by the Issuer.

## 7. UNDERTAKINGS

7.1 **General undertakings in respect of Local Authority Issuers:** Each Issuer that is a Local Authority undertakes to the Subscriber that it will, for so long as any Series issued by ~~the Issuer~~ it is outstanding:-

(a) **Notify the Subscriber:** after having actual notice, promptly notify the Subscriber of:

(i) the occurrence of any Event of Default, Potential Event of Default or Event of Review in relation to it and, upon receipt of a request to that effect, shall confirm in writing signed by an Authorised Signatory that except as previously notified to the Subscriber no Event of Default, Potential Event of Default or Event of Review has occurred in relation to it;

- (ii) each change in its Authorised Signatories, giving specimen signatures and evidence satisfactory to the Subscriber of the authority of each new Authorised Signatory;
  - (iii) each actual or potential invalidity or unenforceability of this deed, the other Transaction Documents or the Debenture Trust Deed, or any provision hereof or thereof;
  - (iv) subject to the Act and the Local Government Official Information and Meetings Act 1987:
    - (aa) any event or series of events, whether related or not, or any circumstances arise or exist, which may have a material adverse effect on the Issuer or its ability to perform its obligations under this deed, the other Transaction Documents, the Debenture Trust Deed or the Securities; and
    - (bb) any change to the Act which may adversely affect the rights of a party lending to the Issuer or any receiver appointed by that party;
- (b) **Register:** cause the Registrar for that Series to keep the Register for the Series pursuant to the Agency Agreement;
- (c) **Agency Agreement:** comply with and perform all obligations under the Agency Agreement and not:
- (i) terminate or enter into a new Agency Agreement;
  - (ii) ~~materially~~ modify any terms within an Agency Agreement; or
  - (iii) appoint, terminate or replace or consent to any replacement of a registrar, calculation agent or paying agent under an Agency Agreement,
- without the Subscriber's prior written consent (such consent to not be unreasonably withheld or delayed);
- (d) **Validity:** take all steps required under any applicable law to enable it to perform and comply fully with its obligations under this deed, the other Transaction Documents ~~or~~ the Debenture Trust Deed or the Securities or required on its part for the validity or enforceability of this deed, the other Transaction Documents, the Debenture Trust Deed and the Securities;

- (e) **Compliance with law:** duly comply with all laws except to the extent that, in its reasonable opinion, it determines that non-compliance is not material to the business or financial condition of the Issuer;
- (f) **Information on request:** subject to the Act and the Local Government Official Information and Meetings Act 1987, on request by the Subscriber, promptly provide the Subscriber any information which the Subscriber reasonably requires with respect to matters relating to the Financial Statements, other records of the Issuer and the financial position of the Issuer;
- (g) **Other information:** provide the Subscriber with copies of all information provided to the Trustee under the reporting covenants provisions in the Debenture Trust Deed;
- (h) **Ranking of obligations:** ensure that its obligations under this deed and in respect of the Securities are secured by the Debenture Trust Deed and rank, and will at all times rank, rateably and at least equally in right and priority of payment with all other first ranking secured money under the Debenture Trust Deed; ~~and~~
- (i) **New Security Stock Certificates:** where the Subscriber has sold some or all of the Securities held by it, at the Subscriber's request and subject to the Subscriber delivering to the Issuer for cancellation the existing Security Stock Certificate for the relevant Securities, issue and deliver to each of the Subscriber and the new Holder (as applicable) a new first ranking Security Stock Certificate (in a form acceptable to the Subscriber or the Holder (as applicable) acting reasonably) evidencing that the Issuer's obligations in relation to the Securities held by each of the Subscriber and Holder (as applicable) are secured pursuant to its Debenture Trust Deed. In the case of Securities lodged in NZClear, the references in this clause 7.1(i) to "Holder" shall be deemed to be the new holder of the beneficial interest in the Security (as shown in the records of NZClear). Where the Issuer delivers any such new Security Stock Certificate it shall also deliver a certificate of compliance for the purposes of section 118 of the Act in relation to each new Security Stock Certificate. Subject to the relevant Debenture Trust Deed, where the Subscriber is holding a Security Stock Certificate evidencing that the Issuer's obligations in relation to all Securities issued by it under this deed are secured pursuant to the relevant Debenture Trust Deed, the Issuer's obligation under this clause 7.1(i) to deliver a new first ranking Security Stock Certificate to the new Holder shall not be subject to the Subscriber delivering that Security Stock Certificate to the Issuer for cancellation; ~~and~~ and

(j) ~~Financial records: The~~ Debenture Trust Deed: not terminate or enter into a new Debenture Trust Deed, or modify any terms within the Debenture Trust Deed, without the Subscriber's prior written consent (such consent to not be unreasonably withheld or delayed);

7.1A General undertakings in respect of CCO Issuers: Except to the extent that the Subscriber and the relevant Issuer agree otherwise in the relevant Accession Deed:

(a) CCO Issuers: each CCO Issuer undertakes to the Subscriber that it will, for so long as any Series issued by it is outstanding:

(i) Notify the Subscriber: after having actual notice, promptly notify the Subscriber of:

(aa) the occurrence of any Event of Default, Potential Event of Default or Event of Review in relation to it or its LA Shareholder and, upon receipt of a request to that effect, shall confirm in writing signed by an Authorised Signatory that except as previously notified to the Subscriber no Event of Default, Potential Event of Default or Event of Review has occurred in relation to it or its LA Shareholder;

(bb) each change in its Authorised Signatories, giving specimen signatures and evidence satisfactory to the Subscriber of the authority of each new Authorised Signatory;

(cc) each actual or potential invalidity or unenforceability of this deed, the other Transaction Documents, or any provision hereof or thereof;

(dd) any event or series of events, whether related or not, or any circumstances arise or exist, which may have a material adverse effect on the Issuer or any CCO Shareholder or its or any CCO Shareholder's ability to perform its obligations under this deed, the other Transaction Documents, the Debenture Trust Deed or the Securities;

(ee) any change to the Act, its constitution or any applicable law which may adversely affect the rights of a party lending to the Issuer or any receiver appointed by that party;

(ff) any proposed change to a CCO Shareholder;

- (gg) any change or potential change to whether the Issuer is a CCO or a council-controlled trading organisation (as defined in the Act);
- (ii) **Register:** cause the Registrar for that Series to keep the Register for the Series pursuant to the Agency Agreement;
- (iii) **Agency Agreement:** comply with and perform all obligations under the Agency Agreement and not:

  - (aa) terminate or enter into a new Agency Agreement;
  - (bb) modify any terms within an Agency Agreement; or
  - (cc) appoint, terminate or replace or consent to any replacement of a registrar, calculation agent or paying agent under an Agency Agreement,

without the Subscriber's prior written consent (such consent to not be unreasonably withheld or delayed);
- (iv) **Validity:** take all steps required under any applicable law to enable it to perform and comply fully with its obligations under this deed, the other Transaction Documents or the Securities or required on its part for the validity or enforceability of this deed, the other Transaction Documents and the Securities;
- (v) **Compliance with law:** duly comply with all laws except to the extent that non-compliance is not material to the business or financial condition of the Issuer;
- (vi) **Information on request:** on request by the Subscriber, promptly provide the Subscriber any information which the Subscriber reasonably requires with respect to matters relating to the Financial Statements, other records of the Issuer and the financial position of the Issuer;
- (vii) **Authorisations:** promptly:

  - (aa) obtain, comply with and do all that is necessary to maintain in full force and effect; and
  - (bb) supply certified copies to the Subscriber of,

any authorisation required to perform its obligations under the Transaction Documents and to ensure the legality, validity, enforceability or admissibility in evidence of any Transaction Document and any material authorisation required for it to carry on its business;

- (viii) **Disposals:** not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset other than a permitted disposal (as specified in the relevant Accession Deed);
- (ix) **Merger:** not enter into any amalgamation, demerger, merger or corporate reconstruction other than a permitted merger (as specified in the relevant Accession Deed) or as permitted by the exceptions in clause 10.1A(h) of the Conditions;
- (x) **Change of business:** procure that no material change is made to the general nature of its business from that carried on when it acceded to this deed;
- (xi) **Insurance:** take out and maintain insurances with a reputable insurer in the manner and to the extent which is in accordance with prudent business practice having regard to the nature of its business and its assets (including all insurance required by applicable law), and ensure that the security interest created under any CCO Security is noted and maintained on each such policy (in accordance with usual market practice and excluding policies relating to employer's liability, workers compensation, public liability, product liability, directors and officers insurance, or any other insurance policy taken out for the benefit of a third party payee);
- (xii) **Restrictions on Distributions and other transactions:** not:
  - (aa) pay or make any Distribution, other than a permitted Distribution (as specified in the relevant Accession Deed);
  - (bb) reduce or pass a resolution to reduce its capital;
  - (cc) acquire any of its own equity securities (unless it is required to do so by law);

- (dd) redeem any of its own equity securities which are redeemable at its option (whether or not they are also redeemable at the option of their holder);
- (ee) alter or allow to be altered any term attaching to any of its own equity securities, in a manner which would cancel or reduce the liability of any shareholder in relation to an equity security held prior to that alteration;
- (ff) amend its constitutional documents or allow them to be amended in any manner which would be likely to have a prejudicial effect on the Subscriber; or
- (gg) move any of its property outside New Zealand other than in the ordinary course of ordinary business;
- (xiii) **Financial accommodation:** not provide financial accommodation, give a guarantee or indemnity or incur or permit to remain outstanding obligations to support any third party except permitted financial accommodation (as specified in the relevant Accession Deed);
- (xiv) **Pay taxes:** file all tax returns as required by law, and pay and discharge all taxes, assessments and governmental charges payable by it or on its assets prior to the date upon which penalties become payable, except only to the extent that those taxes, assessments or governmental charges are being contested in good faith by appropriate proceedings and adequate reserves and/or credit lines are set aside for their payment;
- (xv) **Acquisitions:** not:
- (aa) acquire any assets or make any other investment other than in the ordinary course of business; or
  - (bb) acquire any equity securities or business,
- other than a permitted acquisition (as specified in the relevant Accession Deed);
- (xvi) **Corporate existence:** maintain its corporate existence (except as permitted by the exceptions in clause 10.1A(h) of the Conditions);

- (xvii) **Maintenance of assets:** maintain the property subject to any CCO Security in the manner that would be expected by a prudent person carrying on the Issuer's business;
- (xviii) **Arm's length dealings:** not enter into any transaction of any nature with, or for the benefit of, any person except on arm's length commercial terms;
- (xix) **Access:** if an Event of Default is continuing, permit the Subscriber and/or accountants or other professional advisers and contractors of the Subscriber free access at all reasonable times and on reasonable notice at the risk and cost of the Issuer to (i) its premises, assets, books, accounts and records and/or (ii) meet and discuss matters with its senior management for the purposes of monitoring compliance with the Transaction Documents;
- (xx) **Amendments to CCO Support Documents:** where the Subscriber intends to sell or has sold some or all of the Securities held by it, at the Subscriber's request:
- (aa) agree to and execute amendments (and procure the agreement and execution of any other party) to any CCO Support Document such that the Subscriber and the new Holder (as applicable) both receive the benefit of the CCO Support Documents and the CCO Credit Support as received by the Subscriber under clause 2A; and
- (bb) deliver a legal opinion from counsel acceptable to the Subscriber and in a form acceptable to the Subscriber relating to the Issuer and each CCO Shareholder's entry into each relevant CCO Support Document (including as amended pursuant to clauses 7.1A(a)(xx) or 7.1A(b)(ii)).
- In the case of Securities lodged in NZClear, the references in this clause 7.1(a)(xx) to "Holder" shall be deemed to be the new holder of the beneficial interest in the Security (as shown in the records of NZClear);  
and
- (xxi) **Accession Deed:** comply with any other undertakings given by it set out in the relevant Accession Deed; and



(a) LA Shareholder: each LA Shareholder undertakes to the Subscriber that it will, for so long as any Series issued by a relevant CCO Issuer is outstanding:

(i) Ranking of obligations: ensure that its obligations under any CCO Guarantee it has given in relation to a CCO Issuer are secured by the relevant Debenture Trust Deed and rank, and will at all times rank, rateably and at least equally in right and priority of payment with all other first ranking secured money under that Debenture Trust Deed;

(ii) Amendments to CCO Support Documents: where the Subscriber intends to sell or has sold some or all of the Securities issued by the relevant CCO Issuer held by the Subscriber, at the Subscriber's request, agree to and execute amendments to any CCO Support Documents such that the Subscriber and the new Holder (as applicable) both receive the benefit of the CCO Support Documents and the CCO Credit Support as received by the Subscriber under clause 2A. In the case of Securities issued by the relevant CCO Issuer and lodged in NZClear, the references in this clause 7.1A(b)(ii) to "Holder" shall be deemed to be the new holder of the beneficial interest in the Security (as shown in the records of NZClear);

(iii) Notify the Subscriber: after having actual notice, promptly notify the Subscriber of:

(aa) the occurrence of any Event of Default, Potential Event of Default or Event of Review in relation to a relevant CCO Issuer and, upon receipt of a request to that effect, shall confirm in writing signed by an Authorised Signatory that, except as previously notified to the Subscriber, no Event of Default, Potential Event of Default or Event of Review has occurred in relation to a relevant CCO Issuer;

(bb) each actual or potential invalidity or unenforceability of the Shareholder Transaction Documents, the Debenture Trust Deed or any provision thereof;

(cc) subject to the Act and the Local Government Official Information and Meetings Act 1987:

(A) any event or series of events, whether related or not, or any circumstances arise or exist, which may have a material adverse effect on the LA Shareholder

or its ability to perform its obligations under the Shareholder Transaction Documents or the Debenture Trust Deed;

(B) any change to the Act which may adversely affect the rights of a party lending to the relevant CCO Issuer or any receiver appointed by that party; and

(C) any event or series of events, whether related or not, or any circumstances arise or exist, which may have a material adverse effect on the relevant CCO Issuer or its ability to perform its obligations under this deed, the other Transaction Documents (in relation to that CCO Issuer) or the Securities (issued by that CCO Issuer);

(dd) any change or potential change to whether a CCO Issuer is a CCO or a council-controlled trading organisation (as defined in the Act);

(iv) **Validity:** take all steps required under any applicable law to enable it to perform and comply fully with its obligations under the Shareholder Transaction Documents or required on its part for the validity or enforceability of the Shareholder Transaction Documents;

(v) **Compliance with law:** duly comply with all laws except to the extent that, in its reasonable opinion, it determines that non-compliance is not material to its business or financial condition;

(vi) **Information on request:** subject to the Act and the Local Government Official Information and Meetings Act 1987, on request by the Subscriber, promptly provide the Subscriber any information which the Subscriber reasonably requires with respect to matters relating to records of the relevant CCO Issuer and the financial position of the relevant CCO Issuer;

(vii) **Other information:** provide the Subscriber with copies of all information provided to the Trustee under the reporting covenants provisions in the Debenture Trust Deed;

(viii) **Debenture Trust Deed:** not terminate or enter into a new Debenture Trust Deed, or modify any terms within the Debenture Trust Deed,

without the Subscriber's prior written consent (such consent to not be unreasonably withheld or delayed); and

(ix) Accession Deed:

(aa) comply with all undertakings given by it in the relevant Accession Deed; and

(bb) use its reasonable endeavours to procure each relevant CCO Issuer complies with all undertakings given by it under this deed and the relevant Accession Deed.

7.2 **Financial records:** Each Issuer undertakes to the Subscriber to keep proper books of account as required pursuant to the Act and to have such accounts audited, in each case in accordance with all applicable legislation, and (subject to the Act and the Local Government Official Information and Meetings Act 1987) (if applicable) permit the Subscriber to have access to such accounts (and any other information relating to the financial position of the Issuer) on the provision of reasonable prior notice.

7.3 **Financial Statements:** ~~The~~Each Issuer undertakes to the Subscriber that it will deliver to the Subscriber:

- (a) not later than five months after the end of each of its financial years a copy of the latest Financial Statements for the preceding financial year; and
- (b) if it produces financial statements for a financial half-year, not later than three months after the end of each of its financial half-years, a copy of the latest financial statements for the preceding half-year, such financial statements not required to be audited.

7.4 **Offer documents:** Each Issuer undertakes to the Subscriber that:

- (a) it will promptly:
  - (i) and in any event within 15 Business Days following receipt of a request from the Subscriber, provide the Subscriber with all information in relation to itself which the Subscriber reasonably requests for the purposes of preparing an offering document. The information provided by the Issuer under this clause 7.4(a)(i) and clause 7.4(b) being, "**Disclosure Information**"; and
  - (ii) ~~and~~ in any event within 10 Business Days following receipt of a draft offering document from the Subscriber, (acting reasonably and in writing)

approve, or provide suggested amendments to, statements in the draft offering document relating to the Issuer, as identified in writing by the Subscriber when providing the draft offering document to the Issuer ("**Verified Statements**"). Nothing in this clause 7.4 entitles the Issuer to suggest amendments to any statement in a draft offering document other than those which relate to itself; and

- (b) if it becomes aware of any event having occurred as a result of which any Verified Statement or Disclosure Information would:
- (i) be false or misleading, or likely to mislead;
  - (ii) not be true and accurate in all material respects; or
  - (iii) omit any fact in relation to the Issuer the omission of which would make misleading in any material respect any Verified Statement or Disclosure Information,

it will promptly notify the Subscriber and provide the Subscriber with any information required by the Subscriber in order to amend or supplement the relevant Offering Document within 10 Business Days of receipt of a request from the Subscriber. The provisions of clause 7.4(a)(ii) shall apply to any draft amendment or supplement to any Offering Document as if such document was a "draft offering document", provided that the timeframe in clause 7.4(a)(ii) shall be deemed to be 5 Business Days.

