
ORDINARY MEETING

OF

WELLINGTON CITY COUNCIL

AGENDA

Time: 2:00 pm
Date: Thursday, 30 April 2020
Venue: Virtual meeting

MEMBERSHIP

Mayor Foster
Councillor Calvert
Councillor Condie
Councillor Day
Councillor Fitzsimons
Councillor Foon
Councillor Free (Deputy Mayor)
Councillor Matthews
Councillor O'Neill
Councillor Pannett
Councillor Paul
Councillor Rush
Councillor Sparrow
Councillor Woolf
Councillor Young

Have your say!

You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 04-803-8334, emailing public.participation@wcc.govt.nz or writing to Democracy Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number, and the issue you would like to talk about. All Council and committee meetings are livestreamed on our YouTube page. This includes any public participation at the meeting.

TABLE OF CONTENTS

30 APRIL 2020

Business	Page No.
1. Meeting Conduct	5
1.1 Karakia	5
1.2 Apologies	5
1.3 Announcements by the Mayor	5
1.4 Conflict of Interest Declarations	5
1.5 Confirmation of Minutes	5
1.6 Items not on the Agenda	6
1.7 Public Participation	6
2. General Business	7
2.1 2020/21 Annual Plan - Consultation Document and Community Engagement Programme Presented by Mayor Foster	7
2.2 New Zealand Local Government Funding Agency Amendments Presented by Mayor Foster	63

1. Meeting Conduct

1.1 Karakia

The chairperson will open the meeting with a karakia.

Whakataka te hau ki te uru,	Cease oh winds of the west
Whakataka te hau ki te tonga.	and of the south
Kia mākinakina ki uta,	Let the bracing breezes flow,
Kia mātaratara ki tai.	over the land and the sea.
E hī ake ana te atākura.	Let the red-tipped dawn come
He tio, he huka, he hauhū.	with a sharpened edge, a touch of frost,
Tihei Mauri Ora!	a promise of a glorious day

At the appropriate time, the following karakia will be read to close the meeting.

Unuhia, unuhia, unuhia ki te uru tapu nui	Draw on, draw on
Kia wātea, kia māmā, te ngākau, te tinana,	Draw on the supreme sacredness
te wairua	To clear, to free the heart, the body
I te ara takatū	and the spirit of mankind
Koia rā e Rongo, whakairia ake ki runga	Oh Rongo, above (symbol of peace)
Kia wātea, kia wātea	Let this all be done in unity
Āe rā, kua wātea!	

1.2 Apologies

The Chairperson invites notice from members of:

1. Leave of absence for future meetings of the Wellington City Council; or
2. Apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

1.3 Announcements by the Mayor

1.4 Conflict of Interest Declarations

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

1.5 Confirmation of Minutes

The minutes of the meeting held on 23 April 2020 will be put to the Council for confirmation.

1. 6 Items not on the Agenda

The Chairperson will give notice of items not on the agenda as follows:

Matters Requiring Urgent Attention as Determined by Resolution of the Wellington City Council

The Chairperson shall state to the meeting.

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

The item may be allowed onto the agenda by resolution of the Wellington City Council.

Minor Matters relating to the General Business of the Wellington City Council

The Chairperson shall state to the meeting that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Wellington City Council for further discussion.

1. 7 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 3.23.3 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

2. General Business

2020/21 ANNUAL PLAN - CONSULTATION DOCUMENT AND COMMUNITY ENGAGEMENT PROGRAMME

Purpose

1. This report asks the Council to approve the 2020/21 Annual Plan Consultation document (CD) and endorse the supporting Annual Plan Community Engagement Programme. While the following discussion references the Council's COVID-19 response plan the main focus is the 2020/21 Annual Plan.

Summary

2. The Council is required to adopt an Annual Plan prior to the commencement of the financial year of 1 July 2020. The development of the 2020/21 Annual Plan has been impacted by the COVID-19 pandemic lockdown with a significant reduction in revenue forecast. The pandemic has also compressed the timeframe for the approval and production of the 2020/21 Annual Plan and limited some face to face community engagement channels that would be a normal part of a consultation programme.
3. In addition to community and business pandemic support measures implemented by the Government, the Council has implemented a pandemic response and recovery plan to ensure that the city and its residents get through the pandemic in the best possible shape.
4. Prior to the pandemic the Council was:
 - facing significant cost pressures for the delivery of existing services and key infrastructure and resilience projects
 - budgeting extra money (as a result of higher asset values) to ensure that crucial infrastructure is maintained and replaced
 - implementing an organisational savings target to help mitigate the pressure on rates from the above pressures, which would have otherwise equated to a 15% rates rise.
5. The initial draft Annual Plan budget prepared for Councillors in March included an average rates rise of 9%, but following the announcement of the nation-wide pandemic lockdown the Council has been reviewing the budget for 2020/21 and seeking to balance cost savings with maintaining service levels to the community.
6. At its 9 April 2020 meeting the Council resolved that Officers prepare a 2020/21 Annual Plan Consultation Document seeking community feedback on two rating options, with the 4.95% option being preferred. This option is based on existing service levels and programmes of work. The CD also includes required consultation on rates remission

and postponement policies which are also linked to the Council's pandemic response and recovery plan.

7. The CD included with this report is presented for Council approval. It includes information on the key 2020/21 budget issues and rates options for the community to consider, along with a summary of services and programmes to be delivered. It also details the consequential impact of the pandemic on the Annual Plan and links to the Council's Pandemic response plan.
8. This report also includes for Council's information the community engagement programme for the Annual Plan consultation.

Recommendation/s

That the Council:

1. Receive the information in this report and the 2020/21 Annual Plan Consultation Document as outlined in Attachment 1 to the report.
2. Note that the draft budget prepared for 2020/21 proposes using debt to offset forecast lost revenue, and that this is inconsistent with Council's Revenue and Financing Policy.
3. Note that under Section 80 of the Local Government Act 2002, the Council can make decisions inconsistent with Council policy provided the inconsistency is identified, the reason for the inconsistency is explained, and how the Council will accommodate the inconsistency or modify the policy in future is outlined.
4. Note the nature of the inconsistency, the reason for the inconsistency, and how Council will accommodate the inconsistency as outlined in this report.
5. Agree that it is prudent to propose not to have a balanced budget for the 2020/21 Annual Plan, where operating revenues are not sufficient to meet operating expenses. This is to balance the response to the forecast impacts on Council's finances (due to the sudden onset of the COVID-19 pandemic, and the implications of the national lockdown) with the need to support local economic activity and recognising the financial stress and uncertainty that ratepayers are facing along with the need to invest in the essential infrastructure and services needed for health, safety and wellbeing.
6. Note that based on Council's preferred option of a 4.95% rates increase a reduction in fees, user charges and dividend income of \$38m is forecast and that Council proposes to fund this budget shortfall through borrowing.
7. Agree that to achieve a 4.95% rates increase it will be necessary for Council to fund the \$38m income shortfall and \$10m of funding for multi-year benefit operating costs through borrowing, to be repaid over 10 years resulting in additional rates increases in subsequent years.
8. Note that any further reduction in the 2020/21 rates increase, without reducing service levels, is likely to require additional debt funding and consequential additional increases in the 2021/22 rates requirement.
9. Note that the proposed 2020/21 budget assumes a \$3.2m savings target along with some unbudgeted risk of higher costs. The Chief Executive has agreed to reviewing

expenditure budgets to mitigate these risks and report back to Council prior to finalisation of the Annual Plan.

10. Note that the Pandemic Response Plan adopted on 9 April 2020 requires an amendment to the Rates Postponement Policy.
11. Agree to consult on amendments to the Rates Remission and Postponement Policies as outlined in the Consultation Document.
12. Endorse the consultation and communication programme to support the 2020/21 Annual Consultation Document as outlined in this report.
13. Agree to the 2020/21 Annual Plan Consultation Document as outlined in Attachment 1 to the report.
14. Delegate to the Mayor and Chief Executive the authority to make final editorial changes to the Consultation Document before it is published.

Background

Planning in local government

9. An Annual Plan is Council's budget for one financial year and is produced in the years between a Long-term Plan (LTP). Its main purpose is to explain how the Council intends to finance the activities and services it provides during that year as directed by its LTP. The focus is primarily on any adjustments the Council needs to make.
10. The LTP is more strategic and is reviewed every three years. It is designed to set direction for the Council, agree priorities, activities, service levels, capital programmes and finances for the next 10 years.
11. The next LTP is to be adopted by the Council in June 2021. Consideration of initiatives and budget changes that are changes to levels of service need to be considered through that process.
12. In terms of the LTP programme, work is already underway including: process design, workstream planning and programme commissioning as well as foundation work on asset management planning, forecasting assumptions, and service management planning etc. The LTP has a programme of Council involvement in the various phases and Officers propose to provide Councillors a full briefing within the next two months.

Focus of the 2020/21 Annual Plan

13. The Annual Plan sets out the Council's work programme and budget for the coming financial year. The Council is required to adopt the Annual Plan prior to the start of the relevant financial year ie 1 July 2020.
14. The Annual Plan Consultation Document provides the community with information on the work programme, budget and key decisions for Council in adopting the Annual Plan. The supporting community engagement programme is how the Council will reach the Wellington community, and encourage feedback on the Annual Plan content to

inform key decisions prior to adoption in June. This community feedback informs Council's decisions on the final content of the Annual Plan.

15. The environment leading to the adoption of the 2020/21 Annual Plan is dominated by New Zealand's and the Council's response to the COVID-19 pandemic (the pandemic). The impact of the pandemic on the city's social and economic wellbeing, and the flow-on impact on the Council's work programmes and finances - particularly revenue - significantly influence the content of this Annual Plan.
16. At the Extraordinary Meeting of Council on 9 April 2020, the Council received a report titled "Pandemic Response Plan and Annual Plan Next Steps" which detailed the impact of the pandemic on the Council's programmes, finances and the 2020/21 Annual Plan process. The report also emphasises the importance of Council taking a prudent approach to Annual Plan decision-making in particular, recognising the future impact of financial and non-financial consequences of any decisions. Readers should refer to this report for further information and background.
17. The Consultation Document and community engagement programme in this report are based on both the content of the 9 April 2020 report and the Council decisions made at that meeting. This report assumes that the contents of the 9 April 2020 report are taken as read and therefore does not repeat its contents.
18. At the 9 April 2020 Extraordinary Meeting, Council passed amendments for additional funding for community grants, and requested Officers to provide advice on how the Council can best provide targeted support to the Arts, Sport and Recreation sector. Officers are working with the sector and Central Government on support proposals for targeted support and will report back to Council in time for Annual Plan deliberations in June 2020.
19. The national response to the pandemic has limited the Council's ability to include physical face-to-face feedback as part of its consultation with the Wellington community. It has also compressed the timeframe for the agreement and production of the 2020/21 Annual Plan. The physical distancing requirements of the COVID-19 response mean a greater emphasis on online promotion and feedback of the Annual Plan proposals (in the CD).
20. We will however preserve the capability to adjust and scale the community engagement channels should the pandemic response levels change during the engagement period.
21. It is important to note, that any further material changes to the budget at this stage will require further re-work, and with a compressed timeline due to COVID-19, this will result in a reduced consultation period.

Funding decision

22. The Council is budgeting for significantly lower revenue from fees and charges in 2020/21. While there is still uncertainty in when fee-paying Council services will be fully functioning, it is estimated that this revenue will be \$38m below policy expectations.

The general assumption is fees and charges revenue will be approximately 60% of predicted levels in July 2020, increasing to 100% by the end of October 2020.