**7.5 Financial Covenants:** Each Issuer shall:

- (a) [in the case of an Issuer that is a Local Authority](#), procure that as at each Test Date for the financial year ending on that Test Date:
- (i) the ratio that Net Debt bears to Total Revenue expressed as a percentage does not exceed 175%;
  - (ii) the ratio that Net Interest bears to Total Revenue expressed as a percentage does not exceed 20%;
  - (iii) the ratio that Net Interest bears to Annual Rates Income expressed as a percentage does not exceed 25%; and
  - (iv) the ratio that Available Financial Accommodation bears to External Indebtedness expressed as a percentage is not less than 110%,

or such other percentages applicable to the Issuer (including percentages contemplated by the foundation policies of the Subscriber) as agreed in writing by the Issuer and the Subscriber from time to time; The financial covenants in this clause 7.5(a) must be tested on the Issuer only, provided that:

(A) where the Issuer is also a LA Shareholder, the financial covenants must be tested on both the Issuer and Consolidated Group basis, however in such circumstance there is no consequence to the Issuer for any breach of the financial covenants when tested on a Consolidated Group basis; and

(B) subject to clause 7.5(a)(iv), where agreed in writing by the Subscriber and the Issuer, the financial covenants must be tested on a Consolidated Group basis only;

(ab) in the case of a CCO Issuer, comply with the financial covenants (if any) specified in the relevant Accession Deed as at each Test Date for the financial year ending on that Test Date or such other covenants applicable to the Issuer as agreed in writing by the Issuer and the Subscriber from time to time;

(b) on the same date as it delivers its Financial Statements to the Subscriber pursuant to clause 7.3(a) deliver to the Subscriber a completed Compliance Certificate signed by an Authorised Signatory of the Issuer in respect of the relevant Test Date. Each such Compliance Certificate shall certify as to the Issuer's compliance with the financial covenants in or referred to in, this clause 7.5 as at the relevant Test Date and contain reasonably detailed calculations detailing compliance with the financial covenants ~~in this clause 7.5.~~ Where the Subscriber and the Issuer agree alternative percentages in accordance with clause 7.5(a) or 7.5(ab), they may also agree alternative and/or additional reporting requirements from those provided for by this clause 7.5(b); and

(c) in the case of an Issuer that is a Local Authority, include within its Financial Statements (which may include the notes thereto) its Annual Rates Income as a separate identifiable amount.

**7.6 Redemption following breach of Financial Covenants:** If an Issuer breaches any of the financial covenants in or referred to in, clause 7.5, the Subscriber may by notice to the Issuer require that the Subscriber and the Issuer enter into negotiations in good faith with a view to agreeing terms on which the Subscriber is prepared to continue to subscribe for, or hold, Securities issued by the Issuer under this deed. If after 30 days from the date of the notice the Subscriber and the Issuer have not agreed upon such terms, the Subscriber may,

by giving written notice ("**Redemption Notice**") to the Issuer, require the Issuer to redeem all Securities issued by the Issuer that are at that time held by the Subscriber in full together with accrued and unpaid interest thereon on the date specified in the Redemption Notice (such date to be not less than 5 Business Days after the date of the notice). A failure to comply with the Redemption Notice shall constitute an Event of Default in respect of that Issuer, in which case the Subscriber shall be entitled to exercise its rights as a Holder under clause 10.2 of the Conditions applicable to that Issuer's Securities.

7.7 **Redemption of EC Securities:** If the board of directors of the Subscriber determines there is a risk of imminent default by the Subscriber under the terms of any of its Borrowed Money Indebtedness, the Subscriber may, by giving written notice to each Issuer with outstanding EC Securities ("**Redemption Notice**"), require each Issuer to redeem such number of EC Securities (as is determined by the Subscriber) issued by that Issuer that are at that time held by the Subscriber in full together with accrued and unpaid interest thereon on the date specified in the Redemption Notice (such date to be not less than 10 Business Days after the date of the notice). If a Redemption Notice is given in accordance with this clause 7.7, the redemption shall be required proportionately across all EC Securities so that the proportionate amount of EC Securities held by the Subscriber from each Issuer remains unchanged following the redemption (unless all EC Securities are redeemed). A failure by an Issuer to comply with the Redemption Notice shall constitute an Event of Default in respect of such Issuer, in which case the Subscriber shall be entitled to exercise its rights as a Holder under clause 10.2 of the Conditions.

#### **PAYMENT FOR EC SECURITIES**

7.8 **Redemption in relation to CCO Issuer:** Except to the extent that the Subscriber and the relevant CCO Issuer agree otherwise in the relevant Accession Deed, if, whether or not within the control of the CCO Issuer, any one or more of the following occurs:

- (a) **Change of control:** in the opinion of the Subscriber, due to a change in law or otherwise (including a change in CCO Shareholder) the creditworthiness of a party to a CCO Support Document (including any CCO Shareholder) is materially weaker immediately after such change; or
- (b) **Breach of representation:** any representation or warranty made or deemed to be made by the Issuer or a CCO Shareholder in or pursuant to any Transaction Document or Shareholder Transaction Document or in any notice, certificate, statement or other document contemplated by or made or delivered pursuant to any Transaction Document or Shareholder Transaction Document is or was untrue or incorrect in any material respect when made, deemed to be repeated or delivered, and if capable of being remedied in the opinion of the Subscriber, has not been remedied within 30 days after receipt by the Issuer of a notice in writing

from the Subscriber specifying the relevant representation or warranty and requiring it to be remedied; or

(c) **Breach of undertakings:** the Issuer or CCO Shareholder commits any breach of, or omits to observe, any of its undertakings or obligations under any Transaction Document or a Shareholder Transaction Document (but in each case excluding any CCO Support Document, which is addressed at clause 10.1A(b) of the Conditions) and, in respect of any such breach or omission which is capable of being remedied, such breach or omission is not remedied within 30 days after receipt by the Issuer of a notice in writing from the Subscriber specifying the breach or omission and requiring it to be remedied; or

(d) **Additional termination event:** an additional termination event specified by the Subscriber in a relevant Accession Deed occurs in respect of that Issuer or the relevant LA Shareholder,

then the Subscriber may, by giving written notice ("**Redemption Notice**") to the Issuer, require the Issuer to redeem all Securities issued by the Issuer that are at that time held by the Subscriber in full together with accrued and unpaid interest thereon on the date specified in the Redemption Notice (such date to be not less than 5 Business Days after the date of the notice). A failure to comply with the Redemption Notice shall constitute an Event of Default in respect of that Issuer, in which case the Subscriber shall be entitled to exercise its rights as a Holder under clause 10.2 of the Conditions applicable to that Issuer's Securities.

7.9 **Redemption in relation to cross-default:** Except to the extent that the Subscriber and the relevant CCO Issuer agree otherwise in the relevant Accession Deed or as otherwise agreed in writing with the Subscriber, if, whether or not within the control of the Issuer, any one or more of the following occurs:

(a) any financial indebtedness of the Issuer owed to the Subscriber is not paid when due nor within any originally applicable grace period; or

(b) any financial indebtedness of the Issuer owed to the Subscriber is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an enforcement event, event of default or review event (however described),

then the Subscriber may, by giving written notice ("**Redemption Notice**") to the Issuer, require the Issuer to redeem all Securities issued by the Issuer that are at that time held by the Subscriber in full together with accrued and unpaid interest thereon on the date specified in the Redemption Notice (such date to be not less than 5 Business Days after the date of the notice). A failure to comply with the Redemption Notice shall constitute an Event of

Default in respect of that Issuer, in which case the Subscriber shall be entitled to exercise its rights as a Holder under clause 10.2 of the Conditions applicable to that Issuer's Securities.

## **8. PAYMENT FOR EC SECURITIES**

~~7.8~~8.1 On the Issue Date for each Tranche of EC Securities, unless the Subscriber and the relevant Issuer agree otherwise, the Subscriber's obligation to pay the aggregate Issue Price for the Tranche of EC Securities automatically shall be set-off against the Issuer's obligation to pay the Exercise Price for the related Commitment Shares under the Equity Commitment Deed.

## **8.9. REBATES**

~~8.19~~1 The Subscriber may, at its discretion, in accordance with the rebate policy (if any) contained in the Policies, rebate to an Issuer all or part of the interest received by the Subscriber from the Issuer in relation to Securities issued by the Issuer under this deed. The Subscriber shall be under no obligation whatsoever to make any such rebate.

## **9.10. ISSUER INDEMNITY**

~~9.4~~10.1 **Indemnities:** Each Issuer indemnifies the Subscriber against any expense, damage, liability or loss arising from, and any costs incurred (as to which a certificate of the Subscriber shall in the absence of manifest or proven error be conclusive) in connection with (including any loss incurred by the Subscriber in terminating arrangements it has made with others to fund (or maintain its funding of) its subscription of the Securities):

- (a) the Issuer failing to issue Securities by reason of non-fulfilment of any of the conditions in clause 4.5; or
- (b) any amount payable by the Issuer under this deed not being paid when due; or
- (c) the occurrence or continuance of any other Event of Default in respect of the Issuer; or
- (d) the receipt or recovery by the Subscriber of all or any part of any amount payable by the Issuer hereunder (by prepayment or acceleration or otherwise) otherwise than on the due date relating to such amount; or
- (e) any actual or alleged breach by the Issuer of any representation, warranty or undertaking set out in this deed.



~~9.2~~10.2 **Payment of indemnity:** Each Issuer agrees to pay all amounts due under this indemnity on demand from the Subscriber.

~~9.3~~10.3 **Separate Obligations:** The indemnities in this clause 10 shall respectively:

- (a) constitute obligations separate and independent from each other and the other obligations under this deed;
- (b) give rise to separate and independent causes of action; and
- (c) continue in full force and effect despite any judgment, order, claim or proof for any liquidated amount under this deed or any judgment or order.

~~9.4~~10.4 **No prejudice:** Save as expressly agreed by the Subscriber, no release, delay, forbearance, compromise or any other indulgence given by the Subscriber to the Issuer or any amendment, alteration or other variation of any provisions of this deed shall discharge, release, prejudice or affect the liability of the Issuer under this clause 10.

~~9.5~~10.5 **Irrevocability:** This clause 10 is unconditional and irrevocable and, save as expressly agreed in writing by the Subscriber, is not to be discharged or impaired by any act, omission, matter or thing that might discharge or impair it, but for this clause.

## ~~10.11.~~ 10.11. **NOTICES**

~~10.11.1~~10.11.1 **Writing:** Each notice or other communication to be given or made under this deed to any person must:

- (a) **Writing:** be given or made in writing by email or letter and be signed by the sender or an authorised officer or signatory of the sender;
- (b) **Address:** be given or made to the recipient at the address or email address, and marked for the attention of the person (if any), from time to time designated by the recipient to the other for the purposes of this deed;
- (c) **Deemed delivery:** not be effective until received by the recipient, and any such notice or communication shall be deemed to be received:
  - (i) (if given or made by letter) when left at the address of the recipient or 5 Business Days after being put in the post, postage prepaid, and addressed to the recipient at that address; or

- (ii) (if given or made by email) when dispatched in tangible, readable form by the sender to the email address advised by the recipient from time to time,

provided that any notice or communication received or deemed received after 5pm on a working day in the place to which it is sent, or on a day which is not a working day in that place, shall be deemed not to have been received until the next working day in that place.

~~40.2~~11.2 **Initial address and numbers:** The initial address, email address and person (if any) designated for the purposes of this deed, are set out below:

- (a) **The Issuers:** those details set out under the heading "Details for notices" for the relevant Issuer in schedule 1 or otherwise provided in the relevant Accession Deed.

- (b) **The Subscriber:**  
City Chambers  
Level 8  
142 Featherston Street  
PO Box 5704  
Wellington 6145

Email: lgfa@lgfa.co.nz

Attention: Chief Executive

## ~~44.12.~~ 12. AMENDMENTS

~~44.1~~12.1 This deed shall not be amended except with the written agreement of the Subscriber and all of the Issuers.

## ~~42.13.~~ 13. MISCELLANEOUS

~~42.1~~13.1 **Waivers and remedies:** Time shall be of the essence in this deed but no delay in acting, or failure to act, by the Subscriber or the Issuer is a waiver of any of the Subscriber's or the Issuer's rights. The rights provided in this deed do not exclude any rights provided by law.

~~42.2~~13.2 **Partial invalidity:** An invalid provision in this deed shall not affect the enforceability of the remaining provisions of this deed.

~~12.3~~**13.3 Survival:** The indemnities given in this deed will survive the repayment of all the Securities and the termination of this deed.

~~12.4~~**13.4 Counterparts:** This deed may be signed in any number of counterparts, all of which together constitute one and the same instrument, and any of the parties may execute this deed by signing any such counterpart.

~~12.5~~**13.5 Debenture Trust Deed Notifications:** The Subscriber shall:

(a) within one Business Day of receipt of a written request from ~~the~~an Issuer that is a Local Authority or ~~the~~that Issuer's Trustee, notify ~~the~~that Issuer and ~~the~~that Issuer's Trustee (in writing) of the "nominal amount" of the Security Stock:

- (i) held by the Subscriber in respect of ~~the~~that Issuer's obligations under each of this deed, the Securities and, where ~~the~~that Issuer is a Guarantor, -the Equity Commitment Deed; and
- (ii) where ~~the~~that Issuer is a Guarantor, held by the Security Trustee in respect of ~~the~~that Issuer's obligations under the Guarantee,

in each case as at the date of the Subscriber's notification;

(b) to the extent known by the Subscriber, notify each Issuer (in writing) of any Event of Default affecting any other Issuer as soon as practicable after its occurrence and of the steps taken or proposed to be taken by the Subscriber in relation to such Event of Default, provided that:

- (i) the Subscriber's obligation under this clause 13.5(b) only applies in respect of Securities of which it is the Holder; and
- (ii) the Subscriber shall not be liable for:
  - (aa) any failure to provide such notification to an Issuer; and
  - (bb) any inaccuracy or incomplete information given in a notification, provided the notification is given by the Subscriber in good faith; and

(c) promptly notify each Issuer (in writing) if the board of directors of the Subscriber determines that there is a risk of imminent default by the Subscriber under the terms of any of its Borrowed Money Indebtedness.

~~12.6~~**13.6 Consent to notification:** Each Issuer consents to the Subscriber providing each other Issuer the information set out in clause 13.5.

~~13.14.~~ 14. **GOVERNING LAW**

~~13.1~~ 14.1 This deed shall be governed by New Zealand law.

~~14.15.~~ 15. **NO CROWN GUARANTEE**

~~14.1~~ 15.1 The parties acknowledge that the obligations and liabilities of the Subscriber and any Issuer that is a Local Authority under this deed are not guaranteed by the Crown.

**SIGNED AS A DEED**

**[Original execution blocks intentionally deleted]**

## SCHEDULE 1

### Principal Shareholders

Local Authority name:	Debenture Trust Deed details:	Details for notices:
Auckland Council	Debenture Trust Deed between Auckland Council and Trustees Executors Limited dated 2 December 2010, as amended from time to time <del>(including the amendment dated on or about 30 November 2011)</del> and most recently on <a href="#">25 May 2016</a> .	Delivery Address: <del>4 Greys Avenue</del> <a href="#">135 Albert Street</a> Auckland <del>Central</del> <a href="#">1010</a>  Postal Address: Private Bag 92300 <a href="#">Victoria Street West</a> Auckland 1142  <del>Fax: (09) 368 5964</del>  <a href="#">Email:</a> <a href="mailto:john.bishop@aucklandcouncil.govt.nz">john.bishop@aucklandcouncil.govt.nz</a>  Attention: <del>Mark Butcher</del> <a href="#">John Bishop</a> , <a href="#">Group Treasurer</a>
Bay Of Plenty Regional Council	Debenture Trust Deed between Bay of Plenty Regional Council and Trustees Executors Limited dated on or about 30 November -2011.	Delivery Address: 5 Quay Street Whakatāne  Postal Address: P O Box 364 Whakatāne 3158  <del>Fax: 0800 884 882</del>  <a href="#">Email: mat.taylor@boprc.govt.nz</a>  Attention: <del>Brian Trott</del> <a href="#">Mat Taylor</a>

Christchurch City  
Council

Debenture Trust Deed  
between Christchurch City  
Council and Trustees  
Executors Limited dated 26  
March 2007, as amended  
from time to time (~~including  
the amendment dated and  
most recently~~ on ~~or about~~ 30  
November 2011).

Delivery Address:  
Civic Offices  
53 Hereford Street  
Christchurch

Postal Address:  
P O Box 73016  
Christchurch 8154

~~Fax: 03 941 8811~~

[Email: Treasury@ccc.govt.nz](mailto:Treasury@ccc.govt.nz)

Attention: ~~Paul Anderson~~[Andrew  
Jefferies](#)

Hamilton City Council

Debenture Trust Deed  
between Hamilton City  
Council and Trustees  
Executors Limited dated 19  
June 2001, as amended  
from time to time (~~including  
the amendment dated and  
most recently~~ on ~~or about~~ 30  
November 2011).

Delivery Address:  
[260 Anglesea Street](#)  
Council Building  
Garden Place  
Hamilton  
[3240](#)

Postal Address:  
Private Bag 3010  
Hamilton 3240

~~Fax: 07 838 6616~~

[Email: david.bryant@hcc.govt.nz](mailto:david.bryant@hcc.govt.nz)

Attention: ~~Matthew Walker~~[David Bryant](#)

Hastings District Council

Debenture Trust Deed  
between Hastings District  
Council and Perpetual Trust  
Limited ([and now between  
the Council and Covenant  
Trustee Services Limited](#))

Delivery Address:  
207 Lyndon Road East  
Hastings 4122

Postal Address:  
Private Bag 9002

dated 16 March 2007, as  
amended from time to time  
(including the amendment  
dated and most recently on or  
~~about~~ 30 November 2011).

Hastings 4156

~~Fax: 06 871 5104~~

Email: [brucea@hdc.govt.nz](mailto:brucea@hdc.govt.nz)

Attention: ~~Tony Gray~~ Bruce Allan

Masterton District  
Council

Debenture Trust Deed  
between Masterton District  
Council and Trustees  
Executors Limited dated 26  
June -2007, as amended  
from time to time (including  
~~the amendment dated~~ and  
most recently on ~~or about~~ 30  
November 2011).

Delivery Address:

~~64 Chapel Street~~

27 Lincoln Road

Masterton ~~5840~~ 5810

Postal Address:

PO Box 444

Masterton 5840

~~Fax: 06 378 8400~~

Email: [davidp@mstn.govt.nz](mailto:davidp@mstn.govt.nz)

Attention: ~~David Paris~~ Manager Finance

New Plymouth District  
Council

Debenture Trust Deed  
between New Plymouth  
District Council and  
Perpetual Trust Limited ([and  
now between the Council  
and Covenant Trustee  
Services Limited](#)) dated 21  
May 2009, as amended from  
time to time (~~including the  
amendment dated~~ [and most  
recently](#) on ~~or about~~ 30  
November 2011).