23. In setting out an overall average rates increase of 4.95% the draft Annual Plan Consultation Document proposes that it is prudent to not have a balanced budget and that debt is used to offset unforeseen forecast lost revenue for 2020/21 due to the sudden onset of the COVID-19 pandemic. In addition it proposes that \$10m of rates funding for operating expenditure projects that have multi-year benefits, will be deferred until 2021/22, meaning this will also be funded by borrowing in 2020/21. This will reduce the rates increase impact for 2020/21 but using debt to fund operating costs is inconsistent with Council's Revenue and Financing Policy.
24. Under Section 80 of the Local Government Act 2002, the Council can make decisions inconsistent with Council policy provided the inconsistency is identified, the reason for the inconsistency is explained, and how the Council will accommodate the inconsistency is outlined.
25. In terms of the above, the inconsistency is that Council is proposing to use debt to pay for operating costs, and this is contrary to the Revenue and Financing Policy's statements on the funding of operational expenditure and the funding of capital expenditure. The rationale for doing this is that it reduces the rates increase impact from the forecast revenue reduction from 2020/21 and spreads it over 10 years. The revenue loss has had a sudden impact from March/April 2020 and the Council has not had time to respond with any alternative mitigating measures.
26. Council does not intend to amend the policy, as it is a one-off response to lost revenue as a consequence of COVID-19, and will revert to using the existing policy parameters as part of the 2021 LTP process.
27. The Consultation Document provides an alternative 2.1 % rates increase option. While a lower rates increase may be appealing on face value, this option is not recommended because in addition to the debt funding requirements of the proposed 4.95% increase option, it requires debt funding of a portion of depreciation costs. Funding of depreciation is how the Council funds the replacement of infrastructural assets.
28. Reducing depreciation funding at a time when the Council needs to increase its funding of infrastructure is not recommended. As a one-off solution it will also result in a significantly higher rates increase in the 2020/21 year. It is also not recommended from a policy perspective because it does not meet the balanced budget requirement as per the Council's financially prudent Revenue and Financing Policy or in a manner that promotes the current and future interests of the community as required in the Local Government Act.

Proposed 2020/21 Annual Plan Rates Options Compared	Option A	Option B
Rates increase 2020/21	4.95%	2.15%
Rates increase in 2021/22	10%	14%
No increase in fees in 2020/21	√	√
No reduction in service levels	√	√
Debt funds revenue shortfall, reducing the impact on ratepayers in 2020/21	√	√
Additional debt funding is 'one-off' so minimal impact on future years	√	X
Likely to meet financial prudence test	√	X
Meets balanced budget requirement	X	X
Recommended	√	X

Impact on ratepayers

29. The Council understands many of the city's ratepayers are struggling and there has been discussion of a 0% rates increase for the 2020/21 year. Officers believe that it is of more benefit to provide flexibility for how and when rates are paid, than to put too much burden on future ratepayers, by setting an unrealistically low rates increase. A 0% increase now will mean significantly higher increases in following years.
30. Analysis also shows that short-term rates relief, in the form of deferred payments, is able to provide comparatively more cashflow benefit to those ratepayers that are genuinely cash strapped. This is because the rates deferral is on the whole rates bill, whereas the difference between a 4.95% and a 0% rates increase only impacts a fraction of the overall rates bill.
31. The Council has agreed to a six-month rates deferral of the final quarter 2019/20 rates payment for ratepayers that are impacted due to COVID-19.

Budget overview

32. Preparation of the 2020/21 Annual Plan has presented significant challenges. There was already significant cost pressure on Council pre-COVID-19. Council's original 2020/21 budget included gross increases in costs of \$55m (equivalent to a 15.5% rates increase). This was in response to earthquake and resilience issues and higher asset values impacting on depreciation requirements.
33. Through a series of initiatives including setting an organisational savings target, accepting some unbudgeted cost risks and proposing to defer rates funding of costs incurred on projects that provided multi-year benefits, such as Lets Get Wellington Moving (LGWM), Civic Square master planning and new water network resilience

challenges for a further year, the Council managed to lower the rates requirement further.

34. Given the significant budgetary pressures the Council is facing the 9 April 2020 report to Council stressed that further significant cost reductions would be difficult without a lowering of service levels. The Chief Executive will conduct a further review of costs, with specific consideration to the impacts of COVID-19, prior to finalisation of the Annual Plan, to reduce budget risks and identify any further budget efficiencies.
35. COVID-19 has provided further significant budgetary challenges. In the report considered by Council on 9 April 2020, officers outlined the impact of lost revenue resulting from facility closures, reduced fees and charges and lower dividend forecasts. The proposal contained in the attached Consultation Document is based on the recommendations in this report that given the extremely unique circumstances this revenue shortfall be debt funded in the 2020/21 year, rather than putting this impost on to rates.
36. Officers have continued to refine revenue forecasts for 2020/21 as the COVID-19 situation evolves. Further changes are likely prior to finalisation of the Annual Plan. It is important to note that the debt funding proposed is specifically to address the revenue shortfall anticipated. To ensure consistency with funding principles and legislative requirements, there is no flexibility to offset any increase or decrease in this funding gap with changes in expenditure budgets.

Policy changes

37. The Council is also proposing to make some changes to the Rates Postponement Policy to enable better support to ratepayers facing financial hardship during the COVID-19 pandemic. The changes proposed as an addition to our existing policy which caters for rates postponement for residential and commercial ratepayers facing financial hardship. The details of the proposed changes are outlined in the CD.
38. The Council is also proposing to change the Rates Remission Policy to remove the 'first home buyer's rates remission'. A rates remission of up to \$5,000 (incl. GST) is available for those who build their first home or apartment in Wellington, or purchase a newly built home or apartment off plans. The objective of the remission was to assist first home builders and promote the supply of housing in Wellington city however uptake has been low over the two years it has been in place.

What we are seeking feedback on

39. The Annual Plan engagement programme will seek feedback from the community on:
 - Rates options for the 2020/21 financial year as outlined in the CD.
 - Changes to the rates remission and postponement policies. These changes are linked to the Council's COVID-19 response plan and are required by legislation to be consulted on with the public prior to their introduction.

The Consultation Document (CD)

40. The CD is a plain-English and downloadable document providing information on the key aspects of the Annual Plan. It will be printed only if the alert levels allow us to distribute the copies.
41. The aim is to have accurate, concise and easily digestible information that sets realistic expectations and communicates clearly what feedback is sought and on what options.
42. It has been written to reflect anticipated context as at the commencement of community engagement (May 8) - which may be different from the current lockdown environment.
43. As far as possible the CD content emphasises what is important to the public - the primary audience. For both the CD and the Annual Plan engagement programme, there is also a focus on localisation of content to communities where possible ie "your neighbourhood".
44. The CD covers the:
 - COVID-19 impact on the 2020/21 Annual Plan. The CD also references the Council's COVID-19 response plan and measures already announced.
 - Draft budget – revenue and expenditure for 2020/21 and our borrowing position. It includes the impact of COVID-19 on our budgets.
 - The two rates options for public feedback for Council to consider in adopting the plan. This includes background on what rates are for, why are they important, how they work, the impacts of the options on future years and an explanation of why one is the preferred option.
 - How community feedback can be provided.
45. The CD also covers the Council's seven key activity areas providing information on the proposed work programme for 2020/21. Each activity area includes the financial and/or non-financial impacts of the COVID-19 pandemic, the proposed projects/programmes for 2020/21.

Overall approach

46. The hub for the Annual Plan engagement is Kōrero Mai | Let's Talk (Council's engagement portal) will be the central point for information (online and downloadable), key dates, Q & A, online submissions etc. The hub also has full real-time analytics to report reach, use, submission rates and the analysis of submission responses.
47. The communication channels will include the Annual Plan online hub (web site), use of social media, digital, facilitated webinars and media releases. Online hearings / oral forums for those wishing to speak to submissions (within pandemic distancing requirements) will also be organised.
48. A combination of the above channels will be used to engage with Mana Whenua and a range of key stakeholders including:

- Residents' Associations and Community Boards
 - Advisory Groups
 - Key business groups and partners including LGWM, Chamber of Commerce, Wellington Airport, BIDs and Retailers Association
 - Interest and community groups, such as environment, heritage, climate change, arts, youth and accessibility
 - General public.
49. In addition, ward-focused online webinars will be run to assist Councillors in reaching out to their communities. These will be with a facilitator and training for Councillors will be available. This will be trialled internally with Council staff before being rolled out to each ward in the later stages of the consultation period.

Timings

50. The key dates for community engagement and subsequent deliberations are:

Date	Activity
30 April	Approval to consult discussed at Council
8 May-8 June	Community engagement and feedback period
9-12 June	Hearings - some also occur during the engagement period
15-19 June	Council deliberations
30 June	Council meeting to adopt plan

Options

51. The proposed CD includes two rates options for consultation with the community. A final decision on the Annual Plan and budget will be made in June.

Attachments

Attachment 1. 2020/21 Annual Plan Consultation Document [↓](#)

Page 17

Authors	Lloyd Jowsey, Team Leader, Planning and Reporting Amy Jackman, Advisor Planning and Reporting Raina Kereama, Team Leader Financial Planning Baz Kaufman, Manager Strategy Martin Read, Manager Financial Strategy & Treasury
Authoriser	Baz Kaufman, Manager Strategy Stephen McArthur, Director, Strategy and Governance Andy Matthews, Chief Financial Officer

SUPPORTING INFORMATION

Engagement and Consultation

A summary of the consultation and communication approach is outlined in the body of the report.

Treaty of Waitangi considerations

Mana Whenua will be engaged on the draft plan.

Financial implications

The financial implications are outlined in the report and the consultation document.

Policy and legislative implications

The report proposes that the Council make a decision that is inconsistent with Council policy, and includes proposed amendments to the Rates Postponement Policy.

Risks / legal

Not applicable

Climate Change impact and considerations

Not applicable

Communications Plan

A communications plan is in place to support the Annual Plan engagement process.

Health and Safety Impact considered

Not applicable

Annual Plan 2020/21

Consultation document

**In light of the Covid-19 pandemic,
this Annual Plan is subject to change.**

**Wellington City Council will continue to review the impact on
the budget for 2020/21. We will provide updates
at letstalk.wellington.govt.nz/annualplan2020-21**

We want your feedback

This document sets out our plan for the 2020/21 year. We first outlined the projects and sought feedback on them in Our 10-Year Plan for 2018 to 2028. We want to let you know what has changed since then and what you think of the changes. Remember that the Annual Plan is how we intend to invest from 1 July 2020 – 30 June 2021. For most of the specific projects in this plan there has been or will be other opportunities to provide feedback.

Information about our Covid-19 Pandemic Response Plan measures for 2019/20 is at wellington.govt.nz/coronavirus

How to have your say

There are five ways you let us know what you think:

- On our website – letstalk.wellington.govt.nz/annualplan2020-21
- Call our dedicated consultation helpline to request a physical submission form or to dictate a submission over the phone. (TBC)
- By email – email your submission using the form to: busannualplan@wcc.govt.nz
- Social media – post your views on facebook.com/wellingtoncitycouncil. And look out for our webinars.

Visit our website to read our supporting documents. The consultation will run from 8 May to 8 June .

What happens next?

We appreciate the feedback we get and we do take time to consider it.

The Mayor and Councillors are given copies of all submissions. We also prepare reports on the submissions so Councillors know how many there were and what the main themes and comments are.

If you wish to speak to your submission via an online meeting please indicate that on your form. It is unlikely we will be able to have face-to-face oral hearings because of the Covid-19 pandemic.

The Mayor and Councillors are scheduled to adopt the final plan on Tuesday 30 June 2020.

Contents

Introduction from Mayor and CEO	4
Section 1: Covid-19 and Wellington	5
Our changing city	5
The impact of Covid-19	6
Section 2: Financial summary	9
Operating Expenditure	9
Capital expenditure	10
Revenue	12
Rates for 2020/21	13
No changes to fees and user charges	16
Explaining our borrowing position	16
Section 3: Strategy area projects and programmes	18
Pārongo ā-tāone Governance	18
Taiao Environment & Infrastructure	21
Whanaketanga ōhanga Economic development	24
Oranga ahurea Cultural wellbeing	26
Kaupapa pāpori me ngā mahi a rēhia Social and Recreation	29
Tāone tupu ora Urban Development	33
Waka Transport	35
Appendices	38
Your Mayor and Councillors	38

Introduction from Mayor and CEO

***Note:** this is a draft placeholder, subject to confirmation from Mayor and CEO after the 30 April meeting. It is written on the assumption that, as at May 8 when the document is published, Level 3 is going well and we are likely to be in Level 3 or 2 during the consultation period. Updates will be made closer to the publication date to reflect the current alert level and likely scenarios.*

Working together to create a vibrant city fit for the future

What an interesting year 2020 has been so far, but we have pulled through together in a way we should all be proud of.

On 23 March, the Prime Minister made the call to put in place a national lockdown for a month. That vital decision meant we broke the chain of transmission of Covid-19 in our communities. As tough as the lockdown was for many of us, we have saved lives.

However, while we are now experiencing more social and economic freedoms, we know the lockdown has had a big impact on our lives and livelihoods. It is an impact that will continue under the different alert levels for many months to come, but the sooner we can get Wellington back up and running again, the better.

Here at Council, Covid-19 has had a significant impact on our operations and our balance sheet.

We have lost, and continue to lose, a large portion of our revenue from fees and user charges and our Wellington Airport dividend. Prior to the Covid-19 pandemic, the Council was facing significant cost increases in 2020/21 to deliver existing services and to respond to earthquake and resilience issues.

These are unsettled and unusual times. We need to look at different types of funding to ensure the city comes out of this pandemic in the best shape we can. If we were to follow our normal financial processes, the loss of revenue due to Covid-19 would result in a rates increase of 15 percent at a time when many businesses and residents are suffering. This is obviously unacceptable.

Therefore this year we are recommending a rates increase of 4.95 percent and to debt fund the loss of revenue. This is a balance between avoiding putting undue pressure on our rate payers now and the need to avoid impacting our budgets and rates in the future, which puts a burden on future ratepayers.

Rates help pay for many of the things Wellingtonians love about their city – the open green spaces, clean beaches, libraries, recreation centres, as well as our core roading, water and social services.

We have considered other options, including one for a 2.15 percent rates increase. This option is not supported by Council as it would mean significant rates increases in future years. It is likely that we would not have the budget for the repair and maintenance work needed on our infrastructure and assets.

We know many of you may be facing financial hardship at this time. It often seems like having no rates increase can be the solution. However this only affects a portion of your rates bill and can mean a reduction in Council services. This is something you have told us previously that you don't want.

We believe it is better to put in place measures to help you with the full rates bill in the short term, rather than just remove a small amount of next year's rates bill. We have already put in place processes to help

people pay rates for the final quarter of 2019/20 and we will consider similar options for the 2020/21 financial year. You can find the details of how we will help in this document.

We can get through this together. Wellington is a community with a strong heart – we’re a resilient city. We’ve overcome major issues in the past and we are winning this battle too.

We are seeking feedback on our rates options and encourage you to submit your comments to us via letstalk.wellington.govt.nz/annualplan2020-21 or through one of the other ways listed at the start of this document.

Section 1: Covid-19 and Wellington

The role of Wellington City Council is to deliver services that support a well-functioning city. We look after our city's infrastructure and invest in key projects that address the current and future needs of our people. In uncertain times it is important that we continue to invest in the city to ensure it is fit for the future.

This section outlines changes to Wellington since the Long-term Plan and also the impact of Covid-19 on our city, including an overview of our [Pandemic Response Plan](#).

Our changing city

Our 2018-2028 Long-term Plan (LTP) set out what we expected to deliver, how much it would cost and how it would be funded over that 10-year period. This Annual Plan is the third year of that plan, and the last before it is updated next year.

The LTP projected 2020/21 would have a total operating expenditure of \$559.1 million, and capital expenditure of \$261.8 million.

Since 2018, when we set our expectations for 2020/21 in the LTP, there have been several changes – the impact of Covid-19 is only one of these. Many of the other changes relate to earthquake and infrastructure resilience. Since 2018 Council has:

- Closed the Central Library and set up temporary services.
- Relocated more than 1,000 staff from Te Ngākau Civic Square to The Terrace.
- Included investment in our plans for Let's Get Wellington Moving in partnership with the Government and region.
- Started several large projects including the Town Hall and St James Theatre strengthening and the new Convention and Events Centre.
- Undertaken a revaluation of our infrastructure assets. Values have increased significantly reflecting the higher cost of replacing assets. This means an increase in rates-funded depreciation.
- Invested in staff, technology and systems so we can better meet the needs of our customers.

These changes and challenges have put extra pressure on our expenditure budgets. We are now also forecasting a revenue loss of about \$38m in 2020/21 as a result of Covid-19.

Overview of our core business

Our plans for the year and the funding for those projects are divided into seven areas.

Our strategic areas

- **Governance** – We inform residents, and engage with them about the city and the issues it faces, manage local elections, and work with mana whenua to make decisions in the best interests of the city and its people.

- [Environment & Infrastructure](#) – We provide water, stormwater and wastewater services and look after waste reduction and disposal. We fund conservation attractions, and look after parks, reserves, tracks and walkways.
- [Economic development](#) – We attract and support business activity, market Wellington to tourists from New Zealand and overseas, and own and operate performance venues and conference facilities. We also help promote links with sister cities such as Sakai in Japan.
- [Cultural wellbeing](#) – We fund city events and festivals such as the New Zealand Festival and CubaDupa. We support attractions, galleries and museums, and community art and cultural activities.
- [Social and recreation](#) – We provide community and social facilities throughout the city. This includes social housing, libraries, community centres, swimming pools, sportsfields and playgrounds. We also work to reduce homelessness and begging, and improve city safety.
- [Urban development](#) – We manage urban planning and design, control building activity and land use, and assess risks from earthquake-prone buildings. We also develop and enhance public spaces.
- [Transport](#) – We provide and maintain roads, bridges, tunnels, walls, cycleways, and pedestrian paths. We also provide bus shelters, bus stops and bus lanes, and signs and traffic signals.

In the [Section 3: Strategy Area Projects and Programmes](#) section of this document we outline the key changes since Our 10-Year Plan 2018-28, the work programme for the year and any changes to fees and user charges.

The impact of Covid-19

We are in the middle of an unprecedented situation and need to work together to get through and ensure our city remains fit for the future.

The full impact of the Covid-19 pandemic will not be fully known yet for some time, but it will change the way New Zealanders live, work and play. For the economy this is not just an impact on our business sustainability and Council's balance sheet, but also on people's jobs and their ability to pay their bills and feed their families.

At this stage many factors that allow us to plan for the long-term future of Wellington are extremely unpredictable. While we made the move to Level 3 on April 28, we don't know how long the pandemic will last for or how long there will need to be a focus on city recovery. We also don't know how much more support will be provided by Central Government. This means we are planning for many different future scenarios and some level of change to the final Annual Plan is expected in June, when we will know more about the way forward.

This year, Covid-19 will have a significant impact on our budgets.

We are now expecting debt to cover \$62m (10.7%) of operational expenditure – our day-to-day spend. This is up from \$13.5m (2.4%) in 2019/20. We also collect revenue from fees and user charges, grants, Central Government subsidies, and other sources such as interest and dividends from investments which, alongside

rates, pay for operating expenditure. These other revenue sources have also been significantly impacted by Covid-19, as detailed in [Section 2: Financial Summary](#).

We also borrow money to fund upgrades to our assets or to invest in new infrastructure. This is called capital expenditure. We do this as it allows us to spread the cost of funding this expenditure over the multiple generations that will benefit from the investment. The impact of Covid-19 on our revenue means we are proposing to increase the amount we borrow this year to cover our losses.

We have also developed a [Pandemic Response Plan](#), which is outlined in the Appendices, with measures to help our city through the crisis. Many of these measures will take place in 2019/20, but have an impact on our budgets in 2020/21.

Section 2: Financial summary

This section is the financial summary for the 2020/21 year. It includes information on how Covid-19 has impacted our [Operating Expenditure](#), [Capital Expenditure](#) and [Revenue](#), as well as a comprehensive outline of [rates for 2020/21](#) and options for those impacted by the pandemic. This section also outlines why there are no changes to [fees and user charges](#) and our [borrowing position](#).

The Council delivers numerous quality services to its residents – everything from roads, footpaths, and libraries to festivals, museums, sportsfields and animal control. The total value of the facilities and assets Council uses to deliver services to Wellingtonians is \$7.2 billion.

Operating Expenditure

Prior to the Covid-19 pandemic the Council was facing significant cost increases in 2020/21 to deliver existing services and to respond to earthquake and resilience issues. These included setting up temporary library services after the closure of the Central Library. Higher asset values also meant that we needed to put aside more money to ensure crucial city infrastructure was maintained and replaced. The extra costs totalled \$53 million. If we didn't look to manage the funding impact of these cost increases it would have been equivalent to a 16% rates rise.

Therefore, before the pandemic we had already reduced the impact on rates by setting an organisational savings target of \$3.2m and accepted a range of other budget risks. We also reviewed costs where the benefits will occur over several years and considered whether these be debt funded to take the pressure off 2020/21 rates. There is more detail on this in the [Borrowing Position](#) section.

Covid-19: The impact and response

Since the Covid-19 lockdown, we have had some minor cost reductions. These include energy costs and some of the operating expenses in our closed facilities, but generally Council still needs to pay the majority of the costs that maintain services in the city.

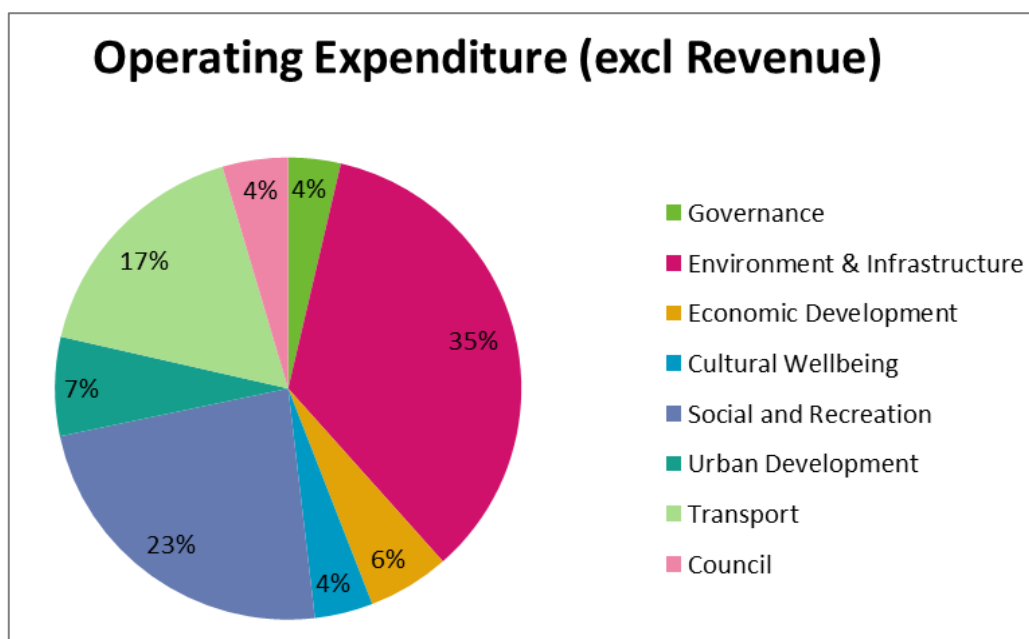
The crisis also has implications for each of our Council Controlled Organisations (CCOs). The primary and almost immediate impact was the collapse of third party external revenues. As many of our CCOs rely on Council funding to support the services they provide, including the Zoo, Wellington Museums, and Wellington Venues, we expect Council costs to increase to ensure they can thrive after Covid-19. We have made an extra \$2.4m provision in our 2020/21 draft budget for this.