Delivery Address:

Liardet St  
New Plymouth

Postal Address:

Private Bag 2025  
New Plymouth 4342

~~Fax: 06 759 6072~~

Email:

[alison.trustrumrainey@npdc.govt.nz/](mailto:alison.trustrumrainey@npdc.govt.nz/)  
[carla.freeman@npdc.govt.nz](mailto:carla.freeman@npdc.govt.nz)

Attention: ~~Philip Armstrong~~ [Alison  
TrustrumRainey / Carla Freeman](#)

~~Otorohanga~~ [Otorohanga](#)  
District Council

Debenture Trust Deed  
between  
~~Otorohanga~~ [Otorohanga](#)  
District Council and  
Perpetual Trust Limited ([and  
now between the Council  
and Covenant Trustee  
Services Limited](#)) dated ~~on  
or about~~ 30 November 2011.

Delivery Address:

17 Maniapoto Street  
~~Otorohanga~~ [Otorohanga](#) 3940

Postal Address

PO Box 11  
~~Otorohanga~~ [Otorohanga](#) 3940

~~Fax: 07 873 4300~~

Email: [grahamb@otodc.govt.nz](mailto:grahamb@otodc.govt.nz)

Attention: Graham Bunn

Selwyn District Council

Debenture Trust Deed  
between Selwyn District  
Council and Trustees  
Executors Limited dated 17  
July 2009, as amended from  
time to time (~~including the  
amendment dated~~ [and most  
recently](#) on ~~or about~~ 30  
November 2011).

Delivery Address:

2 Norman Kirk Drive  
Rolleston

Postal Address:

P O Box 90  
Rolleston 7643

~~Fax: 03 347 2799~~



Email:

Treasury.management@selwyn.govt.nz

Attention: ~~Douglas Marshall~~Greg Bell

South Taranaki District  
Council

Debenture Trust Deed  
between South Taranaki  
District Council and Trustees  
Executors Limited dated 21  
December 2007, as  
amended from time to time  
(including the amendment  
dated and most recently on ~~or~~  
~~about~~ 30 November 2011).

Delivery Address:

105-111 Albion Street  
Hawera 4610

Postal Address:

Private Bag 902  
Hawera 4640

~~Fax: 06-278-8757~~

Email: vipul.mehta@stdc.govt.nz

Attention: Vipul Mehta

Tasman District Council

Debenture Trust Deed  
between Tasman District  
Council and Perpetual Trust  
Limited (and now between  
the Council and Covenant  
Trustee Services Limited)  
dated 7 July 2010, as  
amended from time to time  
(including the amendment  
dated and most recently on ~~or~~  
~~about~~ 30 November 2011).

Delivery Address:

189 Queen Street,  
Richmond, Nelson 7050

Postal Address

Private Bag 4  
Richmond, Nelson 7050

~~Fax: 03-543-9524~~

Email: treasury@tasman.govt.nz

Attention: ~~Murray Staite~~Corporate  
Services Manager

Taupo District Council

Debenture Trust Deed  
between Taupo District  
Council and Trustees  
Executors Limited dated 19  
October 2009, as amended  
from time to time (~~including  
the amendment dated and  
most recently~~ on ~~or about~~ 30  
November 2011).

Delivery Address:

72 Lake Terrace  
Taupo 3330

Postal Address:

Private Bag 2005  
Taupo 3352

~~Fax: 07 377 2985~~

[Email: nward@taupo.govt.nz](mailto:nward@taupo.govt.nz)

Attention: ~~Rob Williams~~ [Neil Ward](#)

Tauranga City Council

Debenture Trust Deed  
between Tauranga District  
Council and Perpetual Trust  
Limited ([and now between  
the Council and Covenant  
Trustee Services Limited](#))  
dated 11 August [1998](#), as  
amended from time to time  
(~~including the amendment  
dated and most recently~~ on ~~or~~  
~~about 30 November 2011~~).

Delivery Address:

91 Willow Street  
Tauranga 3143

Postal Address:

Private Bag 12022  
Tauranga 3143

~~Fax: 07 577 7056~~

~~Email:~~

[treasury.settlements@tauranga.govt.nz](mailto:treasury.settlements@tauranga.govt.nz)

Attention: Mohan De Mel

Waipa District Council

Debenture Trust Deed  
between Waipa District  
Council and Trustees  
Executors Limited dated 16  
May 2007, as amended from  
time to time (~~including the  
amendment dated and most  
recently on or about 30  
November 2011~~).

Delivery Address:

101 Bank Street  
Te Awamutu

Postal Address:

Private Bag 2402  
Te Awamutu 3800

~~Fax: 07 872 0033~~

Email:

[Farrah.Templeton@waipadc.govt.nz](mailto:Farrah.Templeton@waipadc.govt.nz)

[Sarah.Davies@waipadc.govt.nz](mailto:Sarah.Davies@waipadc.govt.nz)

[Ken.Morris@waipadc.govt.nz](mailto:Ken.Morris@waipadc.govt.nz)

Attention: Ken Morris

Wellington City Council

Debenture Trust Deed  
between Wellington City  
Council and Trustees  
Executors Limited dated 11  
May 2005, as amended from  
time to time (~~including the  
amendment dated and most  
recently on or about 5  
December 2011~~).

Delivery Address:

~~101 Wakefield Street~~

[Wellington City Council](#)

[113 The Terrace](#)

Wellington

Postal Address:

PO Box 2199  
Wellington 6140

~~Fax: 04 801 3090~~

Email: [martin.read@wcc.govt.nz](mailto:martin.read@wcc.govt.nz)

Attention: ~~Danny McComb~~ [Martin Read](#)

Wellington Regional  
Council

Debenture Trust Deed  
between Wellington Regional  
Council and Trustees  
Executors Limited dated 23  
November 2011.

Delivery Address:

~~142 Wakefield Street~~

[Shed 39, 2 Fryatt Quay, Pipitea](#)

Wellington [6011](#)

Postal Address:

P O Box 11646  
Manners Street  
Wellington 6142

~~Fax: 04 385 3973~~

[Email: mike.timmer@gw.govt.nz](mailto:mike.timmer@gw.govt.nz)

[matthias.zuschlag@gw.govt.nz](mailto:matthias.zuschlag@gw.govt.nz)

Attention: Mike Timmer

Western Bay Of Plenty  
District Council

Debenture Trust Deed  
between Western Bay of  
Plenty District Council and  
Trustees Executors Limited  
dated 8 October 1999, as  
amended from time to time  
~~(including the amendment~~  
~~dated~~[and most recently](#) on ~~or~~  
~~about~~ 30 November 2011).

Delivery Address:

Barkes Corner  
Greerton  
Tauranga

Postal Address:

Private Bag 12803  
Tauranga 3143

~~Fax: 07 577 9280~~

[Email:](#)

[kumaren@perumal@westernbay.govt.nz](mailto:kumaren@perumal@westernbay.govt.nz)

Attention: ~~Matthew Potton~~[Kumaren](#)

[Perumal](#)

Whangarei District  
Council

Debenture Trust Deed  
between Whangarei District  
Council and [Trustees](#)  
[Executors Limited \(formerly](#)  
[Tower Trust Limited\)](#) dated  
10 June 2002, as amended  
from time to time ~~(including~~  
~~the amendment dated~~[and](#)  
[most recently](#) on ~~or about~~ 30  
November 2011).

Delivery Address:

Forum North  
Rust Avenue  
Whangarei

Postal Address:

Private Bag 9023  
Whangarei 0148

~~Fax: 09 438 7632~~

[Email: alan.adcock@wdc.govt.nz](mailto:alan.adcock@wdc.govt.nz)

Attention: Alan Adcock

**SCHEDULE 2****Conditions**

The following are the Conditions which will apply to each Tranche issued by an Issuer under the Multi-issuer Deed. The applicable Final Terms in relation to a Tranche may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify the Conditions applicable to the Tranche. References in these Conditions to the "Issuer" means the Issuer specified in the applicable Final Terms.

**1. INTERPRETATION**

1.1 **Definitions:** In these Conditions, unless the context otherwise requires:

**"Act"** means the Local Government Act 2002.

**"Agency Agreement"** means, in relation to the Issuer and a Series, the agency agreement between the Issuer and the person appointed as Registrar for the Series, as specified in the applicable Final Terms.

**"Amortisation Date"** means, in respect of an Amortising Security, each date (other than the Maturity Date) for the repayment of part of the Principal Amount of that Amortising Security, being the dates specified as such in the applicable Final Terms.

**"Amortising Security"** means a Security (whether a Fixed Rate Security or a Floating Rate Security) the Principal Amount or part of the Principal Amount of which is repayable on the scheduled Amortisation Dates for that Security.

**"Approved Issuer Levy"** means, in relation to any payment of interest (as defined in section 86F of the Stamp and Cheque Duties Act 1971) under any Security, the levy payable by the Issuer in accordance with section 86J of the Stamp and Cheque Duties Act 1971.

**"Base Rate"** means, in relation to an Interest Period:

(a) **Bill rate:**

- (i) if the Interest Period is 1, 2, 3, 4, 5, or 6 months, the mid rate (rounded upwards, if necessary, to the nearest four decimal places) as displayed at or about 10.45am on the first day of that Interest Period on the Reuters Monitor Screen page BKBM (or its successor page) ("**Reuters Monitor Screen**") for bank bills having a term approximately equal to that Interest Period; or

- (ii) if the Interest Period is longer than 1 month but shorter than 6 months, and not 2, 3, 4, or 5 months, the rate resulting from straight line interpolation (rounded upwards, if necessary, to the nearest four decimal places) between the mid rates as displayed at or about 10.45am on the first day of that Interest Period on the Reuters Monitor Screen for bank bills having a term:
  - (aa) shorter than, but closest to, that Interest Period; and
  - (bb) longer than, but closest to, that Interest Period; or
- (iii) (in either case) if there are no such rates displayed for bank bills having the relevant term, then the average (rounded upwards if necessary to the nearest four decimal places) of the rates quoted to the Registrar for the relevant Series by each of the Reference Banks (or such one or more of them as are quoting) as being its buy rate for bank bills at or about that time on that date; or
- (iv) [if the rate cannot be determined pursuant to paragraphs \(i\) to \(iii\) above, the rate determined by the Registrar \(following consultation with the Holder\).](#)

- (b) **Swap Rate:** a rate equal to the floating rate that would be determined by the Registrar or other person specified in the applicable Final Terms under an interest rate swap transaction if the Registrar or that other person were acting as calculation agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the Securities and under which:
  - (i) the floating rate option is as specified in the applicable Final Terms;
  - (ii) the designated maturity is the period specified in the applicable Final Terms; and
  - (iii) unless otherwise stated in the applicable Final Terms, the relevant reset date is the first day of that Interest Period.
- (c) **Other specified rate:** any other reference rate as may be specified in the Final Terms for a Tranche,

in each case as set out in the applicable Final Terms.

**"Business Day"** means a day (other than a Saturday, Sunday or public holiday) on which registered banks are generally open for business in Christchurch, Wellington and Auckland.

**"CCO"** means a "council-controlled organisation" as defined in the Act, but excludes:

- (a) a council-controlled organisation that is not a company; and
- (b) a council-controlled organisation in which the equity securities held or controlled, directly or indirectly, by one or more Local Authorities carry less than (in aggregate) 51% of the voting rights at a meeting of the shareholders of that council-controlled organisation.

**"CCO Credit Support"** means, in relation to a CCO Issuer, any combination of the following:

- (a) a CCO Security;
- (b) a CCO Negative Pledge and Covenant;
- (c) a CCO Guarantee;
- (d) where a LA Shareholder provides a CCO Guarantee, the Security Stock issued by the LA Shareholder in respect of its obligations under the CCO Guarantee; and/or
- (e) any other security arrangements,

as specified in the applicable Final Terms.

**"CCO Guarantee"** means, in relation to a CCO Issuer, a guarantee and indemnity made by one or more CCO Shareholders (subject to any applicable laws) in favour of (amongst others) the Holder in respect of the indebtedness of that CCO Issuer.

**"CCO Issuer"** means an Issuer that is a CCO.

**"CCO Negative Pledge and Covenant"** means the undertakings given by a CCO Issuer in favour of the Holder and, set out in the applicable Final Terms, relating to:

- (a) for so long as any Series issued by the Issuer is outstanding, the restrictions on the creation or subsistence of any security interest over the whole or any part of its assets, other than a permitted security interest (as specified in the applicable Final Terms);
- (b) for so long as any Series issued by the Issuer is outstanding, the amount of its indebtedness relative to the aggregate amount uncalled and unpaid in respect of



equity securities in the Issuer owned legally and beneficially by the CCO Shareholders; and

(c) if applicable, calling up and/or demanding payment of, the whole or part (as specified in the request from the Holder) of the amount uncalled and/or unpaid in respect of the equity securities referred to in paragraph (b) on written request from a Holder, provided that such request may only be made following the occurrence of an Event of Default that is continuing.

"CCO Security" means, in relation to a CCO Issuer, a first ranking security interest in all of the CCO Issuer's property (including any rights of the CCO in respect of any amounts uncalled and/or unpaid in respect of equity securities owned legally and/or beneficially by the CCO Shareholders).

"CCO Shareholder" means a LA Shareholder or an Other Shareholder.

"CCO Support Document" means, in relation to a CCO Issuer, any document in relation to CCO Credit Support, as specified in the applicable Final Terms.

"Class" means a category of Securities which in the reasonable opinion of the Issuer -at any particular time, for any particular purpose, constitutes a separate class of Securities and

"Class of Holders" means the Holders of those Securities.

"Companies Act" means the Companies Act 1993.

"Debenture Trust Deed" means, in relation to ~~the Issuer~~ a Local Authority, the debenture trust deed made by ~~the Issuer~~ that Local Authority, under which certain of the ~~Issuer's~~ Local Authority's indebtedness may, from time to time, be secured by the issuing of Security Stock.

"Default Interest" has the meaning given in clause 6.6.

"Enforcement Event" has the meaning given to it in the Debenture Trust Deed.

"Event of Default" means any of the events specified in clause ~~10.1~~, 10.1 or 10.1A (as applicable).

"Extraordinary Resolution" has the meaning set out in the schedule to these Conditions.

"Final Terms" means:

(a) in relation to a Series or Tranche of EC Securities (as defined in the Multi-issuer Deed), the document entitled "Final Terms" signed by the Issuer and the original subscriber; and

(b) in relation to a Series or Tranche of any other Securities, the document entitled "**NZ Local Government Funding Agency Term Sheet**" signed by an authorised signatory of the original subscriber,

in either case, that supplements these Conditions and may specify other terms and conditions which shall, to the extent inconsistent with these Conditions, replace or modify these Conditions with respect to the Tranche.

**"Fixed Rate Security"** means a Security bearing a fixed rate of interest.

**"Floating Rate Security"** means a Security bearing interest at a margin over the Base Rate.

**"FMC Act"** means the Financial Markets Conduct Act 2013.

**"Holder"** means, in relation to the Issuer at any time, the person whose name is recorded in the Register as the holder of a Security issued by the Issuer at that time.

**"Insolvency Event"** means, in relation to a CCO Issuer or any CCO Shareholder, any ["Insolvency Event" specified in the applicable Final Terms.](#)

**"Interest Payment Date"** means:

- (a) in relation to a Floating Rate Security, the last day of each Interest Period for that Floating Rate Security; and
- (b) in relation to a Fixed Rate Security, the quarterly, semi-annual or annual dates fixed at the time of issue of that Security for the payment of interest in respect of that Security as specified in the Final Terms and recorded as such in the Register.

**"Interest Period"** means, in relation to a Floating Rate Security, a period determined in accordance with clause ~~7.1(a)~~[7.1\(a\)](#) in respect of that Security.

**"Interest Rate"** means, in relation to a Security, the rate of interest (if any) payable in respect of that Security (which may be a fixed rate or a margin over the Base Rate) specified in the applicable Final Terms and recorded as such in the Register.

**"Issue Date"** means, in relation to a Security, the date on which that Security is issued, being the date specified as such in the applicable Final Terms and recorded as such in the Register.

**"Issue Price"** means, in relation to a Tranche, the Issue Price specified in the applicable Final Terms.

"LA Shareholder" means, in relation to a CCO Issuer, each Local Authority that holds or controls (directly or indirectly) any equity securities of that CCO Issuer.

"Local Authority" means a local authority as defined in the Act.

"Margin" means, in relation to a Floating Rate Security, the margin specified in the applicable Final Terms and recorded as such in the Register.

"Maturity Date" means, in relation to a Security, the date for the repayment of the Security, being the date specified in the applicable Final Terms and recorded as such in the Register.

"Minimum Subscription Amount" means, in relation to a Tranche, the minimum subscription amount of the Tranche, being the amount specified as such in the applicable Final Terms and recorded as such in the Register.

"Multi-issuer Deed" means the deed dated on or about 7 December 2011 (as amended and restated from time to time) between New Zealand Local Government Funding Agency Limited and various Local Authorities entitled "Multi-issuer Deed".

"NZClear" means the securities clearing and settlement facility known as the NZClear ~~System~~ New Zealand System or any other securities clearing and/or settlement facility which replaces or supersedes it from time to time.

"NZ Dollars" or "\$" means the lawful currency of New Zealand.

"Other Shareholder" means, in relation to a CCO Issuer, a person that is not a Local Authority that holds or controls (directly or indirectly) any equity securities of that CCO Issuer.

"Principal Amount" means, in relation to a Security, the amount (other than interest) payable on redemption or repayment of the Security, being the amount specified as such in the applicable Final Terms and recorded as such in the Register or, as the context may require, in relation to an Amortising Security, the principal amount thereof for the time being outstanding, as reduced in accordance with clause 6.3 of these Conditions.

"Record Date" means, in relation to a payment due on a Security, 5.00pm on the tenth day before the due date for that payment or, if that day is not a Business Day, the preceding Business Day.

"Reference Banks" means ANZ Bank New Zealand Limited, Bank of New Zealand, ASB Bank Limited and Westpac New Zealand Limited.

**"Register"** means, in relation to a Series issued by the Issuer, the register of Securities maintained by the Registrar for the Series in accordance with these Conditions and the Agency Agreement.

**"Registrar"** means, in relation to a Series issued by the Issuer, the person named in the Agency Agreement and specified in the applicable Final Terms as the registrar, calculation agent and paying agent for the Series, or any successor agent appointed under the Agency Agreement in relation to the Series.

**"RWT-Exempt Status"** means ["RWT-exempt status" as defined in the Taxation \(Annual Rates for 2017–18, Employment and Investment Income, and Remedial Matters\) Act 2018.](#)

**"Security"** means a security issued under the Multi-issuer Deed and constituted by, and subject to the terms and conditions set out in, these Conditions, and includes an Amortising Security, a Fixed Rate Security, a Floating Rate Security, a Zero Coupon Security or any other type of security agreed from time to time by the Issuer and the initial subscriber for the security.

**"Security Stock"** means Security Stock as defined in the Debenture Trust Deed.

**"Security Stock Certificate"** means a Security Stock Certificate as defined in the Debenture Trust Deed.

**"Series"** means a Tranche of Securities together with any further Tranche or Tranches of Securities which are (i) expressed to be consolidated and form a single series; and (ii) identical in all respects except for their respective Issue Dates, first Interest Payment Dates and/or Issue Prices.

**"Stock"** has the meaning given to it in the Debenture Trust Deed.

**"Tranche"** means Securities of the same Series in respect of which all terms are identical.

**"Trustee"** means the trustee or supervisor as defined in the relevant Debenture Trust Deed.

**"Zero Coupon Security"** means a Security in respect of which no interest is payable, issued or to be issued by the Issuer at a discount to its Principal Amount.

1.2 **References:** Except to the extent that the context otherwise requires, any reference in these Conditions to:

a **"clause"** or **"schedule"** is a reference to a clause of, or schedule to, these Conditions.

any **"governmental agency"** includes any government or any governmental, semi-governmental or judicial entity or authority, or legislative body, or any person or body

charged with the administration of any law. It also includes any self-regulatory organisation established under statute or any stock exchange.

**"indebtedness"** includes an obligation (whether present or future, actual or contingent, secured or unsecured, as principal or surety or otherwise) for the payment or repayment of money.

a **"law"** includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute or other legislative measure, in each case of any jurisdiction whatever and **"lawful"** shall be construed accordingly.

something having a **"material adverse effect"** on a person is a reference to it having a material adverse effect on the financial condition or operations of that person which materially adversely affects the ability of that person to perform or comply with its payment obligations under these Conditions ~~or any Security~~, [any Security or any CCO Credit Support or CCO Support Documents \(if applicable\)](#).

["non-tax resident" means a Holder that is not a tax resident.](#)

**"outstanding"** means, in relation to Securities, all Securities other than those which have been:

- (a) redeemed or repaid in full in accordance with these Conditions; or
- (b) purchased and cancelled in accordance with these Conditions.

**"payment"** includes satisfaction of a monetary obligation.

**"person"** includes an individual, firm, company, corporation or unincorporated body of persons, organisation or trust, and any state, government or governmental agency, in each case whether or not having a separate legal personality.

**"registered bank"** has the meaning in section 2 of the Reserve Bank of New Zealand Act 1989.

[something being "remedied" means it is remedied to the satisfaction of the Holder.](#)

a **"security interest"** includes a security interest (as construed and defined in the Personal Property Securities Act 1999), mortgage, lien, pledge, any interest in land of a security nature, any other security arrangement creating in effect security for the payment of a monetary obligation or the observance of any other obligation, and any other arrangement having like economic effect over any property, assets or revenues, and **"unsecured"** means not subject to a security interest.

"**tax**" includes any present or future tax, levy, impost, duty, rate, charge, fee, deduction or withholding of any nature and whatever called (including, for the avoidance of doubt, Approved Issuer Levy), imposed or levied by any governmental agency, together with any interest, penalty, charge, fee or other amount imposed or made on or in respect of any of the foregoing.

"**tax resident**" means a Holder that:

(a) is resident in New Zealand for tax purposes; ~~or engaged in~~

(b) carries on business in New Zealand through a fixed establishment in New Zealand, ~~and "non-tax resident" and either:~~

(i) is a registered bank and is not associated with the Issuer; or

(ii) holds the Security for the purposes of the business it carries on in New Zealand through that fixed establishment.

provided that for the purposes of this definition, the terms "associated", "fixed establishment" and "registered bank" shall be construed accordingly have the meanings given in the Income Tax Act 2007.

"**written**" and "**in writing**" includes all means of reproducing words in a tangible and permanently visible form.

### 1.3 **Miscellaneous:**

- (a) The headings in the Conditions are inserted for convenience only and shall be ignored in construing these Conditions.
- (b) Unless the context otherwise requires words denoting only the singular number shall include the plural and vice versa and words denoting any gender shall include all genders.
- (c) References to any legislation or to any provision of any legislation are deemed to be references to that legislation or provision as from time to time amended, re-enacted or substituted and, unless the context otherwise requires, shall also include any statutory instruments issued under any such legislation or provision.
- (d) References to any document (however described) shall include references to such document as modified, novated, supplemented, varied or replaced from time to time.

- (e) References to any party to these Conditions or any other document or any Holder shall include its successors or permitted assigns.
- (f) References to a time of day are references to New Zealand time unless otherwise stated.
- (g) Anything which may be done at any time may also be done from time to time.

## 2. ISSUE AND FORM OF SECURITIES

2.1 **Form of Securities:** Securities may be issued on terms such that the Principal Amount is a fixed amount or a reducing amount and/or that interest (if the Security is interest-bearing) will be calculated by reference to a specific interest rate (which may be a fixed rate or a margin over the Base Rate) or as otherwise specified in the applicable Final Terms. Each Security shall:

- (a) be in uncertificated book entry form;
- (b) be denominated in NZ Dollars; and
- (c) have a Minimum Subscription Amount for holdings of the Security of at least \$750,000 and also may have a minimum multiple of that amount for such holdings, in each case as specified in the applicable Final Terms.

2.2 **Final Terms:** Securities shall be constituted and issued in Tranches. Each Tranche shall be subject to the terms and conditions set out in the Final Terms for the Tranche and (as modified by those Final Terms) these Conditions. To the extent that the Final Terms for a Tranche modifies these Conditions, or in the event of any conflict between the provisions of the Final Terms and those of these Conditions, the Final Terms shall prevail over these Conditions in relation to the Tranche.

## 3. STATUS OF SECURITIES

3.1 **Status of Securities:**

- (a) The Securities are and will at all times be direct, secured and unconditional indebtedness of the Issuer.
- (b) Securities issued by the Issuer rank and will at all times rank equally without any preference or priority among themselves.

3.2 **Security: (Local Authority):** All Securities issued by ~~the~~an Issuer that is a Local Authority shall have the benefit of the security interest given, and shall be subject to any security arrangements provided for, in the Debenture Trust Deed.

3.2A Security (CCO): All Securities issued by a CCO Issuer shall have the benefit of any security interest given, and shall be subject to any security arrangements provided for, in the CCO Support Documents.

3.3 **Provisions applicable to Securities:** Each Tranche shall be issued and held with the benefit of and subject to these Conditions and the applicable Final Terms, all of which are binding upon the Issuer and the Holders. The Holders shall be deemed to have notice of these Conditions and the applicable Final Terms.

3.4 **Enforcement of Holders' rights:** Holders may enforce any of their rights or remedies under these Conditions and the applicable Final Terms directly against the Issuer.

#### 4. TITLE AND TRANSFER

4.1 **Certificates:** At the request of a Holder, or otherwise as required by the FMC Act or any other applicable law, the Issuer shall procure the Registrar to issue to the Holder a certificate or notice of registration in relation to the Securities held by the Holder, such certificate or notice to be in the form agreed between the Issuer and the Registrar. A certificate or notice of registration issued in respect of a Security will not constitute a document of title. Subject to clause ~~4.6~~,4.6, entitlement will be determined solely by entry in the Register and, in the case of the beneficial interest in Securities lodged in NZClear, the records of NZClear.

4.2 **Transfer:** Title to a Security may be transferred by a transfer in any commonly used form signed by the transferor and the transferee and produced to the Registrar.

4.3 **Partial transfers:** A Holder may transfer part only of its interest in a Security. However, no transfer of any part of its interest may be effected if such transfer would result in the transferor or the transferee holding or continuing to hold Securities with an aggregate Principal Amount of less than the applicable Minimum Subscription Amount (or minimum multiple thereof).

4.4 **Fees:** The Issuer and the Registrar shall make no service charge to the Holders for:

- (a) the registration of any holding of Securities; or
- (b) the transfer of registered title to any Securities.

The Issuer and the Registrar may, however, require the payment of any taxes and other governmental charges payable as a result of any transfer.

4.5 **Selling restrictions:**



- (a) Each Holder shall only offer for sale or sell, directly or indirectly, or transfer any Security in conformity with all applicable laws ~~and regulations~~ in any jurisdiction in which it is offered, sold or delivered.
- (b) Without limitation to the generality of clause ~~4.5(a)~~, 4.5(a), Securities shall not be offered, sold or delivered, nor may any information memorandum, advertisement or other offering materials in relation to any offer of such Securities be distributed in New Zealand other than to "wholesale investors" as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the FMC Act, being a person who is:
- (i) an "investment business";
  - (ii) "large"; or
  - (iii) a "government agency",

in each case as defined in Schedule 1 to the FMC Act. For the avoidance of doubt, such Securities may not be offered or transferred to, among others, "eligible investors" (as defined in the FMC Act).

- (c) No information memorandum or any advertisement, prospectus or other offering material in respect of any Security may be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws ~~and regulations~~.

4.6 **Debenture Trust Deed:** In the case of any Security lodged in NZClear and:

- (a) issued by a Local Authority, for the purposes of the Debenture Trust Deed and any Security Stock issued under that Debenture Trust Deed for that Security and evidenced by a Security Stock Certificate, ~~;~~ or
- (b) issued by a CCO, for the purposes of any CCO Support Document (if applicable),

all amounts payable (present or future, actual or contingent) under these Conditions in respect of that Security shall be deemed to be owed to the holder of the beneficial interest in the Security (as shown in the records of NZClear). This clause applies notwithstanding anything to the contrary in these Conditions.

## 5. REGISTER

5.1 **Register:** The Issuer shall at all times while any Series is outstanding cause the Registrar for each Series to maintain the Register, which must record in respect of each Security the information specified in the applicable Final Terms plus the following information:

- (a) the name, address and (where known) tax residency of the Holder;
- (b) details of the account to which payments in respect of the Securities are to be made;
- (c) transfers of the Security;
- (d) details of any resident withholding tax exemption certificates held by the Holder; and
- (e) any other information required by law.

5.2 **Disclosure and Inspection:** The Registrar of the relevant Series must disclose to a Holder who so requests, any information held on the Register which relates to the Security(s) registered in the name of the Holder. The Holders may at any time during normal office hours upon reasonable notice to the Registrar inspect and take extracts from each Register without payment of any fee.

5.3 **Register conclusive:** Except as ordered by a court of competent jurisdiction and subject to clause [4.6](#), [4.6](#), the Issuer and the Registrar are each entitled to recognise the Holder of a Security as the absolute owner of the Security and shall not be bound by any actual or constructive notice of any trust (express, implied or constructive), encumbrance, security or other adverse interest to which any Security may be subject. No recognition of any trust (express, implied or constructive), encumbrance, security or other adverse interest shall be entered on the Register. In the event of any conflict between any certificate or notice of registration issued in respect of a Security and the Register, the Register shall prevail.

5.4 **Correction of errors:** Each Registrar may, on such evidence as appears to it to be sufficient, correct errors and remedy omissions in the Register.

5.5 **Co-ownership Securities:**

- (a) Where two or more persons are registered as Holders of the same Security(s) by virtue of any application for Securities, memorandum of transfer or other instrument, then, unless the contrary is expressed in the application, memorandum, or other instrument, the persons will be deemed to hold the Security(s) as joint tenants with right of survivorship.
- (b) If two or more persons apply by memorandum of transfer, to be registered as Holders as tenants in common, the Registrar for the relevant Series may, after notifying the persons of its intention to do so, divide the Securities into parcels which represent each such person's share. If the Securities cannot be divided into shares which would enable each such person to hold Securities with an aggregate

Principal Amount of at least the applicable Minimum Subscription Amounts (and any minimum multiples thereof), the Registrar of the relevant Series may refuse to accept the memorandum of transfer.

5.6 **Acquisition of Securities by operation of law:** When the right to a Security is acquired by any person in any manner other than by way of a transfer under these Conditions (whether on the dissolution, death or bankruptcy of the relevant Holder, or under a writ of execution, or otherwise) the Registrar of the relevant Series, on application by or on behalf of that person and on being satisfied that such person is legally entitled to be registered as the Holder of the Security, will enter that person's name in the Register as the Holder of the Security accordingly.

5.7 **Notification by Holders:** Any change of name or address of any Holder or any change in any other information required to be inserted in the Register in respect of any Holder shall immediately be notified to the Registrar of the relevant Series in writing by the Holder, or if a joint holding by all the joint Holders.

5.8 **Compliance with law:** The Issuer shall comply with, and shall use its best endeavours to ensure that each Registrar complies with, all statutory requirements and the requirements of these Conditions relating to the keeping of the Register and the details entered in the Register.

## 6. PAYMENT OF PRINCIPAL AMOUNT AND INTEREST

6.1 **Determination of Principal Amount:** The Principal Amount of each Security shall be the amount recorded as such in the Register in respect of the Security, which may be the par or face value.

6.2 **Principal Amount of Securities:** The Issuer shall, on the Maturity Date of each Security, unconditionally pay or cause to be paid to, or to the order of, the relevant Holder the Principal Amount of the Security. Unless the applicable Final Terms provide otherwise, and except to the extent provided in these Conditions, a Security shall not be redeemed prior to its Maturity Date.

6.3 **Principal Amount of Amortising Securities:** The Issuer shall, on each Amortisation Date of each Amortising Security, unconditionally pay, or cause to be paid to, or to the order of, the relevant Holder, the portion of the Principal Amount of the Amortising Security as set out in respect of the Amortisation Date in the applicable Final Terms and recorded in the Register.

6.4 **Interest:** The Issuer shall pay interest on each Interest Payment Date:

- (a) on each Floating Rate Security for each Interest Period, at the rate per annum equal to the aggregate of the Base Rate for the Interest Period (as determined by the Registrar for the relevant Series) and the Margin for the Floating Rate Security; and
- (b) on each Fixed Rate Security, at the Interest Rate for the Fixed Rate Security.

6.5 **Non-payment:** Each Security will cease to bear interest from its Maturity Date unless payment of the Principal Amount is improperly withheld or refused. In such event, interest will continue to accrue (after, as well as before, any judgment) up to but excluding the date on which payment in full of the Principal Amount is made.

6.6 **Default interest:** If any amount payable by the Issuer in respect of a Security or any other amount due to any person from the Issuer under these Conditions is not paid on its due date, interest ("**Default Interest**") shall accrue on the unpaid amount (net of any interim or progress payments made) (after, as well as before, any judgment) at the rate determined by the Registrar for the relevant Series to be the aggregate of 2% and the Base Rate which on the due date would apply to an interest period of one month, shall be determined at monthly intervals thereafter until the unpaid amount (net of any interim or progress payments) is paid and shall be compounded monthly until paid. For the avoidance of doubt, this clause 6.6 shall not apply in respect of payments suspended in accordance with these Conditions.

## 7. CALCULATION OF INTEREST

### 7.1 Floating Rate Securities:

- (a) **Interest Periods:** Each Interest Period in relation to a Floating Rate Security shall be a period of one, two, three, four, five or six months' duration (as specified in the applicable Final Terms) and:
  - (i) the first Interest Period will commence on (and include) the Issue Date and end on (but exclude) the first Interest Payment Date (as specified in the applicable Final Terms) and each subsequent Interest Period will commence on (and include) the Interest Payment Date of the previous Interest Period and end on (but exclude) the next Interest Payment Date;
  - (ii) if an Interest Period would otherwise end on a day which is not a Business Day, it will be extended to the next Business Day; and
  - (iii) if the final Interest Period would otherwise extend beyond the Maturity Date, it will end on the Maturity Date.

(b) **Basis for calculation:** Interest shall be calculated on the Principal Amount of the Floating Rate Security, on the basis of the number of days in the relevant Interest Period and a year of 365 days. Interest shall accrue from day to day and shall be paid to the Holder in ~~arrears~~ arrear on the Interest Payment Date for the Interest Period.

7.2 **Fixed Rate Securities:** Interest shall be calculated on the Principal Amount of each Fixed Rate Security and shall be payable in ~~arrears~~ arrear in equal quarterly, semi-annual or annual instalments (as specified in the applicable Final Terms) on each Interest Payment Date for the Fixed Rate Security.

## 8. PAYMENTS

8.1 **Payment to Holder:** Payment of the Principal Amount of, and interest (if any) on, a Security (less any amount required to be deducted in accordance with clause ~~9)9)~~ shall be made to the person whose name appears in the Register as the Holder of the Security on the Record Date in respect of the relevant payment. If more than one person is so named in the Register, payment will be made to the first person so named.

8.2 **Method of payment:** A Holder may, by notice to the Registrar for the Series, request the Registrar to make payments in respect of any Security held by it to a specified bank account and may at any time cancel or amend any notice so given. No such notice, or cancellation or amendment of a notice, will have effect in respect of any payment unless received by the Registrar on or before the Record Date for the payment. In the absence of any such notice, payments in respect of each Security will be made by posting a cheque to the address of the relevant Holder appearing in the Register. Any notice given under this clause will be deemed to be automatically cancelled upon transfer of all or part of a Security. A notice from one of several Holders of the same Securities shall be deemed to be given by all such Holders.

8.3 **Business Day:** If any Interest Payment Date or the Maturity Date of a Security is not a Business Day, the due date for the payment to be made on that date will be the next following Business Day and all other provisions of these Conditions and the Agency Agreement will be read and construed accordingly.

8.4 **Unclaimed payments:** In respect of any Securities, if any payment made by the Issuer to any Holder at its address last entered in the Register is returned unclaimed the amount concerned must (unless the Registrar or the Issuer has in the meantime received notice of a change of address to be entered in the Register) be returned to the Issuer. The Issuer shall be entitled to retain for its own benefit, and will have no liability in respect of, the amount concerned if it remains unclaimed six years after the original date of payment.