The Council is trying to balance making cost savings with protecting the jobs of our staff and maintaining service levels. The Executive Team have taken a 10% pay cut for six months and a salary freeze for a year. The Mayor and Councillors are also making a donation to community organisations equivalent to 10% of their salary to show their personal support for the city. This is in addition to \$1m of extra Council funding in 2019/20 and \$500k in 2020/21 for community initiatives.

In addition to the \$3.2m savings target and budget risks already assumed, but the CEO is undertaking a thorough review of Council costs to ensure all savings have been identified.

The draft budget

The cost of delivering and running Council services in 2020/21 is forecast be \$576m or \$7.30 per resident per day. As mentioned this is a \$53m increase on last year, which primarily relates to increased depreciation due to new assets and a property revaluation, and inflation on contracts and personnel costs. We will be trying to reduce costs further to avoid additional rates pressure while we recover from Covid-19, but our plan also assumes we will not be reducing service levels. This presents a significant challenge as our budget already contains some risks and uncertainty around additional costs the Council might incur as part of our Covid-19 Pandemic Response Plan.



The graphic illustrates the proportion of planned operational expenditure in each of our seven strategic activity areas. Our Priority areas ensure we allocate spending based on what is important. The biggest area of organisational expenditure is Environment & Infrastructure at 35 percent of the total gross operating expenditure of \$576 million; Social and Recreation and Transport follow at 23 percent and 17 percent respectively; Economic development, Urban development, Council organisational projects, Arts and Culture, and Governance follow, each with under 10 percent of total operational expenditure

Capital expenditure

Capital expenditure is used to renew or upgrade existing assets or to build new assets to provide a higher level of service or account for growth. Our assets include buildings, roads and footpaths, water, stormwater and wastewater pipes, libraries, swimming pools, and sportsfields.

We have a significant capital expenditure programme in place, with \$259m originally planned for 2019/20 and \$295m for 2020/21. The 2020/21 programme includes significant investment in our water, stormwater, wastewater and transport networks, as well as multi-year projects to earthquake strengthen the Town Hall and St James Theatre, and the city's new Convention and Exhibition Centre. Prior to Covid-19, Council was forecasting that approximately \$42m of 2019/20 planned capex would not be delivered and the budget deferred to future years.

Covid-19: The impact and response

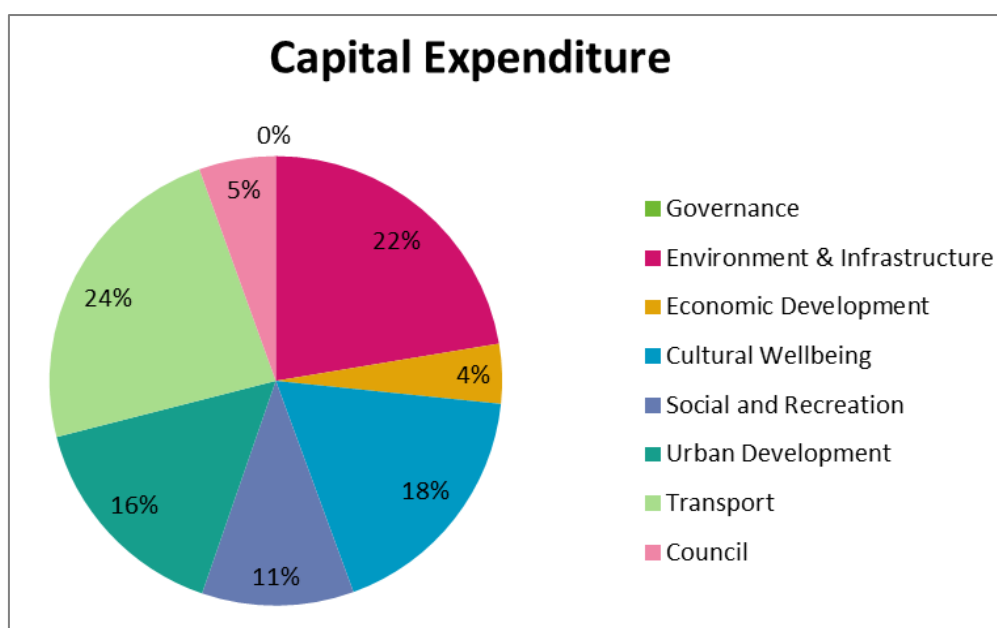
All of the physical works on Council's capital expenditure projects were put on hold as a result of Covid-19 alert Level 4. While work on many projects restarted under Level 3, we expect a further \$23m of planned 2019/20 capital expenditure to be deferred. There is also continued uncertainty on capital project delivery throughout 2020/21 because of the economic impacts of the pandemic. It is unlikely that we will be able to complete the 65m of carry forward in expenditure on top of the significant capex programme already planned. We are assuming that a similar capex underspend (\$65m) will be deferred from 2020/21 into future years. Specific project implications will be reviewed prior to finalisation of the annual plan in June. This reduces the borrowing required for capex in 2019/20 and partly offsets the temporary increase in debt funding required to support the rates deferral proposal in Council's Pandemic Response Plan.

At this stage Council is not proposing to stop any capex projects currently planned for 2020/21. However, we may need to reconsider our work programme depending on the response to our submission to Central Government's request for identification of 'shovel ready projects'. Most of the projects in our 2020/21 draft budget are already in progress and stopping them will incur costs rather than save money. We also think it is important that we continue to invest in Wellington to ensure jobs are retained and the city is fit for the future.

It's also important to note that we borrow to fund capital expenditure, so stopping capex projects will have little impact on 2020/21 rates. However, the Council will be reviewing and reprioritising projects as part of the 2021-31 Long-term Plan.

The draft budget

Total proposed capital expenditure for 2020/21 is \$295m. This is a small increase from what was included in the 10-Year Plan. The variances primarily relate to the refinement of costs and timings on major building and water projects. For a more detailed explanation of the planned work programme please see the **Key projects** sections in [Section 3: Strategy areas projects and programmes](#).



The graphic illustrates the proportion of planned capital expenditure in each of our seven activity areas. Our Priority areas ensure we allocate spending based on what is important. The biggest area of capital expenditure is Transport at

24 percent of the total capex of \$295 million; Environment & Infrastructure, Arts and Culture, Urban Development, and Social and Recreation follow at 22%, 18%, 16% and 11% respectively; Council organisational projects, Economic development and Governance follow each with under 10 percent of total capital expenditure. Cultural Wellbeing and Urban Development are higher than usual this year, because of construction costs for the Town Hall and St James Theatre seismic strengthening, and the new Convention & Exhibition Centre.

Revenue

Prior to the Covid-19 pandemic, Council was considering several increases to fees and charges to maintain the balance between how much is funded by users of some services and how much is funded by rates, as outlined in our Revenue and Financing Policy. We were expecting a total \$11m in increased revenue from fee increases, the most significant increases being in building consent, parking and landfill fees.

Covid-19: The impact and response

The loss of non-rates operating revenue is the most significant financial impact facing Council as a result of Covid-19. Forecasts indicate that non-rates revenue will be down by \$20m in 2019/20, because of lost revenue from the closure or reduction of Council services during different Covid-19 alert levels. This will result in an operating deficit for the 2019/20 year, which Council will need to borrow to fund.

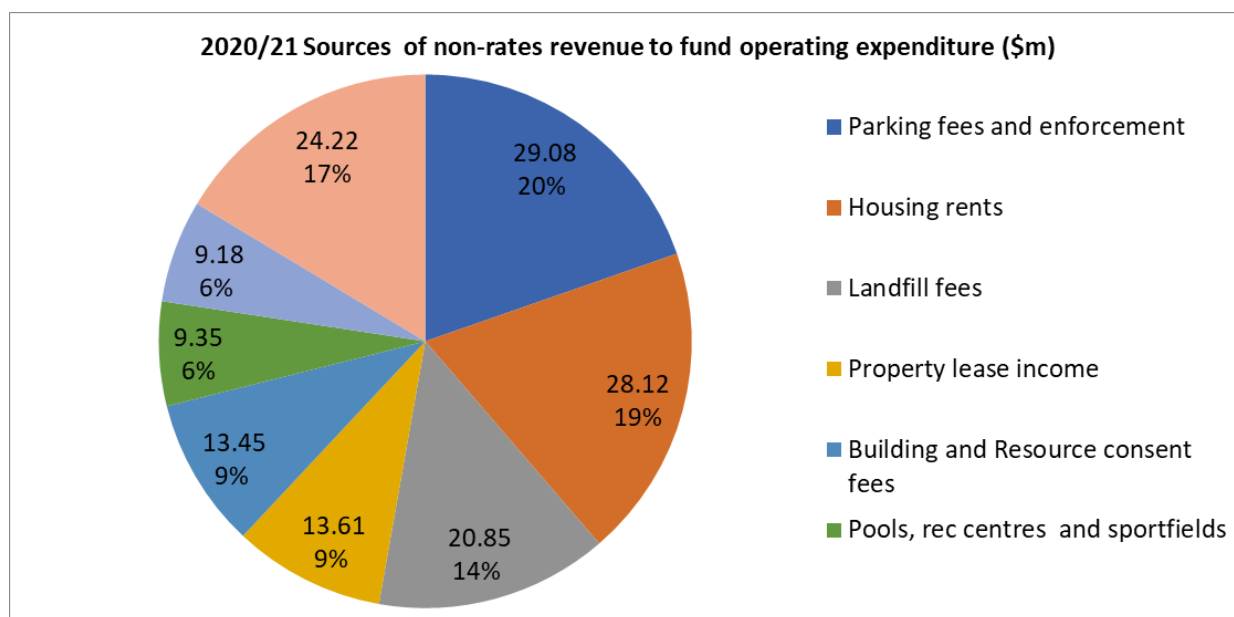
We are also budgeting for significantly lower revenue from fees and charges in 2020/21. While there is still uncertainty in when fee-paying Council services will be fully functioning, we estimate this revenue will be \$38m below policy expectations. The general assumption is fees and charges revenue will be approximately 60 percent of predicted levels in July 2020, increasing to 100 percent by the end of October 2020. For some of our services we have modified this assumption based on more concrete evidential estimates.

Part of the loss of revenue results from our proposal to cancel the originally planned fee and user charges increases. This will ease the impact on the community as we recover from the Covid-19 pandemic. We are also not expecting to receive a dividend from our shareholding in Wellington Airport in 2020/21.

Alongside the fees and user charges revenue, there is a risk to Council's lease and property revenue as a result of tenant hardship. A combination of short-term rent abatement and deferred payment of rents is proposed as part of the Council's Pandemic Response Plan.

The draft budget

Under the Council's current funding policies, an additional rates increase of 12% percent would be needed to offset the \$38m shortfall in non-rates revenue. This is clearly intolerable at any time. Therefore we are proposing – as a one off – to debt fund this loss of revenue instead of increasing rates. Total recurring non-rates operating revenue is forecast at \$148m.



Rates for 2020/21

We set our rates based on the needs of the community, their demand for services and affordability in rates. This year we are considering two options for a rates increase, with the preferred option being an increase after growth of **4.95%**. This is below the 7.1% forecast in the 2018-28 Long-term Plan and the 9.2% signalled earlier this year.

Base rate for core services- before Covid-19 impact

Rates are spent on the day-to-day services, facilities and the running of Council. Rates also need to cover inflation in costs and the depreciation of assets.

As outlined earlier in this section, there were already significant cost pressures on our core services before Covid-19 and we were working on ways to reduce the impact of these on rates. The 2020/21 pre-Covid-19 budget and rates increase of 9.2% already assumed about \$10m in budgeted risks and savings targets.