8.5 **Reinstatement:** If any payment made to a Holder by, or on behalf of, the Issuer is subsequently rescinded, avoided or otherwise restored to the Issuer, that payment will be deemed not to have discharged or affected the liability of the Issuer in respect of which that payment was made. In that event the relevant Holder and the Issuer will be restored to the position in which each would have been, and be entitled to exercise all the rights which each would have had, if such payment had not been made.

## 9. TAXES

9.1 **Deductions or withholdings:** All sums payable under a Security or under these Conditions must be paid:

- (a) free of any restriction or condition;
- (b) free and clear of, and (except to the extent required by law or as provided in this clause ~~9)9~~) without any deduction or withholding on account of, any taxes; and
- (c) without deduction or withholding on account of any other amount whether by way of set-off or otherwise (except as provided in clauses 9.2 and 9.3).

9.2 **Non-resident Withholding Tax:** New Zealand non-resident withholding tax will be deducted from payments of interest (or payments deemed by law to be interest) to non-tax resident Holders. Unless the relevant non-tax resident Holder notifies the Issuer that it elects that non-resident withholding tax be deducted from payments to it instead of Approved Issuer Levy, if the Issuer is lawfully able to register for and pay Approved Issuer Levy in respect of any payment of interest (or deemed interest) to non-tax resident Holders, the Issuer shall register itself as an approved issuer and shall register the Series as registered securities, and the Issuer, or the Registrar for the relevant Series on its behalf, shall pay the Approved Issuer Levy to the appropriate authority and shall deduct the amount paid from the interest (or deemed interest) payable to those Holders in lieu of deducting New Zealand non-resident withholding tax from that payment at the rate otherwise applicable.

9.3 **Resident Withholding Tax:** New Zealand resident withholding tax will be deducted from payments of interest (or payments deemed by law to be interest) to Holders who are tax resident unless an appropriate exemption certificate ([or, on or after 1 April 2020, confirmation of RWT-Exempt Status](#)) is produced to the Registrar for the Series on or before the Record Date for the relevant payment.

9.4 **No gross-up:** The Issuer will not be required to and will not make any additional payment by way of gross-up or otherwise with respect to the deduction or withholding from any payment made in respect of the Securities under clause 9.2 or 9.3. If, in respect of any Security, the Registrar for the Series or the Issuer becomes liable to make any payment of,

or on account of, tax payable by any Holder, then the Registrar for the relevant Series and the Issuer shall be indemnified by the relevant Holder in respect of such liability. Any moneys paid by the Registrar for the relevant Series or the Issuer in respect of such liability may be recovered from the Holder as a debt due to the Registrar for the relevant Series or the Issuer and may be withheld from any further payments to that Holder. Nothing in this clause will prejudice or affect any other right or remedy of the Registrar for the relevant Series or the Issuer.

9.5 **Maximum rate:** Deductions of non-resident or resident withholding tax will be made at the maximum rates from time to time applicable unless a Holder provides evidence to the Issuer or the Registrar for the relevant Series (acceptable to it) that a lesser rate is applicable.

9.6 **Tax status:** The Issuer and the Registrar for the relevant Series shall be entitled for the purposes of this clause [99](#) to rely, without further enquiry, upon any statement made by or on behalf of a Holder in relation to that Holder's tax status or tax residency.

## 10. DEFAULT

10.1 **Events of Default:** [\(Local Authority\)](#) Any one or more of the following, whether or not within the control of the Issuer, constitutes an Event of Default [for an Issuer that is a Local Authority](#):

- (a) **Non-payment:** payment of:
- (i) the Principal Amount of the Securities is not made on the due date and such non-payment continues unremedied for two Business Days after its due date; or
  - (ii) interest on the Securities is not made on the due date and such non-payment continues unremedied for seven Business Days after its due date; or
- (b) **Other breach:** the Issuer commits any breach of, or omits to observe, any of its undertakings or obligations under the Securities and, in respect of any such breach or omission which is capable of being remedied, such breach or omission is not remedied within 30 days after receipt by the Issuer of a notice in writing from the ~~Subscriber~~[Holder](#) specifying the breach or omission and requiring it to be remedied; or
- (c) **Receivership, Statutory management:**
- (i) a receiver, or receiver and manager is appointed (or the Issuer requests such appointment) or an encumbrancer takes possession or exercises its

powers of sale in respect of, all or any material part of the assets of the Issuer unless the Issuer demonstrates to the ~~Subscriber~~Holder that such appointment or taking of possession or exercising of power will not have a material adverse effect on the ability of the Issuer to pay any amounts owing in relation to the Securities when it is due and payable; or

- (ii) a statutory manager is appointed under the Corporations (Investigation and Management) Act 1989 in respect of the Issuer or the Issuer or any associated person (as that term is defined in that Act) of the Issuer is declared at risk pursuant to the provisions of that Act; or

(d) **Enforcement Event:** an Enforcement Event occurs; or

(e) **Invalidity:** any provision of the Securities, the Security Stock Certificate issued in respect of the Securities or the Debenture Trust Deed:

- (i) ceases to have effect in whole or in part, other than by performance or as permitted by its terms; or
- (ii) becomes wholly or partly void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights), or the performance of any such provision becomes illegal,

or the Issuer or any person on its behalf, makes any allegation or claim to that effect; or

(f) **Change in law:** either the Act or the Local Government (Rating) Act 2002 is amended or repealed in a manner or to an extent which, in the reasonable opinion of the Holder, results in a material and adverse change in:

- (i) the ability of the Issuer to perform its payment obligations when due under the Securities, the Security Stock issued in respect of the Securities or the Debenture Trust Deed;
- (ii) the effect of the charge created by the Debenture Trust Deed for the purposes of section 115 of the Act; and/or
- (iii) the ability of any receiver which is or may be appointed over all or any part of the assets of the Issuer charged by the Debenture Trust Deed to exercise its rights under the Act to the same extent it is able to exercise those rights as at the date of the Multi-issuer Deed.



(g) **CCO Credit Support:** payment of any amount that is due under any CCO Support Document is not made on the due date (including any demand for uncalled capital made by, or on behalf of, a CCO Issuer) and such non-payment continues unremedied for two Business Days after its due date; or

(h) **Additional Event of Default:** the occurrence of any additional event of default specified in the Final Terms.

10.1A **Events of Default (CCO):** Any one or more of the following, whether or not within the control of the CCO Issuer, constitutes an Event of Default for a CCO Issuer:

(a) **Non-payment:** payment of:

(i) the Principal Amount of the Securities is not made on the due date and such non-payment continues unremedied for two Business Days after its due date; or

(ii) interest on the Securities is not made on the due date and such non-payment continues unremedied for seven Business Days after its due date; or

(iii) any amount due under any CCO Support Document is not made on the due date; or

(b) **Other breach:** the Issuer, any CCO Shareholder or any other party commits any breach of, or omits to observe, any of its undertakings or obligations under the Securities or a CCO Support Document and, in respect of any such breach or omission which is capable of being remedied, such breach or omission is not remedied within 30 days after receipt by the Issuer of a notice in writing from the Holder specifying the breach or omission and requiring it to be remedied; or

(c) **Insolvency:** an Insolvency Event occurs in relation to the Issuer, any of its LA Shareholders and any other CCO Shareholder that has entered into a document with, or granted any CCO Support Document in favour of, the Holder (including the original Holder) in respect of the Issuer; or

(d) **Enforcement Event:** an enforcement event, event of default, acceleration event or similar event (howsoever described) occurs under a CCO Support Document; or

(e) **Invalidity:** any provision of the Securities or a CCO Support Document:

(i) ceases to have effect in whole or in part, other than by performance or as permitted by its terms; or

(ii) becomes wholly or partly void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights), or the performance of any such provision becomes illegal,

or the Issuer, the relevant CCO Shareholder or any person on the Issuer's or CCO Shareholder's behalf, makes any allegation or claim to that effect; or

(g) **Status as a CCO:** the Issuer ceases to be a CCO; or

(h) **Cessation of business or dissolution:** the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, or an application or an order is made, or a resolution is passed or proposed, for the dissolution of the Issuer except, in each case, for the purpose of, and followed by, an amalgamation or solvent reconstruction on terms previously approved in writing by the Holder; or

(i) **Litigation:** the Issuer is or becomes party to any litigation, tax claim or administrative or arbitration proceedings before or of any court, tribunal, arbitrator, or governmental agency, or to any dispute with any government, governmental agency, that has or would if adversely determined have a material adverse effect; or

(j) **Material adverse effect:** any event or circumstance, or series of events or circumstances (whether related or not) occurs that has or is reasonably likely to have a:

(i) material adverse effect on the Issuer or any CCO Shareholder; or;

(ii) material adverse change in the effect of any CCO Credit Support or CCO Support Document; or

(k) **CCO Support Document:** a CCO Support Document does not provide a security interest to the relevant secured party having the priority which it purported to have; or

(l) **Change in law:** either the Act or the Local Government (Rating) Act 2002 is amended or repealed in a manner or to an extent which, in the reasonable opinion of the Holder, results in a material and adverse change in:

(i) the ability of the relevant CCO Shareholder to perform its payment obligations when due under any CCO Support Document or any Security Stock issued in respect of any CCO Support Document;

- (ii) the effect of the charge created by the Debenture Trust Deed for the purposes of section 115 of the Act; and/or
- (iii) the ability of any receiver which is or may be appointed over all or any part of the assets of the relevant CCO Shareholder charged by the Debenture Trust Deed to exercise its rights under the Act to the same extent it is able to exercise those rights as at the date of the Multi-issuer Deed; or
- (m) **Additional Event of Default:** the occurrence of any additional event of default specified in the Final Terms.

10.2 **Acceleration:** Any time after the occurrence of an Event of Default, and while such is continuing unremediated or unwaived, a Holder may, by notice in writing to the Issuer declare all or any of the Securities held by the Holder to be immediately due and payable. If such a declaration is made, then the Issuer shall immediately pay to the relevant Holder:

- (a) in the case of a Fixed Rate Security or a Floating Rate Security, the Principal Amount of the Security together with accrued interest thereon at the applicable Interest Rate calculated on a daily basis from the last Interest Payment Date on which interest was actually paid in respect of the Security, or if no interest has been paid in respect of the Security, from the Issue Date to the date of payment; and
- (b) in the case of a Zero Coupon Security, the net present value, as at the date of declaration, of the Principal Amount of the Security determined by the Registrar by discounting the Principal Amount at the discount rate used to determine the purchase price for the Security at the time of its issue.

The Holder's rights under this clause 10.2 are without prejudice, and in addition, to any other rights the Holder may have (whether by law, contract or otherwise).

## 11. AMENDMENTS

11.1 **Limited right to amend:** Except as provided in clause ~~11.2~~11.2 and 11.3 the Issuer may not cancel, vary or amend any of these Conditions or the applicable Final Terms while any Securities are outstanding. Any amendment to these Conditions or any Final Terms must be in writing signed by the Issuer and all Holders of the relevant Securities.

11.2 **Amendment without consent:**

(a) The provisions of these Conditions and any Final Terms may be amended without the consent of the relevant Holders where such amendment (in the opinion of the Issuer):

- (i) is of a minor or technical nature;
- (ii) is to correct a manifest error; or
- (iii) is to comply with the requirements or a modification of the requirements of any applicable law,

and, in any such case, 2 authorised officers of the Issuer have certified for the benefit of the relevant Holders that such amendment will not be materially prejudicial to the interests of relevant Holders.

(b) Notice of any such amendment shall be provided to the relevant Holders within 30 days of the amendment being made.

11.3 **Amendment approved by Extraordinary Resolution:** Without limiting clause ~~41.2~~11.2 but subject to clause 11.4, the provisions of these Conditions and any Final Terms may be amended by the Issuer if the amendment has been approved by an Extraordinary Resolution of the Holders or relevant Class of Holders and notified in accordance with these Conditions.

11.4 **Meetings:** Meetings of Holders shall be held in accordance with the schedule to these Conditions.

11.5 **Notice:** Notice of any proposed variation under clause ~~41.2~~11.2 shall be given by the Issuer to each Holder or each affected Class of Holders not less than 14 days before the date on which it is intended that such variation take effect, but the non-receipt of notice by any such Holder shall not affect the validity of any such variation.

## 12. NOTICES

12.1 **Writing:** Each notice or other communication to be given or made under these Conditions to any person must:

- (a) **Writing:** be given or made in writing by email or letter and be signed by the sender or an authorised officer of the sender;
- (b) **Address:** be given or made to the recipient at the address or email address, and marked for the attention of the person (if any), from time to time designated by the recipient to the other for the purposes of these Conditions;

- (c) **Deemed delivery:** not be effective until received by the recipient, and any such notice or communication shall be deemed to be received:
- (i) (if given or made by letter) when left at the address of the recipient or 5 Business Days after being put in the post (by airmail if to another country), postage prepaid, and addressed to the recipient at that address;  
or
  - (ii) (if given or made by email) when dispatched in tangible, readable form by the sender to the email address advised by the recipient from time to time,

provided that any notice or communication received or deemed received after 5pm on a working day in the place to which it is sent, or on a day which is not a working day in that place, shall be deemed not to have been received until the next working day in that place.

12.2 **Initial address and numbers:** The initial address, email address and person (if any) designated for the purposes of these Conditions for each Holder will be specified in the Register.

### 13. GOVERNING LAW

13.1 These Conditions and the applicable Final Terms shall be governed by New Zealand law.

## SCHEDULE

## Meeting of Holders

## 1. DEFINITIONS

1.1 In these provisions:

**"Appointed Time"** means the day and time at which any meeting of Holders or the taking of a poll of Holders (not at a meeting of Holders) is due to be held.

**"Class of Securities"** means each category of Securities which in the reasonable opinion of the Issuer at any particular time, for any particular purpose, constitutes a separate class of Securities.

**"Conditions"** means the Conditions to which this schedule is attached and **"Final Terms"** has the meaning given in the Conditions.

**"Extraordinary Resolution"** means a resolution passed at a meeting of Holders, properly convened and held in accordance with the provisions of this schedule, at which not less than three fourths of the persons voting upon a show of hands or, if a poll is properly demanded, not less than three fourths of the votes given on such a poll voted in favour of the resolution.

**"Proxy Closing Time"** means 48 hours before the Appointed Time of the relevant meeting of Holders or taking of a poll of Holders.

**"regulation"** means a clause of this schedule.

**"Representative"** means:

- (a) in the case of an individual Holder, a person appointed by an instrument of proxy or by power of attorney or, in the event of the death of a Holder, the personal representative of that Holder; and
- (b) in the case of a Holder which is a corporation or corporation sole either:
  - (i) a person appointed by an instrument of proxy or by power of attorney; or
  - (ii) a person authorised by the directors of the corporation, or in the case of a corporation sole, a person authorised pursuant to its constitution.

## 2. CONVENING

2.1 **Meeting required by law:** The Issuer shall, whenever required to do so pursuant to the Companies Act ~~1993~~ or the FMC Act or any other applicable law, convene a meeting of the Holders.

- 2.2 **By Holders:** The Issuer shall, at the request in writing of Holders holding not less than 10% of the aggregate Principal Amount of the Securities, convene a meeting of the Holders. The request must state the nature of the business proposed to be dealt with at the meeting concerned.
- 2.3 **By Issuer:** The Issuer may at any time of its own volition convene a meeting of the Holders.
- 2.4 **Place of meeting:** Each meeting will be held in the city or town in which the Issuer is situated at a place designated in the relevant notice of meeting.
- 2.5 **Regulations:** Meetings of Holders shall be convened and held in accordance with the provisions of this schedule.

### 3. CLASSES OF SECURITIES

- 3.1 If, at any time, in the opinion of the Issuer, a matter is required to be determined by the Holders of a Class of Securities, a meeting may be called in respect of Holders of that Class of Securities, in which case the provisions of this schedule shall, with all necessary modifications, apply and be construed as if references to Securities were references to the relevant Class of Securities and references to Holders were references to the Holders of that Class of Securities.

### 4. NOTICE OF MEETINGS

- 4.1 **Persons to be notified:** Notice of every meeting shall be given in the manner provided in clause ~~42~~12 of the Conditions to:
- (a) every Holder entered in the Register as at the close of business five Business Days prior to the date of despatch of the notice;
  - (b) the Issuer, if the meeting is convened by the Holders; and
  - (c) if the relevant Securities are listed, any stock exchange on which those Securities are listed.
- 4.2 **Time for notification:** At least 14 days' notice of every meeting will be given. The notice will be exclusive of the day on which it is served or deemed to be served and of the day for which it is given.
- 4.3 **Contents of notice:** The notice will specify the place and Appointed Time of the meeting and the general nature of the business to be transacted. It will not be necessary to specify in the notice the terms of the resolutions to be proposed, except in the case of a resolution

proposed to be passed as an Extraordinary Resolution in which case the text of the proposed resolution must be set out.

4.4 **Short or informal notice:** Notwithstanding any other provision of this regulation 4, a meeting may be called by shorter notice than that specified in regulation 4.2, or without any formal notice, and without compliance with regulation 4.3, and shall be deemed to have been duly called if it is so agreed by all Holders before, at or after that meeting.

4.5 **Accidental omission:** The accidental omission to give notice to, or the non-receipt of notice by, any person entitled to receive notice will not invalidate the proceedings at any meeting.

## 5. QUORUM

5.1 **Quorum required:** No business will be transacted at any meeting unless the requisite quorum is present at the commencement of business.

5.2 **Quorum for Extraordinary Resolution:** The quorum for passing an Extraordinary Resolution will be one or more Holders (present in person or by Representative) holding or representing a majority in Principal Amount of the Securities.

5.3 **Quorum for other business:** The quorum for the transaction of any business other than the passing of an Extraordinary Resolution will be one or more Holders (present in person or by Representative) of at least 10% in Principal Amount of the Securities.

5.4 **Quorum not present:** If, within 15 minutes (or any longer time not exceeding 45 minutes as the chairman of the meeting may decide) after the Appointed Time, a quorum is not present the meeting, if convened at the request of Holders, will be dissolved. In any other case it will be adjourned to a day and time (not being less than 14 days later) and to a place as may be appointed by the chairman. At such adjourned meeting all the Holders present in person or by Representative will be a quorum for the transaction of business including the passing of Extraordinary Resolutions.

5.5 **Notice of adjourned meeting:** Notice of any such adjourned meeting of Holders at which an Extraordinary Resolution is to be submitted will be given in the same manner as for an original meeting (except that only seven clear days' notice will be required) and such notice will state that the Holders present in person or by Representative at the adjourned meeting will form a quorum whatever the Principal Amount of Securities held by them.