To further mitigate the 9.2% rates increase, we made the decision to propose delaying rates-funding projects such as Let's Get Wellington Moving and Te Ngākau Civic Precinct master-planning for a further year. These projects will continue, but will be funded by borrowing in 2020/21. This brought the rates down to 7.1%, as proposed in the week before the lockdown was announced.

Once the city went into lockdown, we had to consider how to manage the above cost pressures and risks, while also needing to mitigate the significant impact of forecast lost revenue and the reality that many in our city are now struggling. Consequently, we are proposing to debt fund this revenue loss (after reviewing costs) and are recommending rates Option A below.

Rates Option A – 4.95% increase (preferred option)

Our preferred option maintains current service levels, while also including extra debt funding of \$48m. This is equivalent to an extra 15% of potential rates transferred to debt. It still includes Council making organisational savings and carrying extra financial risk. This is made up of:

- the one-off impact of \$24m lost fees and charges revenue in 2020/21
- \$14m expected revenue loss from the Wellington Airport dividend
- \$10m of funding adjustments to spread costs over the period of benefit

This option provides a pragmatic balance between managing the pressures on current ratepayers and ensuring the Council remains financially sustainable in the future. The actions of today should not impact unfairly on ratepayers in the future.

In debt funding the one-off shortfall in operating revenue anticipated in 2020/21 we are ensuring the borrowing proposed is for a specific purpose. While this does not meet the S100(i) balanced budget provision of the Local Government Act, it can be resolved that it is financially prudent due to the one-off nature, with revenues expected to recover in following years and repayment of the debt incurred in 2020/21 over a 10-year period to avoid a significant single-year impact on future ratepayers.

It is also considered the most financially prudent and transparent of the two options.

Option A is recommended.

Rates Option B – 2.15% increase

This option will deliver the same levels of service and will also debt fund the \$48m as outlined in Option A. However, this option does not rates fund the additional depreciation costs incurred from the 2020 infrastructure revaluation. Instead, in 2020/21 this is funded from additional borrowing of \$11m, meaning a total \$59m in debt funded operating costs, which will then be repaid over the subsequent ten years.

This achieves a rates increase of 2.15% in 2020/21. However, it also increases future rates funding to repay the debt and accumulated interest.

This option is not recommended because it does not meet the balanced budget requirement as per the Council's financially prudent Revenue and Financing Policy or in a manner that promotes the current and future interests of the community as required in the Local Government Act.

Funding of depreciation is how we fund the replacement of infrastructural assets. Reducing depreciation funding at a time when we need to increase our funding of infrastructure is not recommended. As a one-off solution it will also result in a significantly higher rates increase in the 2021/22 year. **This is not Council's preferred option.**

Proposed 2020/21 Annual Plan Rates Options Compared	Option A	Option B
Rates increase 2020/21	4.95%	2.15%
Rates increase in 2021/22	10%	14%
No increase in fees in 2020/21	✓	✓
No reduction in service levels	✓	✓
Debt funds revenue shortfall, reducing the impact on ratepayers in 2020/21	✓	✓
Additional debt funding is 'one-off' so minimal impact on future years	✓	X
Likely to meet financial prudence test	✓	X
Meets balanced budget requirement	X	X
Recommended	✓	X

Why is 0% not an option?

We know many of our ratepayers are struggling and there has been discussion of a 0% rates increase for the 2020/21 year. We believe that it is of more benefit to provide flexibility for how and when rates are paid, than to put too much burden on future ratepayers by setting an unrealistically low rates increase. A 0% increase now will mean significantly higher increases in following years.

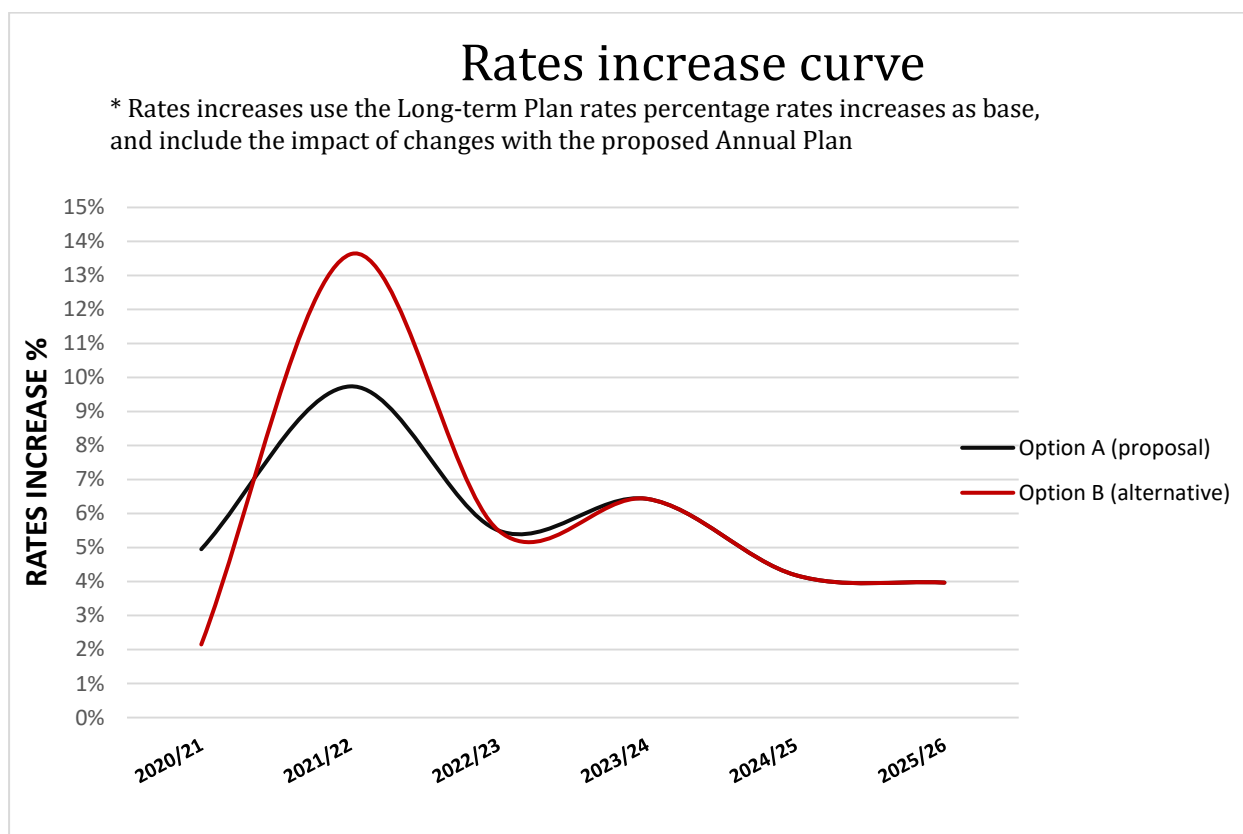
Analysis also shows that short-term rates relief, in the form of deferred payments, is able to provide comparatively more cashflow benefit to those ratepayers that are genuinely cash strapped. This is because the rates deferral is on the whole rates bill, whereas the difference between a 4.95% and a 0% rates increase only impacts a fraction of the overall rates bill.

The Council has agreed to a six-month rates deferral of the final quarter 2019/20 rates payment for ratepayers that are impacted due to Covid-19. This has more than three times the net cashflow benefit to ratepayers than a one-year rates freeze. For those requiring help paying the 4th instalment of rates in 2019/20, please refer to your rates bill or wellington.govt.nz/rates for more information.

The impact on future years

Unfortunately the artificially low rates increase for 2020/21 means there will be higher increases in future years. We expect fees and charges revenue to recover in following years, so the impact on rates will be about \$4.8m – a tenth of the \$48m we are planning to debt fund in 2020/21. By the 2021/22 year, ratepayers will also need to start paying for LGWM costs incurred in the previous two years, the cost of setting up temporary central city library services and additional water and building resilience costs that will be spent in 2020/21 but not rates funded until 2021/22. The combined impact of these not being funded this year will result in an **extra 5% increase in 2021/22**. This will be on top of the 2021/22 proposed rates increase.

The forecast 2021/22 rates increase will be significantly higher if the option of a 2.15% rates increase is adopted for 2020/21. This is because to get rates down to this level means not rates funding some depreciation. This is not sustainable so ratepayers would need to fund this again from 2021/22, resulting in an **extra 9% increase** on top of the proposed rates increase for 2021/22.



This graphs models year-on-year rates increases for the proposed option A and alternative option B for the next six years, including 2020/21. The higher rates in year 2021/22 (approx. 14%), represented by the red curve (option B), is caused by the deferral of rate-funding depreciation from the infrastructure revaluation in 2020/21 and its subsequent rates funding in 2021/22 along with repayment of the deferral over 10 years including associated interest costs.

What are rates for, and why are they important?

There has been significant media coverage calling for a reduction in rates or for them to be scrapped altogether. However, in the same way our taxes contribute to the running of the country, rates are important to ensure Wellington continues to function.

Some of the services and facilities that Wellingtonians receive through their rates include:

[Infographic displaying the numbers below]

- 81 million litres of drinkable water piped per day
- 671 km of stormwater pipes maintained and upgraded
- 700km of footpaths maintained and upgraded
- 105 playgrounds maintained and upgraded.
- 270,675 calls answered by our Contact Centre staff.
- 1,325,792 free recycling bags provided and collected
- 800,000 resources in City Archives.
- 95,000 native plants planted with the community
- 650,000 items can be borrowed from our 13 libraries
- 350km of walking and biking tracks maintained
- 195.1 sqm of open space per Wellingtonian
- 14,500 LED street lights operated

How do rates work?

Our rates revenue is split between targeted rates and general rates. The Council is planning to collect \$342m (GST exclusive) of rates during 2020/21.

General rates are paid by all ratepayers and applied to services which benefit the whole community, for example, maintaining parks and walkways, operating our libraries, and renewing our roads and footpaths.

Targeted rates are paid by a specific group of ratepayers who receive a specific service – for example water, stormwater and wastewater services in rural areas, and business improvement districts (BIDs).

Whether you rent, own a home or a business in Wellington you'll be contributing to Council rates either directly or indirectly.

Your money helps us deliver more than 400 day-to-day services and also pay for the borrowings used to fund big capital projects across Wellington.

Rates payment flexibility

We are proposing flexibility for how and when rates are paid for 2020/21 for ratepayers who are impacted by Covid-19. For those requiring help paying the 4th instalment of rates in 2019/20, please refer to your rates bill or wellington.govt.nz/rates for more information.

Rates related policy changes

Rates Postponement policy

We are proposing some changes to our rates postponement policy to enable better support to ratepayers facing financial hardship during the Covid-19 pandemic. The changes below are proposed as an addition to our existing policy which caters for rates postponement for residential and commercial ratepayers facing financial hardship. Residents can apply for a rates deferral under the existing policy criteria. Applications for a rates postponement must be made in writing. New criteria for commercial ratepayer's rates deferral due to Covid-19 are proposed to be added as follows:

Covid-19 Pandemic Response Rates Postponement

Relief of up to six months rates postponement (deferred payment) can be provided for commercial, business and industrial ratepayers.

Criteria for the postponement of rates for commercial, industrial and business ratepayers in cases of financial hardship due to the Covid-19 pandemic are as follows:

- i. Commercial (Non-residential) ratepayers or their tenants will be able to illustrate experiencing financial hardship resulting from natural disaster or other type of local or national emergency e.g. Covid-19 through either:
 1. Qualification for Government Covid-19 wage subsidy; or
 2. Qualification for Government Covid-19 Business Finance Guarantee Scheme; or
 3. Qualification for a mortgage 'holiday' from the bank;

4. Qualification for other Government funded schemes or initiatives relating to the natural disaster or other type of local or national emergency
- ii. Show that benefits of relief are passed through to tenants.
- iii. The rateable property is not owned by a central government agency, crown entity, state owned enterprise or utility company as these are excluded from qualification.