## 6. CHAIRMAN

6.1 At a meeting of Holders a person appointed, by a resolution of Holders, from the Holders or



any Representatives present will preside as chairman at a meeting.

## 7. RIGHT TO ATTEND AND SPEAK

7.1 Any elected member, officer or solicitor of the Issuer, or any person appropriately authorised by the Issuer, may attend any meeting and all such persons will have the right to speak at the meeting.

## 8. ADJOURNMENT

8.1 **Chairman may adjourn:** The chairman may, with the consent of any meeting at which a quorum is present, and will, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

8.2 **Business at adjourned meeting:** No business will be transacted at any adjourned meeting except business which might have been lawfully transacted at the meeting from which the adjournment took place.

## 9. ONLY PERSONS ON REGISTER RECOGNISED ~~BY COMPANY~~

9.1 The persons named as Holders in the Register will be recognised and treated as the legal owners of the Securities whether those persons are or are not in fact the owners of those Securities.

## 10. AUTHORITY TO VOTE

10.1 **Voting:** An individual Holder may vote personally or by his Representative and a Holder which is a corporation may vote by its Representative. A Holder may appoint more than one Representative, each such Representative being authorised to act on behalf of the Holder in respect of a specified Principal Amount of Securities.

10.2 **Entitlement:** The persons named in the Register as Holders at the Proxy Closing Time will be exclusively entitled to vote in person or by Representative in respect of the Securities recorded as owned by them.

## 11. PROXIES

11.1 **In writing:** The instrument appointing a proxy must be in writing signed by the appointer or his attorney or, if the appointer is a corporation, either by an authorised officer or attorney or

by any director, general manager, investment manager or other person who appears to have authority to appoint a proxy on behalf of the corporation.

- 11.2 **Proxy need not be Holder:** A person appointed to act as a proxy need not be a Holder. A holder of a proxy will have the right to speak at the meeting.
- 11.3 **Deposit of proxy:** The instrument appointing a proxy, and, if applicable, the power of attorney or other authority under which it is signed or a copy of such power or authority certified by a solicitor or in any other manner approved by the Issuer, must be deposited at the place appointed by the Issuer in the notice convening the meeting (or, if no such place is appointed, then at the registered office of the Issuer) not later than the Proxy Closing Time. An instrument of proxy which is not so deposited will not be treated as valid unless the Issuer, in its absolute discretion, elects to accept any instrument of proxy notwithstanding that that instrument, or any power of attorney or other authority, is received or produced at a place other than that specified above or out of time.
- 11.4 **Form of proxy:** An instrument of proxy may be in any usual or common form or in any other form approved by the Issuer and may make provision for directions to be given by the grantor to vote in favour of or against any proposed resolution.
- 11.5 **Proxy valid for meeting:** An instrument of proxy, whether in a usual or common form or not, will, unless the contrary is stated thereon, not need to be witnessed and will be valid for the meeting to which it relates and for any adjournment of that meeting. Notwithstanding any provisions contained in an instrument of proxy, no instrument of proxy will be valid after the expiration of 12 months from the date of its execution notwithstanding any provision to the contrary in the instrument, but this provision will not be construed to apply to the appointment of an attorney or Representative otherwise than by an instrument of proxy.
- 11.6 **Proxy in favour of chairman:** An instrument of proxy in favour of:
- (a) the chairman of the Issuer; or
  - (b) the chairman of the meeting,
- (however expressed) will be valid and effectual as though it were in favour of a named person and will, in the case of paragraph (a) above, constitute the person holding the office of the chairman of the Issuer or, in the case of paragraph (b) above, the person who chairs the meeting for which the proxy is used (whether on adjournment or not) the lawful proxy of the appointer.

**12. HOLDER MAY APPOINT ATTORNEY**

- 12.1 Any Holder may by power of attorney appoint an attorney (who need not be a Holder) to vote and act on that Holder's behalf at any meeting. An attorney will be entitled to produce evidence of his appointment at any time before the Appointed Time. An attorney who is so empowered may exercise the Holder's right to appoint a proxy.

**13. CORPORATE REPRESENTATIVES**

- 13.1 **Authority:** A Representative of a Holder which is a corporation or a corporation sole will, until that authority is revoked, be entitled to exercise the same powers on behalf of the corporation as that corporation could exercise if it were an individual Holder and will be entitled to produce evidence of his authority to act at any time before the Appointed Time of, or at, the meeting or adjourned meeting or for the taking of a poll at which the Representative proposes to vote.
- 13.2 **Right to act:** A Representative will have the right to demand or join in demanding a poll and will (except and to the extent to which the Representative is specially directed to vote for or against any proposal) have power generally to act at the meeting for the Holder concerned.

**14. VOTING PROCEDURE AND POLLS**

- 14.1 **Show of hands:** A resolution put to the vote of a meeting will be decided on a show of hands unless a poll is demanded (before or on the declaration of the result of the show of hands) by:
- (a) the chairman; or
  - (b) the Issuer or any representative of the Issuer; or
  - (c) one or more Holders holding or representing not less than 5% in aggregate Principal Amount of the Securities.

A declaration by the chairman that a resolution has been carried by the requisite majority or lost will be conclusive evidence of that fact unless a poll is demanded.

- 14.2 **Number of votes:** On a show of hands each person present at the meeting and entitled to vote (whether personally or as a Representative) will have one vote only. On a poll every Holder who is present in person or by a Representative will have one vote for every \$1 of Principal Amount of the Securities of which he is the Holder, provided that where a Holder holds Zero Coupon Securities, for the purposes of calculating that Holder's voting entitlement in this clause, the Principal Amount of those Zero Coupon Securities is to be construed as a

reference to the net present value of those Zero Coupon Securities (as calculated by the Registrar for the relevant Series by adjusting, on a straight line basis, the Principal Amount of the relevant Security by a proportion of any discount to that Principal Amount applicable to such Security on its Issue Date) as at the date of the meeting. On a poll, votes may be given either personally or by Representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

- 14.3 **Poll:** If a poll is demanded it will be taken in the manner directed by the chairman and the result of the poll will be deemed to be the resolution of the meeting at which the poll was demanded.
- 14.4 **Chairman has casting vote:** In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands took place or at which the poll is demanded will be entitled to a casting vote in addition to the votes (if any) to which the chairman may be entitled as a Holder or on behalf of Holders.
- 14.5 **Election of chairman:** A poll demanded on the election of a chairman or on a question of adjournment will be taken immediately. A poll demanded on any other question will be taken either immediately or at a time within 30 days from the date of the meeting and in a place appointed by the chairman. The result of the poll will be deemed to be the resolution of the meeting at which the poll was demanded. No notice need be given of a poll not taken immediately.
- 14.6 **No disturbance:** The demand for a poll will not prevent the continuance of a meeting for the transaction of business other than the question in relation to which the poll has been demanded.
- 14.7 **Joint Holders:** In the case of joint Holders the vote of the senior who tenders a vote whether in person or by Representative will be accepted to the exclusion of the vote of the other joint Holders and for this purpose seniority will be determined by the order in which the names stand in the Register in respect of the joint holding.
- 14.8 **Disqualification:** A vote given in accordance with the terms of an instrument of proxy or power of attorney or other authority will be valid notwithstanding the previous death, insanity or (in the case of a corporation) liquidation of the principal or revocation of the proxy or power of attorney or authority or the transfer of the Securities in respect of which the vote is given, provided that no written notice of such death, insanity, liquidation, revocation or transfer is received by the Issuer at its registered office before the commencement of the meeting or adjourned meeting at which the proxy, attorney or authority is used.

**15. EXTRAORDINARY RESOLUTIONS**

15.1 **Powers:** A meeting of Holders will, in addition to all other powers which by these Conditions are specified as exercisable by Extraordinary Resolution, have the following powers exercisable by Extraordinary Resolution namely power to:

- (a) sanction either unconditionally or upon any conditions the release of the Issuer from the payment of all or any part of the moneys payable pursuant to the Securities;
- (b) sanction any request from the Issuer for the exchange of the Securities for, or the conversion of the Securities into, shares, stock, debentures, debenture stock or other obligations or securities of the Issuer or any other ~~company~~entity formed or to be formed;
- (c) postpone or, with the concurrence of the Issuer, to accelerate the day when the Principal Amount of any Securities becomes payable and to suspend or postpone for a time the payment of interest on any Securities;
- (d) sanction any alteration, release, modification, waiver, variation, or compromise or any arrangement relating to the rights of the Holders against the Issuer or its assets however those rights arise;
- (e) assent to any amendment to the terms of these Conditions or the relevant Final Terms proposed or agreed to by the Issuer and to authorise the Issuer to execute any document embodying any such amendment;
- (f) give any sanction, assent, release or waiver of any breach or default by the Issuer under any of the provisions of these Conditions or the relevant Final Terms;
- (g) sanction any scheme for the reconstruction of the Issuer or for the amalgamation of the Issuer with any other corporation where such sanction is necessary; and
- (h) authorise or direct the Issuer to execute any supplemental deed or other document embodying such sanction, authority or approval, assent, release, waiver, direction or request.

15.2 **Binding on Holders:** An Extraordinary Resolution passed at a meeting of Holders properly convened and held will be binding upon all the Holders whether or not present or entitled to be present at the meeting and the Holders will be bound to give effect to that resolution. The passing of any such resolution will, as between the Issuer and the Holders, be conclusive evidence that the circumstances justify the passing thereof the intention being that the meeting is entitled to determine without appeal whether or not the circumstances justify the

passing of any such resolution. Notwithstanding the foregoing a resolution which affects a particular Holder or Holders holding a Class of Securities only (as opposed to the rights of the Holders generally) will not be binding on such Holder or Holders unless the Holder or Holders agree to be bound by the terms of such resolution or unless the Holders of that Class have so agreed by virtue of an Extraordinary Resolution of the Holders of that Class of Securities. Whenever there are Securities outstanding which do not form a single Class then the provisions of this schedule shall have effect subject to the following:

- (a) a resolution which affects one Class only of Securities is deemed to have been duly passed if passed at a properly convened and held meeting of the Holders of that Class (or pursuant to regulation 17);
- (b) a resolution which affects more than one class of Securities, but does not give rise to a conflict of interest between the Holders of any of the Classes so affected is deemed to have been duly passed if passed at a single properly convened and held meeting of the Holders of all Classes so affected (or pursuant to regulation 17);
- (c) a resolution which affects more than one Class of Securities and gives or may give rise to a conflict of interest between the Holders of any of the Classes so affected is deemed to have been duly passed if passed at separate properly convened and held meetings of the Holders of each Class so affected (or pursuant to regulation 17); and
- (d) in respect of each meeting referred to in paragraphs (a), (b) and (c) of this regulation 15.2, the provisions of this schedule apply with the necessary modifications as though references in them to Securities and Holders were references to the relevant Class or Classes and to the Holders of the Securities comprised in such Class or Classes, respectively.

15.3 **Reliance on advice:** The Issuer may rely on, and the Holders and the Registrar for the relevant Series shall be bound by, a legal opinion from a leading law firm in New Zealand to the effect that a resolution affects one Class only or, if it affects more than one Class of Securities, does not give rise to a conflict of interest, for the purposes of determining the meeting or meetings which need to be held for the purposes of regulation 15.2.

## 16. MINUTES TO BE KEPT

16.1 Minutes of all resolutions and proceedings at every meeting will be made by the Issuer or, if the Issuer is not present at the meeting, by a person appointed by the chairman of the meeting. Minutes must be entered in books from time to time provided for that purpose by

the Issuer. Any such minutes, if signed or apparently signed by the chairman of the meeting at which a resolution was passed or proceedings had or by the chairman of the next meeting of Holders, will be prima facie evidence of the matters recorded in those minutes. Until the contrary is proved every meeting in respect of which minutes have been made will be deemed to have been properly held and convened and all resolutions passed or proceedings had at that meeting to have been properly passed and had.

## 17. RESOLUTIONS IN WRITING

- 17.1 **Extraordinary Resolution:** Anything that may be done by Holders by a resolution or Extraordinary Resolution passed at a meeting of Holders may be done by a resolution in writing signed by not less than 75% of the Holders having the right to vote on that resolution, holding in aggregate the Securities conferring the right to cast not less than 75% of the votes which could be cast on that resolution if a poll was demanded.
- 17.2 **Counterparts:** Any such resolution may consist of several documents in similar form, each signed by one or more Holders.
- 17.3 **Execution:** Any such resolution may be signed by a Holder, or an agent or attorney of the Holder duly authorised in writing, or if the Holder is a company, by a director, or by an authorised signatory or attorney so authorised by the company.

## SCHEDULE 3

## Form of Final Terms for EC Securities

*The Final Terms in respect of each Tranche of EC Securities will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the EC Securities and their issue. Text in this section appearing in italics does not form part of the Final Terms but denotes directions for their completion.*

**Final Terms dated [●]**

*[Name of Issuer]*

**Issue of** *[Aggregate nominal amount of Tranche]* *[Title of EC Securities]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions ("**Conditions**") contained in the multi-issuer deed dated ~~17~~ **December** 2011 made by New Zealand Local Government Funding Agency Limited and various Local Authorities. These Final Terms contain the final terms of the EC Securities and must be read in conjunction with the Conditions.

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

- |     |                              |   |
|-----|------------------------------|---|
| 1.  | (i) Issuer:                  | [●]   |
| 2.  | [(i) Series Number:]         | [●]   |
|     | [(ii) Tranche Number:]       | [●]   |
|     |                              | <i>[If fungible with an existing Series, details of that Series, including the date on which the Series becomes fungible]</i> |
| 3.  | Type of Securities:          | <i>[Fixed Rate Securities/Floating Rate Securities/Zero Coupon Securities/Amortising Security].</i>                           |
| 4.  | Aggregate Principal Amount:  | [●].  |
| 5.  | Issue Price:                 | [●]% of the aggregate Principal Amount.   |
| 6.  | Minimum Subscription Amount: | \$[750,000] and integral multiples of \$[●].  |
| 7.  | Issue Date:                  | [●].  |
| 8.  | First Interest Payment Date: | [●].  |
| 9.  | Maturity Date:               | [●].  |
| 10. | Redemption restrictions:     | [Securities cannot be redeemed prior to Maturity Date].<br><br>[Amortising Securities].                                       |
| 11. | Security:                    | Debenture Trust Deed dated [●] between Issuer and [specify Trustee].  |

**Provisions relating to interest (if any) payable**



12. Floating Rate Security provisions:
- (i) Base Rate (if applicable): [Bill Rate / Swap Rate / Other Specified Rate].
  - (ii) Margin: [•] % per annum
  - (iii) Interest Periods: [One, two, three, four, five or six months].
  - (iv) Interest Payment Dates: [•] in each year.

13. Fixed Rate Security provisions:
- (i) Interest Rate: [•] per cent per annum [payable annually/semi-annually/quarterly in arrears].
  - (ii) Interest Payment Dates: [•] in each year.

14. Zero Coupon Security Provisions:
- (i) Annual yield: [•] per cent per annum.

#### Provisions relating to redemption

15. Redemption/Payment Basis: [Redemption at par].
16. Circumstances where Early Redemption Permitted: [N/A/Specify].
17. Early Redemption Amount: [Par].
18. Amortising Security provisions: [Applicable/~~NA~~/N/A]
- (i) Amortisation Dates: [•]
  - (ii) Principal Amount repayable on each Amortisation Date: \$[•]

#### General provisions applicable to the Securities

19. Governing Law: New Zealand.
20. Additional Selling Restrictions: [Specify] [N/A]
21. Additional conditions: [Specify] [N/A]
22. Registrar: [•].

#### Ratings

23. Ratings: [Specify] [N/A].

#### Operational Information

[insert as appropriate]

~~[Insert execution block for local authority]~~

**NEW ZEALAND LOCAL GOVERNMENT  
FUNDING AGENCY LIMITED** by [insert  
Execution method].

## SCHEDULE 4

## Form of Accession Deed

~~ACCESSION DEED~~ dated [●].

~~BETWEEN [—] PARTIES~~

[●]

("Acceding Party"~~), and~~)

New Zealand Local Government Funding Agency Limited

("Subscriber")

pursuant to the Multi-~~Issuer~~ issuer Deed defined below.

## INTRODUCTION

- A. The Subscriber has agreed that the Acceding Party may accede to the Multi-issuer Deed as an "Issuer".
- B. This deed records the accession.

## AGREEMENT:

## 1. INTERPRETATION

- 1.1 **Interpretation:** In this deed:

"Local Authority" has the meaning given to it in the Local Government Act 2002.

"Multi-issuer Deed" means the deed dated ~~[●]~~ 7 December 2011 (as amended and restated on [●]) between the Subscriber and various Local Authorities entitled "Multi-issuer Deed".

- 1.2 **Multi-issuer Deed:** Terms defined in the Multi-issuer Deed have the same meaning in this deed unless the context requires otherwise.

1.3 **Inconsistency:** In the event of any inconsistency between the terms of this deed and those of the Multi-issuer Deed, the terms of this deed will prevail in respect of the Acceding Party.

## 2. ACCESSION

- 2.1 **Accession:** The Acceding Party hereby:

- (a) agrees with the Subscriber that with effect on and from the date of this deed, it will be bound by the Multi-issuer Deed as an Issuer as if it had been an original party thereto and named therein as an Issuer, and agrees to be bound by the terms of, and perform its obligations under, the Multi-issuer Deed; and
- (b) agrees that it will be bound by the special conditions (if any) set out in the annexure to this deed as if those were terms of the Multi-issuer Deed.

2.2 **Acknowledgement:** The Subscriber acknowledges and agrees to the accession made under this deed.

2.3 **Implied provisions:** For the purposes of section 14 of the Property Law Act 2007, the Acceding Party acknowledges that this deed is, and for all purposes and at all times shall be construed as being, supplemental to the Multi-issuer Deed.

3. **NOTICE**

The details for notices for the Acceding Party for the purposes of the Multi-issuer Deed are: *[specify]*

4. **GOVERNING LAW**

This deed shall be governed by the laws of New Zealand.

5. **NO CROWN GUARANTEE**

The obligations and liabilities of the [Acceding Party and] *[Delete bracketed text if Acceding Party is a CCO]* Subscriber under this deed and the Multi-~~Issuer~~ issuer Deed are not guaranteed by the Crown.