This postponement relates specifically to the 2019/20 4th quarter rates invoice (due 1 June 2020). Deferred payment will attract interest at a rate of 2% per annum. Interest will be calculated quarterly (and added to the postponed rate amount) on the unpaid balance (as at 2 June 2020) of instalment four of the 2019/20 rating year, as at on the 15 July 2020 on 15 October 2020.

This rates postponement ceases on 31 December 2020, unless extended by a resolution of Council prior to that date. This may be in the form of an extension to the duration of the period of postponement of the 2019/20 4th quarter rates and/or the inclusion of postponement of one or more 2020/21 rates invoices.

Rates instalment penalties and rates arrears penalties relating to successful applications will not be added during the period of approved deferral. All other outstanding unpaid balances will attract the normal penalty fees.

Rates remission policy

We are also proposing to change our rates remission policy to remove the 'first home buyer's rates remission'. A rates remission of up to \$5,000 (incl. GST) is available for those who build their first home or apartment in Wellington, or purchase a newly built home or apartment off plans. The objective of the remission was to assist first home builders and promote the supply of housing in Wellington city. Since the introduction of the remission in rating year 2018/19 the uptake has been low with only 130 successful applications over two years.

Affordability of new housing relies on multiple factors, such as market and regulatory conditions, interest rates, borrowing capacity or affordability of insurance. Therefore, the remission alone does not drive the appetite for new built housing. The rates shortfall created by the remission is redistributed to the remaining residential ratepayers. Some of them will be more financially disadvantaged than the remission applicants.

With this in mind, Council is proposing to remove the remission for first home buyers from 2020/21 Annual Plan onwards. All ongoing and approved remissions will be honoured, however no new remissions will be granted from 1 July 2020.

For more details, please refer to section 2.8. of the Rates Remissions Policy published on our website.

No changes to fees and user charges

Our Revenue and Financing Policy guides our decisions on how to fund Council services. Under the policy, we take into account who benefits from a service (individuals, parts of the community, or the community as a whole) because this helps us determine how the service should be funded. The policy sets targets for each Council activity, determining what proportion should be funded from the user charges, general rates, targeted rates and other sources of income.

Because of the unusual circumstances arising from the Covid-19 pandemic no increases are proposed to fees and charges this year, as we want to ensure we are doing all we can to help the residents and businesses to recover. We are proposing to fund this shortfall through borrowing. This isn't sustainable in the long-term, so there are likely to be larger fee increases in the 2021/22 year.

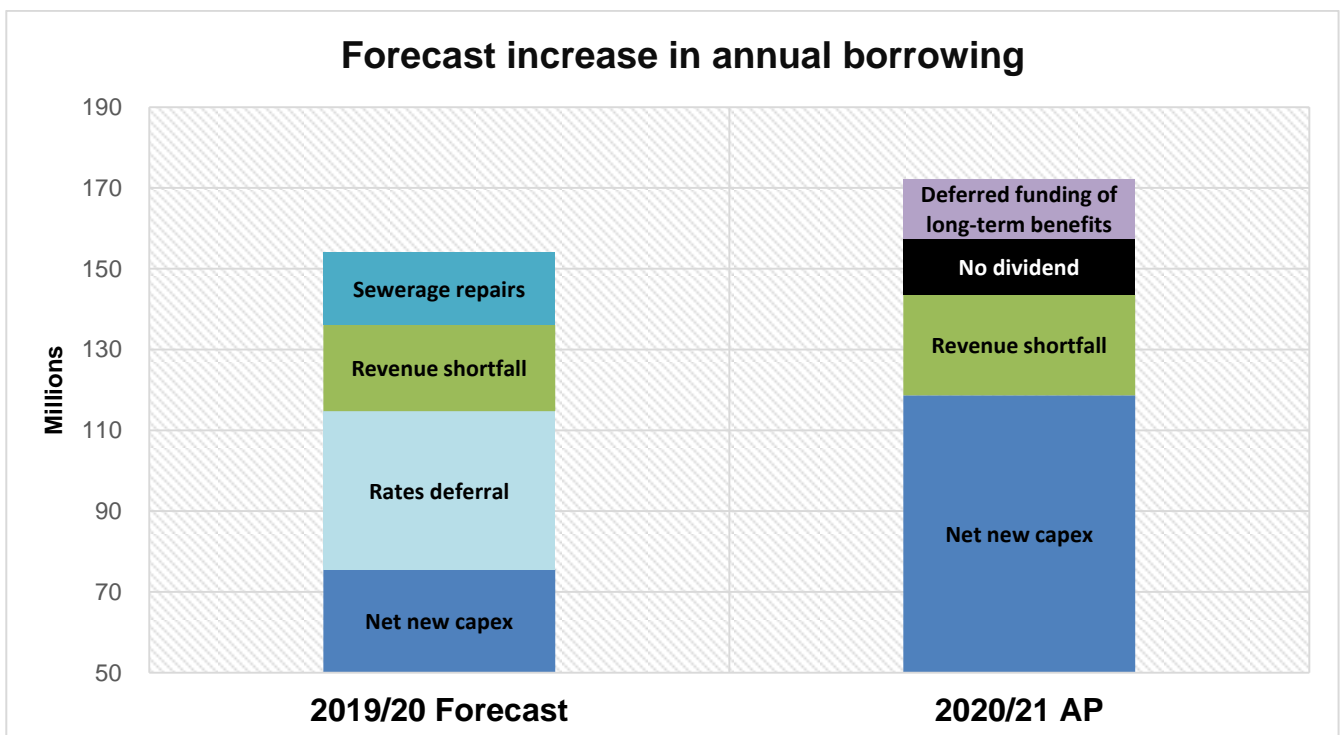
Explaining our borrowing position

We borrow to fund upgrades to our assets or to invest in new infrastructure. We do this as it allows us to spread the cost of funding this expenditure over the multiple generations that will benefit from the investment.

Our policies also allow us to use debt to fund operating expenditure where the benefits are received over several years. This avoids ratepayers having to fund the whole cost in one year. We were due to start paying for costs for Let's Get Wellington Moving, temporary library services and additional water resilience in 2020/21, but have deferred this to keep the rates increase as low as possible – but it does mean the rates increase will be higher next year once we start rate funding these costs.

Due to the abnormal situation created by Covid-19 we are also planning a variation from our Revenue and Finance Policy and the balanced budget requirement this year. This means we are proposing to fund the gap caused by lower fee and user charges and dividend income through borrowing. This is prudent so long as the revenue recovers in future years. But it does have to be paid for eventually, so we are planning to spread this cost over the following 10 years.

For 2020/21 total borrowings are forecast to increase by \$172m. Of this increase, \$119m is due to borrowing for capital expenditure (Capital programme budget minus depreciation and repayments) and \$53m due to deferred rates impacts. Borrowing is forecast to be \$871m at the end of the year, this equates to 162 percent of our operating income compared to the Council imposed cap of 175%. This compares to \$849.4m forecast for June 2021 in our 2018-2028 Long-term Plan.



In Wellington the average household earns \$143,577 a year. Our debt is the equivalent of our average household having a mortgage of about \$233,000. By the end of the 2020/21 year, the average borrowing per resident is forecast to be \$4,024.

Section 3: Strategy area projects and programmes

The following pages outline key projects for each of our seven strategic area. It explains what services we provide for the city in each area, and our planned work programme for the year.

We have not made any changes to our work programme in response to the Covid-19 outbreak. This situation may change and we will keep Wellingtonians posted as the situation evolves. The impact the pandemic has had on our strategic areas is outlined in each chapter, which can be navigated to through the links below.

Our strategic areas

- [Governance](#)
 - [Environment & Infrastructure](#)
 - [Economic development](#)
 - [Cultural wellbeing](#)
 - [Social and recreation](#)
 - [Urban development](#)
 - [Transport](#)
-

Pārongo ā-tāone | Governance

We aim to build trust and confidence by being open, transparent and accountable.

What we do

This strategic area includes activities which enable democratic decision making. This includes encouraging public participation in consultation, like this one. We also:

- Run local elections
- Schedule, run and record Council and Committee meetings and decisions
- Communicate with the public about our services and decisions
- Create, update and review policies, bylaws and strategies to guide the city's decision makers
- Make submissions to Central Government legislation relevant to Council's work
- Partner with mana whenua and Māori

- Work to revitalise te reo Māori through our Te Tauihu action plan
- Maintain our City Archives
- Run Arapaki Service Centre and the Contact Centre
- Respond to Local Government Official Information and Meeting Act requests

Impact of Covid-19

Engagement and consultation on the developments and reviews of our policies, strategies and plans is expected to continue in 2020/21. However, the timing of our engagements may change because of the impact the lockdown has had the preparation of the work and our ability to engage with the public.

There will also be greater emphasis on engaging through online and social media channels, and holding virtual oral hearings. We are currently working through how to make this process as accessible for all parts of our community. Our consultation and engagement will also continue to follow the requirements and guidelines for different Covid-19 alert levels.

Covid-19 has also had an impact on the budget for the Governance area, as outlined below:

- Council has set a \$3.2m efficiency target for 2020/21 year.
- There will be a 10 percent reduction in salaries for Elected Members and the Executive Leadership Team for 6 months.
- We will also explore further savings opportunities and for these to be considered in June before the final budget and plan is adopted.
- We will review the Rates Postponement Policy to ensure it is fit for purpose and supports residents who may be unable to afford their rates in 2020/21.

The above actions are in addition to financial support and rates and rent relief tools that are already in place to support Wellington businesses and households between now and the end of June.

The money talk

	2020/21 Annual Plan
Operating expenditure	\$20.935m
Capital expenditure	\$0

Key projects in 2020/21

In 2020/21 we will continue to operate our Governance services, which include working with our mana whenua partners, operating our Arapaki Service Centre and our call centre, supporting elected members and seeking public feedback through consultations.

Strategy and Policy work programme

Under our Governance area we work to ensure we have up-to-date bylaws, policies and strategies to help guide the city. This includes: management plans for our Outer Green Belt, South Coast, Parks & reserves

and other Open Space; social policies for City Housing, Wellbeing, Libraries, Homelessness, and Dog Control; and transport strategies and policies for cycling, parking, walking and electric vehicles.

Many of our policies, plans, bylaws and strategies are legally required to be updated in a set time frame and we consult with the public when they are reviewed. This work is made available through the committee forward programme, which is regularly reviewed by Councillors.

Policy work in 2020/21 will include developing a new Economic Strategy, an Arts and Culture Strategy, a review of the Dangerous and Insanitary Buildings policy, how we might regulate the Beauty Industry, our approach to Footpath Management and Trading in Public Places, changes to the Traffic Bylaw to accommodate delegations from NZTA, an update of the Procurement Strategy, a review of our Gambling Venues Policy, and the regional waste management bylaw.

The above is a highlight only, and the full forward programme of work that will be considered by Council committees is publicly available [here] and a programme of future consultation is outlined on our website [here].

Mana whenua and Māori - he waka eke noa

This year we will review our memoranda of understanding with our mandated iwi mana whenua partners. It is intended that the updated MOUs will improve how we meet our legislative obligations under Te Tiriti o Waitangi, strengthen our partnerships and achieve mutual outcomes for the city.

In 2020/21 we will also work with iwi mana whenua entities and the Māori community to:

- Develop cultural landscape principles that will influence our place planning and city design outcomes;
- Continue to revitalise Te Reo Māori in our city and within council (Te Tauihu Te Reo Maori policy and action plan); and
- Reflect the aspirations of the Wellington Regional Māori Economic Strategy (Te Taurapa Māori Growth and Success Strategy - in development)

He waka eke noa – We are all in this together

City Archives

We also maintain our City Archives collection of more than 800,000 items as the primary information resource for the history of Wellington. In December 2019, we launched Archives Online, part of a wider programme to make Wellington City Council's archives more accessible and to offer our services online. Anyone can now search online to discover what we have in our collections. Many of our digitised records are available for download and the public can request items to be digitised. The work to improve our archive services will continue in 2020/21.

Taiao | Environment & Infrastructure

We aim to protect and enhance Wellington's natural environment.

What we do

This strategic area includes activities and services from our large and diverse environment portfolio, from our hills and green spaces to the coast. In this area we:

- Maintain more than walking and biking tracks
- Ensure the Botanic Gardens are cared for and maintained to a high standard
- Conserve the natives planted in Otari-Wilton's Bush
- Maintain 4,073 hectares of open green space including parks and sportsfields
- Through Wellington Water, provide clean and safe drinking water, and wastewater and stormwater services.
- Support Wellington Zoo and Zealandia in their conservation and visitor attraction work.
- Work to make Council facilities and services more energy efficient.
- Encourage waste minimisation and actively divert more than 15,000 tonnes waste of from the Southern Landfill.
- Operate the Tip Shop and Recycling Centre at Southern Landfill.
- Investigate, monitor and work to adapt to the effects of climate change.
- Help make the city more resilient and the environment more able to cope with shocks.
- Work to enhance Wellington's biodiversity, including extensive trapping with Predator Free and Capital Kiwi

Impact of Covid-19

The activities and work programme for this area is currently expected to continue as planned for 2020/21.

However, it is important to note that there are several large multi-year capital projects planned and there are a few factors that could impact these projects. These include that the construction sector is under stress due to the lockdown, and that the Government's stimulus package is likely to be heavily focused on short-to-medium term projects, so there will be some market disruption. Therefore the timing and costs for some capital projects may require further refinement in June before we adopt the plan and also during the year.

In terms of the budget, a reduction in revenue is forecast for Zealandia and Wellington Zoo because of a reduction in cruise ships and tourists for the 2020/21 summer and the consequential reduction in overall visitor numbers at these visitor attractions. This draft plan proposes that borrowings are used in 2020/21 to offset foregone revenue.

The money talk

	2020/21 Annual Plan
Operating expenditure	\$200.613m
Capital expenditure	\$65.963m

Key projects in 2020/21

Three waters work programme

Wellington Water Limited (WWL), a Council Controlled Organisation, is accountable for operating and maintaining our water, wastewater and stormwater (three waters) networks and managing renewal and upgrade projects. Water infrastructure is a key area of focus for 2020/21 and the up-coming 2021-2031 Long Term Plan. A Mayoral Taskforce has been set up to better understand the state of Wellington's water network, and to provide a recommended action plan to help inform the 2021-31 Long-Term Plan.

Along with routine business, in 2020/21 Wellington Water's work programme will have a specific focus on the planned new Omārōro reservoir and analysing options for a Sludge Minimisation Utilisation and Reclamation Facility. We will be confirming the scope and budgets for the Omārōro project prior to finalising this Annual Plan in June.

We are proposing to provide WWL with additional funding as part of this Annual Plan:

- To better respond to water leak detection
- To establish roving teams focussed on our improving our urban waterway quality
- To undertake condition assessments of assets for better quality planning
- To cover increased costs in wastewater treatment
- To cover increased operating costs, working hand in hand with some cost efficiency targets

Waste diversion trial

Waste is now a mainstream environmental and sustainability challenge for all New Zealanders. It affects all of us on a micro level, at home and at work, and it's increasingly becoming an area of interest and concern for New Zealanders. The Wellington Region Waste Management and Minimisation Plan (RWMMP), a collaborative plan formed by 8 councils of the Wellington Region, identifies a range of actions to promote effective and efficient forms of waste management and minimisation. The plan sets an aspirational waste reduction target for the region, which is to reduce the total quantity of waste sent to landfill by one-third over 10 years.

Wellington City's Waste Operations team has several key areas in waste where we are looking to make substantial improvements. Our key focus for in this annual plan is investigating options for household food waste. Planning is well underway for a kitchen waste diversion trial, which aims to minimise organic waste to landfill. The anticipated go-live date is August 2020, and the trial will include several options including a kerbside collection and enhanced home composting. The trial will run for 12 months with a budget of \$500k. Following the trial, we will present options to Council for further decision making.

Southern Landfill extension

We currently have approximately four years remaining in our existing stage of the Southern Landfill, and the new extension will be required by July 2023. A closure of the landfill would result in waste and sludge being transported to other landfills. As part of the Southern Landfill proposed extension project, Council waste officers have consistently maintained that extending the Landfill is likely to be the most viable interim solution for waste management for Wellingtonians. They have investigated other options and sought feedback from the public on this assumption, which confirmed the extension option. Therefore the \$22.7m project is underway; with work progressing on the preparation for the resource consent application. The application is planned to be submitted by mid-2020. If resource consent is granted, Council has budgeted \$3.95m for the construction of the project in 2020/21. More information about this project is available at letstalk.wellington.govt.nz/southern-landfill-future.

Coastal renewals

We are continuing our programme of restoration, renewal and removal of coastal assets – this includes boat ramps, marinas, and wharves. This year we will be completing the upgrade of Seatoun, Karaka and Cog Park wharves, which were delayed from 2019/20 while working through heritage considerations and compliance. We will also commence work on the marine structures in the Evans Bay Yacht Club area, including re-piling and strengthening jetties, and building a new seawall.

Wellington Zoo

Snow Leopards: Design work has commenced on the snow leopards enclosure and procurement planning is underway. Council's investment budget is \$3.7 million, with the Zoo contributing a further \$875,000 toward this project which is planned to occur over the coming two financial years. The project is expected to be finished in 2022, and builds on the success of the zoo's previous capital programme, which finished in 2016.

Zealandia

Tanglewood House: We will provide funding support to Zealandia to develop improved research and learning facilities and accommodation for staff. The improvements are expected to cost a total of \$2.3 million of capital expenditure. The Council's contribution is \$800,000, with the remainder funded by Zealandia. The project has resource consent and is currently in the late stages of design, with construction expected to occur during 2020/21.

Rata Café: Planning is advanced for improvements to Rata Café at the Zealandia visitor centre to improve its year-round utilisation and to support the growing number of visitors to the sanctuary. Council has an estimated budget for the improvements of \$300,000. In conjunction with the planned improvements at the Rata Café, Zealandia is also improving the Pateke Room to help to service the growing number of meetings and small conferences being hosted at Zealandia each year. Zealandia will fund the planned improvements to the Pateke Room, expected to cost \$120,000.

Whanaketanga ōhanga | Economic development

We want to grow and diversify the city's economy.

What we do

We're investing in economic projects that stimulate growth and diversification, and planning for and increasing population in ways that recognise the city's special character. In collaboration with WellingtonNZ we:

- Monitor domestic and international visitor numbers to Wellington.
- Support high-quality events such as concerts, festivals and sports matches. This includes WOW, All Blacks matches and Homegrown.
- Promote Wellington as a tourist, conference and business destination.
- Encourage the business community to work together through our Business Improvement Districts.
- Operate venues and convention centres.
- Support large and small scale economic growth programmes through grant funding.

Impact of Covid-19

The full impact of Covid-19 on Wellington's economy will not be known for some time. Many sectors are struggling, with tourism and hospitality in particular expected to be significantly impacted, and restrictions on travel are likely to continue throughout the year.

This will impact Council activities including our venues, convention market, and the city's major events and festivals. We already know some major events will be cancelled for 2020, including the World of Wearable Art, whereas others will be postponed or simply delivered in a new way.

WellingtonNZ is working on what a locally based performance events programme could look like once alert levels are reduced and gatherings are allowed. They are also investigating what can be done to support the arts, cultural and creative communities. A detailed schedule of events and festivals for 2020/21 will be finalised in June and updated as the alert levels and restrictions reduce.

Recovery Plan

Council is developing an Economic Recovery Plan. The plan will be developed in partnership with the Wellington Recovery Advisory Panel, which will be made up of key industry stakeholders. They will be a link between Council, businesses and other agencies, with the objective of developing practical solutions together to address recovery issues and challenges. The recovery plan will be holistic and encompass business support, but also the community, cultural, creative and innovative dynamics of the city.

The recovery plan includes an \$8m fund, which comes from the combining the uncommitted 2019/20 funding and the 2020/21 budgets of the City Growth, Destination Wellington and Capital of Culture funds. These funds will not be open for applications in 2020/21 except as part of the recovery fund.

Council has also identified shovel-ready capital projects for potential Government funding. These will be a way of supporting economic recovery. We will provide more information on how these will impact our 2020/21 work programme as the information becomes available.

WellingtonNZ is also promoting the 'Love Local' and Absolutely Positively Wellington campaigns to support local businesses and to re-inforce Wellington's caring and 'can-do' spirit. In terms of the budget, a

reduction in revenue is predicted for WellingtonNZ as a result of forecast declines in the convention business for 2020/21.

Council will support its shareholding in Wellington Airport which has suffered severely from the Covid-19 travel restrictions. This also means that the forecast annual dividend from the Council's airport shareholding is at risk. This draft plan proposes that borrowings are used in 2020/21 to offset any foregone revenue.

The money talk

	2020/21 Annual Plan
Operating expenditure	\$32.712m
Capital expenditure*	\$12.655m

*excludes Convention & Exhibition Centre. The capex for this project is in Cultural Wellbeing.

Key projects in 2020/21

Convention and Exhibition Centre

The Wellington Convention and Exhibition Centre (WCEC) will be Wellington's meeting place – a modern fit-for-purpose, sustainable 5-Green Star building fitting for our capital city and is due for completion in late 2022 (subject to Covid-19 related impacts). It will be the capital's premium conference and exhibition space with two levels dedicated to hosting conferences, meetings, trade exhibitions and business events. In addition, the ground floor will have a public exhibition gallery to showcase leading touring exhibitions, attracting primarily domestic visitors and Wellingtonians alike. This level will also feature two cafés, a courtyard garden and a public concourse that links Cable Street and Wakefield Street.

This important development will enable Wellington to maintain and grow this important sector of the local economy providing a strong economic, cultural and social opportunity for Wellington. During the construction phase we expect to support a \$76.3m GDP return and 864 jobs in Wellington. Once operational, the building will contribute \$44.8m GDP p.a. and 554 jobs to our regional economy. We also expect urban redevelopment of the surrounding precinct as this catalyst project provides confidence to surrounding building owners to invest in their land and buildings. The total budget for this project is \$157.8m and construction work is advancing well with the structure already taking shape.

St James Theatre

The St James Theatre is an important building to Wellingtonians, playing a key role in their social and cultural lives as a leading venue for theatre, film, music and ballet for over a century. Seismic strengthening work is progressing to bring the St James Theatre up to a minimum of 67 percent NBS with a target completion date of 31 December 2021 – ahead of the 2022 New Zealand Festival. The Covid-19 shutdown has placed increased risk on this timeline. The budget for this project is \$34.06m. Of this, \$17.4m was originally budgeted in Our 10-Year Plan 2018-28, however this was based on concept designs. An intensive building survey and detailed structural design revealed more complex seismic strengthening would be required at an additional \$8.1m. A further \$8.6m has been budgeted to complete the recommended building and theatre system upgrades during the closure of the theatre. These funds were approved in 2018/19.

Oranga ahurea | Cultural wellbeing

We want Wellington to remain the cultural capital of New Zealand.

What we do

Wellington is known as the cultural capital of New Zealand, which reflects the local presence of national arts organisations and vibrant arts and events. To retain our title we need to build on our strengths and continue to improve our offering, which includes:

- Maintaining the city art collection
- Planning and running an extensive programme of events throughout the year.
 - o Matariki and Ahi Kā
 - o Gardens' Magic
 - o A Very Welly Christmas
 - o Te Rā o Waitangi
 - o Pasifika Festival
 - o Sky Show
- Supporting new murals and public sculptures
- Fund cultural and art projects and performances
- Support national and regional arts organisations such as the Royal New Zealand Ballet, Footnote New Zealand Dance, the New Zealand Symphony Orchestra and Orchestra Wellington
- Operate the Toi Pōneke Art Centre
- Through the Wellington Museums Trust, operate six venues: Wellington Museum, Capital E, Cable Car Museum, Nairn St Cottage, Space Place and City Gallery.