6. **COUNTERPARTS**

This deed may be signed in any number of counterparts, all of which together constitute one and the same instrument, and any of the parties may execute this deed by signing any such counterpart.

**EXECUTED AS A DEED**

**Acceding Party**

**[LOCAL AUTHORITY/CCO]** by:

\_\_\_\_\_  
Signature of ~~officer~~ [Elected Member/Director]

\_\_\_\_\_  
Signature of ~~officer~~ [Elected Member/Director]

\_\_\_\_\_  
Name of ~~officer~~ [Elected Member/Director]

\_\_\_\_\_  
Name of ~~officer~~ [Elected Member/Director]

**Subscriber**

**NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED** by:

\_\_\_\_\_  
Signature of ~~director~~ Director

\_\_\_\_\_  
Signature of ~~director~~ Director

\_\_\_\_\_  
Name of ~~director~~ Director

\_\_\_\_\_  
Name of ~~director~~ Director

By signing the acknowledgement below, each entity identified in the annexure to this deed as a "CCO Shareholder":

- (a) \_\_\_\_\_ acknowledges the terms of this deed and the Multi-Issuer Deed;
- (b) \_\_\_\_\_ agrees to enter into any CCO Support Document to which it is expressed to be a party (as set out in the annexure to this deed); and
- (c) \_\_\_\_\_ where it is identified in the annexure to this deed as a "LA Shareholder", agrees to the additional representations, undertakings and termination events specified to apply to it pursuant to the annexure to this deed.

**ACKNOWLEDGED BY:**  
**[CCO SHAREHOLDER] by:**

\_\_\_\_\_  
Signature of [Elected Member/Director]

\_\_\_\_\_  
Signature of [Elected Member/Director]

\_\_\_\_\_  
Name of [Elected Member/Director]

\_\_\_\_\_  
Name of [Elected Member/Director]

## ANNEX TO THE ACCESSION DEED

~~[Additional]~~ [Exemptions and any additional conditions relating to the Acceding Party to be included here.]

[Include text below if Acceding Party is a CCO]

1. CCO Shareholder: As at the date of this deed, for the purposes of the Multi-issuer Deed, the CCO Shareholder[s] in respect of the Acceding Party is: [specify, including each CCO Shareholder's holding and whether each is a LA Shareholder or Other Shareholder].
2. CCO Credit Support: As at the date of this deed, for the purposes of the Multi-issuer Deed, the CCO Credit Support is: [specify, noting whether it reflects a "protected transaction" for any LA Shareholder].
3. CCO Support Document: As at the date of this deed, for the purposes of the Multi-issuer Deed, the CCO Support Document is: [specify, including the Debenture Trust Deed and Security Stock Certificate where a LA shareholder is giving a CCO Guarantee].
4. [CCO Negative Pledge and Covenant: [specify].]
5. Financial covenants: [For the purposes of clause 7.5 of the Multi-issuer Deed, the Acceding Party shall procure that [as at each Test Date for the financial year ending on that Test Date]: [specify financial covenants]]/[specify that no financial covenants apply]
6. Insolvency Event: means the occurrence of any of the following events in relation to the Acceding Party or any CCO Shareholder, without the prior written consent of the Subscriber:
  - (a) it is declared or becomes bankrupt or insolvent or is unable to pay its debts when they fall due;
  - (b) it is presumed to be unable to pay its debts in accordance with section 287 of the Companies Act;
  - (c) a receiver, receiver and manager, liquidator, provisional or interim liquidator, or administrator is appointed in respect of it or any of its assets;
  - (d) an application is made to a court, a meeting is convened or a resolution is passed for it to be wound up or dissolved or for the appointment of a receiver, liquidator, provisional or interim liquidator, statutory manager or administrator to it or any of its assets and such application is not withdrawn or dismissed within [●] Business Days;

(e) any step is taken to appoint, or with a view to appointing, a statutory manager (including the making of any recommendation in that regard by the Financial Markets Authority) under the Corporations (Investigation and Management) Act 1989 in respect of it, or it or any of its associated persons (as that term is defined in that Act) is declared at risk pursuant to the provisions of that Act;

(f) it:

(i) resolves to enter into, or enters into, a scheme of arrangement, a deed of company arrangement, compromise or composition with its creditors or an assignment for their benefit;

(ii) proposes or is subject to a moratorium of its debts; or

(iii) takes proceedings or actions similar to those mentioned in this paragraph as a result of which its assets are, or are proposed to be, submitted to the control of its creditors;

(g) it seeks or obtains protection from its creditors under any statute or any other law;

(h) any attachment, distress, execution or other process is made or levied against any asset of it in an amount in excess of \$[•] (or its equivalent in any currency or currencies) and is not withdrawn, stayed or dismissed within [•] Business Days; or

(i) an event occurs in relation to it which is analogous to anything referred to above or which has a substantially similar effect. *[Can be amended to reflect a CCO Shareholder's status].*

7. Permitted security interest (cl 6.1A(a)(xiv), (xv)) *[specify]/[None].*

8. Permitted disposal (cl 7.1A(a)(viii)): *[specify]/[None].*

9. Permitted Distribution (cl 7.1A(a)(xii)(aa)): *[specify]/[None].*

10. Permitted financial accommodation (cl 7.1A(a)(xiii)): *[specify]/[None].*

11. Permitted acquisition (cl 7.1A(a)(xv)): *[specify]/[None].*

12. Permitted merger (cl 7.1A(a)(ix)): *[specify]/[None].*

13. Additional representations by the Acceding Party (cl 6.1A(a)(xviii)): *[specify, including representations as to ranking obligations under the Multi-issuer Deed]/[None].*

14. Additional representations by each LA Shareholder (cl 6.1A(b)(viii)): *[specify]/[None].*

15. Additional undertakings by the Acceding Party (cl 7.1A(a)(xxi)): [specify, including undertakings as to ranking of obligations under the Multi-issuer Deed]/[None].

16. Additional undertakings by each LA Shareholder (cl 7.1A(b)(ix)(aa)): [specify]/[None].

17. Additional termination event in respect of the Acceding Party (cl 7.8(d)):  
[specify]/[None].

18. Additional termination event in respect of each LA Shareholder (cl 7.8(d)):  
[specify]/[None].

19. Additional Events of Default in respect of the Acceding Party:

(a) Cross default:

(i) any indebtedness of the Acceding Party is not paid when due nor within any originally applicable grace period;

(ii) any indebtedness of the Acceding Party is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an enforcement event, event of default, acceleration event or similar event (howsoever described);

(iii) any creditor of the Issuer becomes entitled to declare any indebtedness of the Issuer due and payable prior to its specified maturity as a result of an enforcement event, event of default, acceleration event or similar event (howsoever described),

provided that no Event of Default will occur under this provision if the aggregate amount of indebtedness or commitment for indebtedness falling within paragraphs (i) to (iii) above is less than \$[●] (or its equivalent in any other currency or currencies);

[specify each additional Event of Default (if any)].

20. Test Date: For the purposes of the Multi-issuer Deed, the Test Date for the Acceding Party is: [specify] of each year.

21. Exceptions: For the purposes of the Multi-issuer Deed, the following amendments are made to clauses 6.1A, 7.1A, 7.8 and 7.9: [specify]/[None].

SCHEDULE 5

Form of Term Sheet

*The term sheet in respect of each Tranche of Securities (other than EC Securities) will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the Securities and their issue. Text in this section appearing in italics does not form part of the term sheet but denotes directions for their completion.*

**New Zealand Local Government Funding Agency Limited – Term Sheet**




NEW ZEALAND  
LOCAL GOVERNMENT  
FUNDING AGENCY

SETTLEMENTS CONTACT  
EMAIL LGFAtenderoperations@lgfa.co.nz  
PH 04 974 6530

**NZ LOCAL GOVERNMENT FUNDING AGENCY LIMITED TERM SHEET**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions ("**Conditions**") contained in the multi-issuer deed dated ~~17~~ **17** December 2011 made by New Zealand Local Government Funding Agency Limited and various Local Authorities. This term sheet contains the final terms of the Securities and must be read in conjunction with the Conditions.

*[Include whichever of the following apply or specify as "Not Applicable" (N/A).]*

	LOCAL AUTHORITY LENDING SECURITY
LGFA Term Sheet Security Reference	[•]
Subscriber	New Zealand Local Government Funding Agency Limited
Issuer	[•]
Series Number	[•]
Tranche Number	[•]
Type of Securities	<i>[Fixed Rate Securities/Floating Rate Securities/Zero Coupon Securities/Amortising Security]</i>
Security Identifier	[•]
Aggregate Principal Amount	[•]
Issue Price	[•]% of the aggregate Principal Amount
Maturity Date	[•]
Fixed Interest Rate (if Fixed Rate Securities)	[•]



Trade Yield (if Fixed Rate Securities)	[•]
Base Rate + Margin (if Floating Rate Securities)	[•]
Pricing Date (if Fixed Rate Securities) / Interest Rate Set Date (if Floating Rate Securities)	[•]
Issue Date	[•]
Interest Accrual Start Date	[•]
First Interest Payment Date	[•]
Interest Payment Dates	[•]
Interest Periods	[•]
Date Roll ( <a href="#">Interest Payment Date and Maturity Date</a> )	[•]
Annual Yield (if Zero Coupon Securities)	[•]
Daycount Convention	Modified Following
Holidays ( <a href="#">Business Day</a> )	Christchurch, Wellington, Auckland
Minimum Subscription Amount/multiples	[•]
Governing Law	New Zealand
Additional conditions	[Specify] [N/A]
Registrar	[•]
Agency Agreement	[•]
<a href="#">CCO Support Documents</a>	<a href="#">[specify each security and guarantee document] or [N/A if not a CCO Issuer]</a>
<a href="#">CCO Credit Support</a>	<a href="#">[specify each security and guarantee] or [N/A if not a CCO Issuer]</a>
<a href="#">CCO Negative Pledge and Covenant</a>	<a href="#">[specify full negative pledge (if applicable) and any permitted security interest. See definition of "CCO Negative Pledge and Covenant" in clause 1.1 of the Conditions] or [N/A if not a CCO Issuer]</a>
<a href="#">Insolvency Event</a>	<a href="#">[The occurrence of any of the following events in relation to the Issuer or any CCO Shareholder, without the prior written consent of the Holders:</a>  <a href="#">(a) it is declared or becomes bankrupt or insolvent or is unable to pay its debts when they fall due;</a>

- (b) it is presumed to be unable to pay its debts in accordance with section 287 of the Companies Act;
- (c) a receiver, receiver and manager, liquidator, provisional or interim liquidator, or administrator is appointed in respect of it or any of its assets;
- (d) an application is made to a court, a meeting is convened or a resolution is passed for it to be wound up or dissolved or for the appointment of a receiver, liquidator, provisional or interim liquidator, statutory manager or administrator to it or any of its assets and such application is not withdrawn or dismissed within [●] Business Days;
- (e) any step is taken to appoint, or with a view to appointing, a statutory manager (including the making of any recommendation in that regard by the Financial Markets Authority) under the Corporations (Investigation and Management) Act 1989 in respect of it, or it or any of its associated persons (as that term is defined in that Act) is declared at risk pursuant to the provisions of that Act;
- (f) it:
  - (i) resolves to enter into, or enters into, a scheme of arrangement, a deed of company arrangement, compromise or composition with its creditors or an assignment for their benefit;
  - (ii) proposes or is subject to a moratorium of its debts; or
  - (iii) takes proceedings or actions similar to those mentioned in this paragraph as a result of which its assets are, or are proposed to be, submitted to the control of its creditors;
- (g) it seeks or obtains protection from its creditors under any statute or any other law;

	<p>(h) <u>any attachment, distress, execution or other process is made or levied against any asset of it in an amount in excess of \$[●] (or its equivalent in any currency or currencies) and is not withdrawn, stayed or dismissed within [●] Business Days; or</u></p> <p>(i) <u>an event occurs in relation to it which is analogous to anything referred to above or which has a substantially similar effect. [Can be amended to reflect a CCO Shareholder's status] or [N/A if not a CCO Issuer]</u></p>
<p><u>Additional Event of Default</u></p>	<p>(a) <b>Cross default:</b></p> <p>(i) <u>any indebtedness of the Issuer is not paid when due nor within any originally applicable grace period;</u></p> <p>(ii) <u>any indebtedness of the Issuer is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an enforcement event, event of default, acceleration event or similar event (howsoever described);</u></p> <p>(iii) <u>any creditor of the Issuer becomes entitled to declare any indebtedness of the Issuer due and payable prior to its specified maturity as a result of an enforcement event, event of default, acceleration event or similar event (howsoever described),</u></p> <p><u>provided that no Event of Default will occur under this provision if the aggregate amount of indebtedness or commitment for indebtedness falling within paragraphs (i) to (iii) above is less than \$[●] (or its equivalent in any other currency or currencies).</u></p> <p><u>[specify each additional Event of Default (if any)]</u></p>

**NEW ZEALAND LOCAL GOVERNMENT  
FUNDING AGENCY LIMITED** by *[insert  
Execution method]*:

***[Insert execution block for local authority]***

*[For the avoidance of doubt, term sheets may include the terms of the corresponding Borrower Notes at the Subscriber's sole discretion and such inclusion shall not invalidate the relevant term sheet]*

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SCHEDULE 6

Form of Notice of Commitment for EC Securities

**To:** New Zealand Local Government Funding Agency Limited ("**Subscriber**")  
**Attention:** { }

**Email:** { }  
**Date:** { }

**Re:** Multi-issuer Deed dated ~~17~~ 17 December 2011 ("**Deed**")

Terms defined in the Deed have the same meaning in this Notice of Commitment unless the context requires otherwise.

1. For the purpose of clause 4.2(b) of the Deed, the Issuer hereby irrevocably and unconditionally offers to issue the EC Securities on the terms contained in the preliminary Final Terms enclosed with this notice.
2. The Issuer requests that the Subscriber accepts the above offer for the purposes of clause 4.2 of the Deed by counter-signing and returning to the Issuer a duplicate copy of this Notice of Commitment.

Yours faithfully  
[Local Authority]

\_\_\_\_\_  
Signature of officer

The Subscriber hereby accepts the offer of the issuance of the EC Securities described in this notice, such acceptance subject to the conditions specified in clause 4.54 of the Deed.

**NEW ZEALAND LOCAL GOVERNMENT  
FUNDING AGENCY LIMITED** by:

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Name of director

\_\_\_\_\_  
Name of director

Date: [•]

[Attach preliminary Final Terms]

SCHEDULE 7

Form of Compliance Certificate

To: New Zealand Local Government Funding Agency Limited

Attention: { }

Email: { }

Date: { }

Re: Multi-issuer Deed dated ~~{ }~~ 17 December 2011 ("Deed")

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Terms defined in the Deed have the same meanings in this Compliance Certificate unless the context requires otherwise.

1. This certificate is given to you pursuant to clause 7.5 of the Deed.
2. For the purposes of this certificate the Test Date is *[insert date]*.
3. I, *[name]* the *[insert position of Authorised Signatory]* of *[Council name]* Council ("**Issuer**") certify that to the best of my knowledge and belief, having made due enquiry the covenants and ratios detailed in appendix A (comparing actual performance to the financial covenant) were true and correct in all respects as at the Test Date.
- [4. The Issuer provides the following details relating to breaches of the covenants and ratios detailed in appendix A (if any) as at the Test Date: *[insert details]*].

Dated: [•]

*[name of ~~Local Authority~~ Issuer]* by:

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*[Authorised Signatory]*

APPENDIX A TO COMPLIANCE CERTIFICATE

Financial Covenant (clause 7.5)	Required Performance (%)	Actual Performance (%)
Net Debt: Total Revenue	[insert]	[insert]
Net Interest: Total Revenue	[insert]	[insert]
Net Interest: Annual Rates Income	[insert]	[insert]
Available Financial Accommodation: External Indebtedness	[insert]	[insert]

**Financial Covenant Components**

Net Debt	[insert]
Total Revenue	[insert]
Net Interest	[insert]
Annual Rates Income	[insert]
Available Financial Accommodation	[insert]
External indebtedness	[insert]

*[insert/attach supporting information used to determine relevant financial covenant components, including providing details of various amounts at Issuer and/or Consolidated Group depending on parameters that apply under the Deed]*



**NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED  
NOTICE OF ANNUAL MEETING**

Notice is given that the 2018 annual meeting of shareholders of New Zealand Local Government Funding Agency Limited ("**Company**" or "**LGFA**") will be held at the **Bolton Hotel, 12 Bolton Street, Wellington** on **21 November 2018** commencing at **2:00pm**.

**BUSINESS**

1. **FINANCIAL STATEMENTS AND REPORTS:** To receive and consider the financial statements of the Company for the year ended 30 June 2018 together with the directors' and auditor's reports to shareholders.

2. **ELECTION OF DIRECTORS**

In accordance with clause 3.3 of the SHA, **John Avery** retires by rotation and, being eligible, offers himself for re-election as an Independent Director.

In accordance with clause 3.3 of the SHA, **Michael Timmer** retires by rotation and, being eligible, offers himself for re-election as a non-Independent Director.

Accordingly, to:

- (a) Re-elect **John Avery** as an Independent Director of the Company, by way of Ordinary Resolution;
- (b) Re-elect **Michael Timmer** as a non-Independent Director of the Company, by way of Ordinary Resolution.

(See Explanatory Note 2)

3. **ELECTION OF NOMINATING LOCAL AUTHORITIES**

In accordance with clause 4.6 of the SHA, **Hamilton City Council** and **Tauranga City Council** retire by rotation. **Hamilton City Council** and **Tauranga City Council** being eligible, offer themselves for re-election.

Accordingly, to:

Re-elect **Hamilton City Council**

as a Nominating Local Authority, by way of Ordinary Resolution.

Accordingly, to:

Re-elect **Tauranga City Council**

as a Nominating Local Authority, by way of Ordinary Resolution.

(See Explanatory Note 3)

4. **CHANGES TO FOUNDATION POLICIES**

In accordance with clause 5.1(c) of the SHA, to approve, by way of Ordinary Resolution, the amendments to the foundation policies of the Company ("**Foundation Policies**") as explained in Explanatory Note 4.

5. **GENERAL BUSINESS**

To consider such other business as may properly be raised at the meeting.

Please refer to the explanatory notes that accompany this notice of meeting.

By order of the board:

A handwritten signature in blue ink, appearing to read 'C Stobo', with a horizontal line underneath.

**Craig Stobo, Chairman**  
24 September 2018

**ORDINARY RESOLUTIONS:** *Ordinary resolutions are resolutions approved by a simple majority of more than 50% of the votes of the shareholders entitled to vote and voting at the annual meeting.*

**SHAREHOLDERS ENTITLED TO ATTEND AND VOTE:** *Pursuant to section 125 of the Companies Act 1993, for the purposes of voting at the annual meeting, those registered shareholders of the Company as at 9.00am on Wednesday 21 November 2018 shall be entitled to exercise the right to vote at the meeting.*

**CAPITALISED TERMS:** *Unless otherwise defined in this notice, capitalised terms have the meanings given to them in the SHA.*

**EXPLANATORY NOTES****EXPLANATORY NOTE 1 - PROXY VOTE**

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of the shareholder. The proxy need not be a shareholder. To be effective, a copy of the proxy form must be received by the Company at **Level 8, City Chambers, 142 Featherston Street, Wellington 6145** not later than 48 hours before the start of the meeting.

A corporation may appoint a person to attend the meeting as its representative in the same manner as that in which it could appoint a proxy.

**EXPLANATORY NOTE 2 - ELECTION OF DIRECTORS**

The SHA provides that, beginning at, and including, the annual meeting for 2013, two Directors comprising one Director who is an Independent Director and one Director who is not an Independent Director shall retire from office at the annual meeting of the Company in each year. The Directors to retire shall be that Independent Director, and that director who is not an Independent Director, who have been longest in office since their last election. If two or more relevant Directors were last elected on the same day, the Directors to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director is eligible for re-election.

In this case, **John Avery** (being an Independent Director) who has been longest in office since being re-elected on 24 November 2015 (Linda Robertson having been elected on 24 November 2015, Philip Cory-Wright having been re-elected on 24 November 2016, Craig Stobo having been re-elected on 21 November 2017 and Anthony Quirk having been elected on 21 November 2017) and **Michael Timmer** (being the only Director who is not an Independent Director) shall retire by rotation at this annual meeting. **John Avery** and **Michael Timmer**, being eligible, offer themselves for re-election.

**The following biographies have been provided by the candidates;**

**John Avery Biography**

John is a professional director with extensive experience across a range of business and industry sectors. He is a very experienced director, chair and committee chair. He has particular experience with both Council Controlled Organisations and Co- Operative style companies. Currently along with LGFA he is a director of Strategic Pay Ltd and Fund Managers Auckland Ltd

Former directorships include; The Warehouse Group Ltd, Independent Timber Merchants Ltd (ITM), NSM Contracting Ltd (a North Shore City Council CCO), Regional Facilities Auckland, Aotea Centre Board (an Auckland City Council CCO), Office Products Depo Ltd, Americas Cup Village Ltd (an Auckland City Council CCO), The New Zealand Guardian Trust Company Ltd, The Lawlink Group Ltd and The Royal New Zealand Ballet. He is also involved with several charities including The New Zealand School of Dance. Prior to becoming a fulltime director nine years ago, John was a commercial lawyer and former Managing Partner and Chair of an Auckland based law firm.

He is a Chartered Fellow of the Institute of Directors in New Zealand, a Barrister and Solicitor of the High Court and remains an associate member of the New Zealand Law Society.

**Michael Timmer Biography**

Mike has over 10 years' experience in senior finance roles in Local Government having joined Wellington Regional Council as Treasurer in January 2007.

He holds a Bachelor of Agricultural Science and a Bachelor of Business Studies degree both from Massey University and is a certified Chartered Accountant and an INFNZ (cert) professional.

As Treasurer, his responsibilities include Treasury activities involving commercial paper issuance, bond placement, standby facilities, interest rate risk management, balance sheet structure, security documentation, funding and optimising subsidiary company borrowings. Other responsibilities include risk management, insurance, business assurance (internal audit), and managing Council's WRC Holdings board.

He has also been acting Chief Financial Officer for the council for around two years in total. Previous roles have involved Treasury and Accounting activities and working in the dealing room at Citibank for 5 years.

He has been active with local and sector CFO groups, has served on the initial Local Government Risk Agency establishment group and the LGFA establishment committee. Mike has been involved with the establishment of the LGFA initiating the idea and was one of the tight nine representatives setting up the LGFA documentation. He has been on the Shareholders' Council since its inception where he was vice chairman prior to taking up the LGFA directorship role.

Mike is a member of the Institute of Directors. He is Chairman of the Finance Committee of Physiotherapy New Zealand Incorporated and has been a director of the LGFA since 2015.

### EXPLANATORY NOTE 3 - ELECTION OF NOMINATING LOCAL AUTHORITIES

The SHA provides that a Principal Shareholder may be appointed or removed as a nominator to the Shareholders' Council ("**Nominating Local Authority**") at any time by an Ordinary Resolution, provided that no more than nine Nominating Local Authorities may be so appointed. Each Nominating Local Authority, and the New Zealand Government (for so long as it is a shareholder), may appoint one member of the Shareholders' Council, and remove and replace any member so appointed, in accordance with clause 4.4 of the SHA.

The SHA provides that, beginning at, and including, the annual meeting for 2013, the shareholders shall ensure that two Nominating Local Authorities retire from office at the annual meeting of the Company in each year. The Nominating Local Authorities to retire shall be those who have been longest in office since their last election, and if two or more of those Nominating Local Authorities were last elected on the same day, the Nominating Local Authority to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Nominating Local Authority is eligible for re-election.

In this case, Hamilton City Council, which was deemed to have been last elected as a Nominating Local Authority on 7 December 2011, and Tauranga City Council, having been re-elected as a Nominating Local Authority on 19 November 2013, are the Nominating Local Authorities who have been longest in office since their last election (Western Bay of Plenty District Council having been re-elected as a Nominating Local Authority on 25 November 2014, Tasman District Council having been re-elected as a Nominating Local Authority on 24 November 2015, Auckland Council having been elected as a Nominating Local Authority on 24 November 2015, Wellington City Council having been re-elected as a Nominating Local Authority on 24 November 2016, Christchurch City Council having been elected as a Nominating Local Authority on 24 November 2016 Whangarei District Council having been re-elected as a Nominating Local Authority on 21 November 2017 and Bay of Plenty Regional Council having been re-elected as a Nominating Local Authority on 21 November 2017). Accordingly, being the longest in office since their last election, **Hamilton City Council** and **Tauranga City Council** shall retire by rotation at this annual meeting.

The Shareholders Council is comprised of between five and ten members. The New Zealand Government can appoint a member and the remaining members are nominated by up to nine Nominating Local Authorities. Following the retirement of **Hamilton City Council** and **Tauranga City Council** there are currently two positions available.

**Hamilton City Council** offer themselves for re-election as a Nominating Local Authority.

**Tauranga City Council** offer themselves for re-election as a Nominating Local Authority.

**EXPLANATORY NOTE 4 – CHANGES TO FOUNDATION POLICIES**

This resolution seeks shareholders' approval for amendments to the Foundation Policies of the Company.

The current Foundation Policies of the Company are set out in schedule 1 to the SHA. Clause 5.1(c) of the SHA provides that neither the Board nor any shareholder shall take or permit any action to cause any alteration to any of the Company's Foundation Policies unless it is approved by Ordinary Resolution of the Company's shareholders (or, if required by law, a Special Resolution).

There are two proposed changes to the Foundation Policies requiring shareholder approval by Ordinary Resolution.

**1. Measurement of council compliance with LGFA covenants at the group level:**

Currently LGFA tests each council borrower's compliance with either the Foundation Policy or Lending Policy covenants at the parent council level i.e. it excludes any debt, revenue or interest payments made by a subsidiary entity from the calculations. This might not reflect the most accurate representation of a council's financial position if the council delivers some of its services or activities or holds assets through a subsidiary entity.

It is proposed that a council can apply to the LGFA Board to be tested at the group level rather than at the parent level for compliance with LGFA covenants. It is important to note that:

- The Foundation Policy Covenants (if the council had an external credit rating) or Lending Policy Covenants (if no external credit rating) would still apply to the council regardless of being measured on a parent or group basis.
- The Senior Manager Credit and External Relationships would provide analysis and recommendation to the LGFA Board for consideration as to whether they should approve the request.
- To provide certainty to the council, the testing at the group level would apply for the life of the existing loans from LGFA.
- We expect that this will apply to only a small group of councils and our current expectation is that only Auckland Council would wish to have their covenants calculated at group level.

**2. Lending to Council Controlled Organisations ("CCOs"):**

Currently LGFA only lends to the parent council and not to any other related entities. This is not ideal as;

- Several councils borrow and on-lend to CCOs e.g. Christchurch City Council, New Plymouth District Council, Rotorua District Council, Marlborough District Council and Auckland Council have previously borrowed and on-lent to Christchurch City Holdings Limited, New Plymouth Airport, Rotorua Regional Airport, Marlborough District Council Holdings and Watercare respectively. The proposed changes will provide the councils with greater flexibility in structuring their borrowing and on-lending activities.
- LGFA cannot currently lend to multiple owned CCOs. While there are currently very few of these entities which have borrowings, they may become established in the future e.g. jointly owned water companies.
- Dunedin City Council ("DCC") borrows via a CCTO subsidiary company, Dunedin City Treasury Limited. This is one reason why DCC has not become a member of LGFA.

To ensure that LGFA does not bear any additional risk than that incurred with lending to a parent council, it is proposed that LGFA could lend to a CCO provided;

- The parent council (or group of shareholding councils) of the CCO must each be a guarantor of the loan in favour of LGFA.
- LGFA will only lend to a CCO if:
  - there is uncalled capital from the parent council that is at least equal to the financial obligations of the CCO; or
  - there is a guarantee from the parent council in respect of the CCO.
- LGFA will undertake credit analysis on the CCO as well as the parent council.
- The CCO would be subject to LGFA Board approval before borrowing.
- The LGFA Board would apply bespoke financial covenants to the CCO taken into consideration factors such as the ownership structure, cashflow and balance sheet quality and what activity or services the CCO is delivering on behalf of the parent council shareholder(s).

### Why is LGFA proposing these changes to the Foundation Policies?

We are proposing these changes because of feedback from member and non-member councils. LGFA has built a successful track record of continuous improvement and evolving to meet council needs e.g. short dated lending and bespoke lending.

Auckland Council delivers a large amount of services through Watercare and Auckland Transport and is analysed on a group basis by the credit rating agencies.

There are some council members who currently borrow and on-lend to their CCO subsidiaries, so this proposal will give them the option to streamline the borrowing process and provide more flexibility in how they structure their borrowing.

### Is there more risk for LGFA guarantors?

No as regardless of being measured on a group or parent basis the council must remain compliant with the LGFA covenants and we have recourse over rates revenue as security.

No as a CCO who borrows from LGFA will have the benefit of a parent council guarantee or uncalled capital. LGFA would negotiate lending documentation with each CCO and LGFA would undertake credit analysis of the CCO as well as the parent council or councils.

### Why would the LGFA Board grant bespoke covenants to CCOs?

While councils are very similar to each other, there can be significant differences between CCOs. In addition, CCOs also do not have rates revenue. Therefore, the LGFA Board, following advice from LGFA management and external legal advisors, would need to negotiate bespoke covenants with the CCO. While covenants may vary between CCOs, the underlying recourse remains the uncalled capital or parent guarantee.

### Will the credit rating agencies and investors be concerned?

We don't think these key groups will be concerned with measurement on a group basis rather than a parent basis if requested. As outlined previously, all councils must remain compliant with LGFA covenants and the underlying security remains unchanged.

We don't think they will be concerned with lending to CCOs as the guarantee retains the strength of the LGFA structure e.g. Christchurch City Council has the same credit rating as Christchurch City Holdings Limited ("CCHL") because of the uncalled capital that exists within CCHL. Lending to CCOs will also diversify the LGFA lending book and could bring in new council members to LGFA.

### Will this facilitate the establishment of separate water entities?

No and in fact we think this would strengthen the case for keeping any possible new water entities in local government ownership as it allows lending to multiple owned CCOs. Any new water entity would also benefit from borrowing at a lower cost of funds than in their own name. The bespoke covenants for a water entity could possibly be set be higher than the current LGFA financial covenants so the multiple owned water entities could borrow more and therefore reduce pressure on parent council balance sheets.

Could a Council Controlled Trading Organisation ("CCTO") borrow from LGFA?

Currently under section 62 of the Local Government Act 2002 a council cannot give any guarantee, indemnity or security in respect of the performance of any obligation by a CCTO. For a CCTO to borrow under this proposed structure, uncalled capital could be used, or the parent council could continue to borrow from LGFA and on-lend to the CCTO.

Will the proposed changes make it easier for councils to borrow more or to avoid a covenant breach?

No as the LGFA Board approves the testing of a council at the group or parent level. The LGFA Board will consider whether a move to testing at the group level will weaken the credit profile of the council before deciding on the change. Regardless of the basis for measurement, the LGFA Board expects all council borrowers to maintain sufficient headroom under the LGFA covenants.

CHIEF EXECUTIVE CERTIFICATE

I, \_\_\_\_\_, the Chief Executive of

\_\_\_\_\_ Council (**Council**) certify as follows:

**1. RESOLUTIONS**

1.1 The Council has, by all necessary resolutions duly passed (**Resolutions**):

- (a) approved the transactions contemplated by the documents referred to in the schedule to this certificate (**Documents**), or delegated sufficient authority to the person(s) who has approved those transactions to give that approval; and
- (b) authorised execution of the Documents by the Council, or delegated sufficient authority to the person(s) who authorised execution of the Documents to give that authorisation.

1.2 The Resolutions remain in full force and effect.

**2. COMPLIANCE WITH THE ACT**

For the purposes of section 118 of the Local Government Act 2002 (**Act**), in entering into the Documents and performing its obligations under the Documents, and all other documentation contemplated by or entered into in connection with the Documents, the Council has complied with the Act.

**3. DUE EXECUTION**

The Documents have been properly executed by the Council.

This certificate is given by me in my capacity as Chief Executive of the Council in good faith on behalf of the Council and I shall have no personal liability in connection with the issuing of this certificate.

**Dated:** 2020

\_\_\_\_\_  
Chief Executive



## **SCHEDULE "Documents"**

Words and expressions defined in the Multi-Issuer Deed dated 7 December 2011 (as amended and restated on 4 June 2015) between New Zealand Local Government Funding Agency Limited ("**LGFA**") and various local authorities ("**Multi-issuer Deed**") have the same meanings in this certificate.

1. An amendment and restatement deed to be dated on the date notified by LGFA to the Council between (amongst others) the Council and LGFA in relation to the Multi-issuer Deed.
2. An amendment and restatement deed to be dated on the date notified by LGFA to the Council between (amongst others) the Council and LGFA in relation to the Notes Subscription Agreement.
3. An amendment and restatement deed to be dated on the date notified by LGFA to the Council between (amongst others) the Council and TEL Security Trustee (LGFA) Limited in relation to the Guarantee.

## **Increasing Borrower Notes Percentage from 1.6% to 2.5%**

### **Background**

Every second year the LGFA Board considers the capital structure of the company. At the March 2020 Strategy Day, the LGFA Board considered the capital structure of LGFA and decided there was a need to increase capital.

The decision to increase capital was not taken lightly but was in response to

- A fast-growing balance sheet as we take on more council members and increase both our loan book and Liquid Assets Portfolio
- A global trend to increase capital – LGFA is undercapitalised on a global comparative basis with a capital ratio of 2.2% compared to our Nordic peers with capital ratios between 3% and 4%
- Domestic banks are increasing their capital at the direction of the RBNZ
- LGFA wanting to retain the confidence of credit rating agencies and investors and having more capital provides greater comfort to our guarantor councils

It is very important in these difficult times for LGFA to continue to access debt capital markets on behalf of the sector in order to provide long dated funding at the lowest possible cost. Increasing the capital base helps us continue to do this.

### **Sources of additional capital**

There are only a small number of ways for LGFA to increase capital

- Issue more paid up shares to existing or new shareholders
- Issue more unpaid shares to existing or new shareholders
- Increase retained earnings by increasing lending margins
- Increase retained earnings by reducing the dividend payment
- Increase the amount of Borrower Notes

Following discussion with the Shareholders Council, the LGFA Board resolved to increase the Borrower Notes percentage from 1.6% to 2.5% on 20 March 2020.

### **Implications for Councils**

- There is no change to your holdings of existing Borrower Notes to the value of 1.6% of existing long-term loans
- Note that the requirement to subscribe for Borrower Notes at the higher percentage amount is only for new long term borrowing once introduced
- The increase of the required percentage of Borrower Notes will take effect once the amendment deed to the Notes Subscription Agreement is signed by all member councils
- For a Council borrower the proposed change means subscribing for \$25,000 of Borrower Notes per \$1 million of new long-term borrowing compared to \$16,000 previously
- A Council who borrows for a term less than one year is not required to subscribe for Borrower Notes either currently or as part of this change
- A Council holder of Borrower Notes will continue to receive interest on the Borrower Notes at the LGFA cost of funds

Document No: A4568223

**Report To: Audit and Risk Committee**



Meeting Date: 5 May 2020

Subject: Motion to Exclude the Public for the Consideration of Council Business

**Purpose of Report**

- 1.1 The purpose of this business paper is to enable the Council to consider whether or not the public should be excluded from the consideration of Council business.

**Commentary**

- 2.1 Section 48 of the Local Government Official Information and Meetings Act 1987 gives Council the right by resolution to exclude the public from the whole or any part of the proceedings of any meeting only on one or more of the grounds contained within that Section.

**Suggested Resolutions**

- 1 The public be excluded from the following part of the proceedings of this meeting.
- 2 Council agree the following staff, having relevant knowledge, remain in attendance to assist Council with its decision making: ...
- 3 The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for this resolution
1. Waitomo Village Waters – THL Wastewater Pipeline Project Information Proposal	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)
2. Waikato Local Authority Shared Services Ltd - Half-yearly Report to 31 December 2019	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)
3. Inframax Construction Ltd - Half Annual Report to 31 December 2019	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6, Section 7 or Section 9 of the Official Information Act 1982 as the case may require are listed above.



MICHELLE HIGGIE

**MANAGER – GOVERNANCE SUPPORT**