Impact of Covid-19

Many of the city's arts organisations, arts practitioners and associated independent contractors have been severely impacted by the pandemic through loss of income and the uncertainty of the continuing impact. Council made some immediate changes in the first emergency phase and will continue to investigate new opportunities through the recovery phase in 2020/21. We will focus on resilience and maintaining the fabric of our arts and cultural sector infrastructure.

As one of our first changes, a new priority has been added to the Arts and Culture Fund. Through our arts and culture funding we will prioritise applications that can either: support the resilience, sustainability and recovery of organisations in Wellington City; re-frame and adapt projects, programmes and initiatives in the light of COVID-19; or develop new works to be presented later or to reach audiences in new ways.

The impact of COVID-19 on the **events** industry has been severe. Our focus is on supporting the sector through this extremely challenging time. Innovation, communication, information sharing and collaboration will be critical to the success of future events as we work to find alternative platforms to reach our audiences.

The events we support, whether they be arts, cultural, leisure, recreation, sports- they all play an incredibly important role in the good health of our diverse city communities. We will continue to work closely with our many suppliers, performers and artists, stakeholders, partners and communities, in a spirit of cooperation and collaboration to deliver our city events. This draft plan proposes that borrowings are used in 2020/21 to offset foregone revenue that may eventuate during the year.

The money talk

2020/21 Annual Plan	
Operating expenditure	\$23.277m
Capital expenditure*	\$52.511 m

*includes Convention & Exhibition Centre capex, which is discussed in the Economic development chapter.

Key projects in 2020/21

The activities and work programmes for museums and galleries are expected to continue as planned for 2020/21. Galleries and museums may have some restrictions in place when they reopen and Wellington Museums will be guided by the Government's advice on protocols at each alert level.

Small local cultural and community festivals are expected to take place, especially the ones planned for early 2021. However, larger cultural events like World of Wearable Art have cancelled for 2020. We are also expecting there to be few, if any, international tours from musicians, shows and artists in 2020. Council and WellingtonNZ are working on a locally based performance events programme for once alert levels are reduced and gatherings are allowed.

Wellington Museum upgrade

In the 2018-28 Long Term Plan Council made provision of \$10m for the earthquake strengthening of the Bond Store, of which \$5m was allocated for 2020/21. While the building is being strengthened the Wellington Museum Trust are seeking to make a range of improvements to the Museum and particularly the ground floor to improve the visitor experience and enhance the way the Museum displays and tells the stories of Wellington's rich history and connection with mana whenua. Initial planning and design work has commenced and a final business case.

The Council identified several qualifying 'shovel-ready' projects for the Government's Infrastructure Industry Reference Group, including the Wellington Museum upgrade. Qualifying projects would cost \$10m or more and be ready for construction and could, if the Government deemed it appropriate, be deployed as part of a stimulatory package.

Growing and developing Matariki in Wellington

We will continue to develop the city's offering for Matariki 2021, and anticipate that some form of the festival will be able to be held taking into account the Covid-19 alert level at the time. Cornerstone events such as Ahi Kā on the waterfront will be strengthened through our relationship with mana whenua and partnerships across the region. We will continue to present the Sky Show during the Matariki period and public art projects such as the Courtenay Place Lightboxes and Waituhi will celebrate Māori visual arts in

Wellington's public spaces. Our Art Gallery at Toi Pōneke will programme an exhibition that supports Matariki. Wellington regional institutions will also continue programming content relevant to the themes of Matariki and we will support the promotion and development of these offerings to the wider Wellington community.

UNESCO City of Film Designation

In November 2019, Wellington was announced as a City of Film in the UNESCO Creative Cities Network. As the film sector and the independent contractors who make up much of the sector have been highly impacted by the Covid-19 pandemic, this programme is especially timely. We will be developing and delivering programmes to support new and diverse voices, to make connections across the globe with other cities in the film network, and to support the industry through the recovery period.

Kaupapa pāpori me ngā mahi a rēhia | Social and Recreation

We aim for strong and healthy communities.

What we do

People are at the heart of what we do, from providing shelter and support to our most vulnerable residents to investing in infrastructure such as community halls and sportsgrounds. We aim to meet the community's needs through our services in this area and partnerships with community and government agencies. These include:

- Maintaining and upgrading sportsfields and playgrounds.
- Operating, maintaining and upgrading libraries, community centres, swimming pools and recreation centres
- delivering programmes that reduce harm and improve perceptions of safety; including graffiti management and working with partners to reduce family violence
- Ensure we are a welcoming and inclusive, tolerant and healthy city with a strong social infrastructure supporting its residents
- Work with external agencies to end street homelessness
- Provide social housing
- Promote a safe city for all through our regulation of alcohol licencing, food safety, and dog registration
- Provide a comprehensive programme of funding for several organisations delivering on social wellbeing outcomes
- Support activation of community spaces and places that improve local community resilience and connectedness

Impact of Covid-19

The activities and work programme for this area is expected to continue as planned for 2020/21. Council facilities, including sports fields, indoor recreation centres, swimming pools and libraries, may have some restrictions in place when they reopen. We will be guided by the Government's advice on protocols at each alert level.

As we move out of lockdown we want to encourage people to get out and about. We will provide discounted or free entry to some council recreation facilities for a period of time to encourage people to get active, outdoors and healthy.

Many sports codes and clubs use Council facilities and are charged rent. We are providing a variety of rent relief or rent payment plans for 2019/20 and will explore with the affected organisations whether additional support is required through 2020/21.

Our community support functions have been very active during the lockdown to help the city's most vulnerable. We are anticipating a higher level of support will be needed for 2020/21 in this area. We are proposing an additional \$1.5million to go towards Covid-19 response related community grants, with \$1m agreed in the current (2019/20) year, and an additional \$500k included in the 2020/21 Annual Plan.

Our public health and safety services are our regulatory functions and these will continue as required by legislation and Council bylaws. We have provided rebates on some fees (alcohol, food, pavement licenses) to support the hospitality sector for the fourth quarter of 2019/20. We have also removed any planned fee increases from the budget for 2020/21.

This draft plan proposes that borrowings are used in 2020/21 to offset foregone revenue that may eventuate during the year.

The money talk

	2020/21 Annual Plan
Operating expenditure	\$135.504m
Capital expenditure	\$32.068m

Key projects in 2020/21

Central City Library network

We closed the Central Library building to the public on 19 March 2019, following an engineering assessment which revealed specific building vulnerabilities, which may result in the building failing in a moderate to severe seismic earthquake.

Our response was to:

1. Re-establish library services in the central city through a new central city network of libraries.
2. Establish a collection and distribution centre, with the right climatic conditions, space, and good transport routes to house and manage the full Central Library collection and support network-wide operations.
3. Expand the availability of the digital collection, including streaming of content and e-books and video books.
4. Remove as many barriers to accessing the available library services and collections as possible. This included:
 - a. temporarily extending the opening hours of our branch libraries;
 - b. removing fees for returning items to other branches;
 - c. re-homing Wellington's rare book collection to the Wellington City Archives; and
 - d. temporarily reducing the fees for inter-loans from external libraries.

Two of the three new central city libraries opened to the public in 2019. Arapaki Manners Library and Service Centre opened on 28 May 2019 and He Matapihi Molesworth Library on 9 October 2019. The third and largest central city library, Te Awe Library, will open in 2020. The Collection and Distribution Centre

(CDC) in Johnsonville will also become operational in 202. Te Awe and the CDC have had their opening dates postponed due to the Covid-19 lockdown.

Once the new CBD network is in place the public will be able to access:

- approximately 350,000 items from the CDC which they will be able to order and collect from a library of their choice;
- approximately 60,000 items in the CBD, either on display or on loan; and
- 1,900 m2 across three new library spaces for people to use in place of the closed Central Library Building.

Each CBD library provides a range of generic and specific services:

- Arapaki Manners Library provides access to popular and recent collections, free WiFi, public PCs, printing and some casual seating.
- He Matapihi Molesworth Library has collections with an Aotearoa and Pacific focus. It also offers a children's section, magazines, access to digital content, free WiFi, public PCs, printing and seating spaces.
- Te Awe has been specially designed to provide zones where people will be able to read, study or collaborate. Families will have a dedicated space for a children's collection, family room and the popular Baby Rock 'n' Rhyme sessions.
- The Collection and Distribution Centre will ensure the public are able to access the full collection. Customers will be able to order items online or from a branch library, and choose which library they wish to collect their order from.

Restoring public access to collections and running the three new central city library services will increase the Libraries' operational costs. The additional cost for 2020/21 is \$4.5m.

City Housing upgrades and rent-setting

The 20 year Housing Upgrade Programme is entering phase 2. Phase 1 involved the upgrade of more than half our portfolio of 2000 units. Phase 2 planning is currently underway. It will look significantly different in that our tenants will be able to remain in their properties while the work is completed. Work was originally planned to start in 2023, however some components will be bought forward to 2020/21 to ensure our properties are compliant with the Healthy Homes Guarantee Act 2017. The Act requires all landlords to meet a set of standards that include, insulation, heating, ventilation, draft stopping and drainage.

In March, Council approved consultation on proposed new rent settings. The consultation process was started but put on hold shortly thereafter as a result of Covid19.

Te Mahana: Ending Homelessness Strategy

Wellington City Council, the Wellington Night Shelter and Ministry of Housing and Urban Development have come together to plan the renovation and redevelopment of the Night Shelter premises. The renovation will see the Night Shelter move from crisis beds to predominantly transitional housing. Work will begin in May 2020 and continue through the 2020/21 year.

Sustainable Food Initiative

The framework supports the social, environmental, and economic health of our city by creating a more sustainable and resilient food system in Wellington. We have developed an action plan which includes funding the delivery of food security efforts, supporting local food production, running sustainable food system events, facilitating the Wellington Community Gardens Network, funding sustainable agriculture education courses, and supporting Wellington's food entrepreneurs. This work will continue in 2020/21.

Upgrade of Community Facilities

We are taking a community co-design approach to upgrades of the Aro Valley, Newtown and Strathmore community centres. There is \$4.60m was budgeted over three years for these upgrades. For all three centre upgrades we have focused on ensuring the spaces are fit for purpose , flexible and accessible.

We will commence the build in August for Newtown. The Newtown Residents Association, the Newtown Community Centre and the Wellington City Council have been working together to ensure the people of Newtown are at the centre of deciding what the community's facilities may look like. The Newtown Community & Cultural Centre upgrade includes work to the theatre and dance hall, a community fridge, new toilets and kitchen facilities, and new offices for services that run out of the centre. More information can be found at newtowncommunity.org.nz/our-town-newtown.html.

For Aro Valley and Strathmore we are finalising several options, all of which will improve usability of the space and improved access.

Alex Moore Park Sport and Community Hub

Construction will ramp up on the new Alex Moore Sport and Community Hub in 2020/21. This \$4.2m project is a partnership between Alex Moore Parks Sport & Community Inc (AMPSCI) and the Council. Under the Partnership Agreement, AMPSCI is required to contribute \$2m of the \$4.2m budget. The building will be leased to the AMPSCI group and include facilities for the partner clubs and new changing rooms for the park. Construction timeframes have been affected by Covid19, however construction is expected to begin late in the 2019/20 financial year, with the new facility open and operational in early 2021.

Newlands Community Park development

Construction for a new community park began in 2019/20 and will be completed this year subject to any Covid19 construction delays. The park will have a new community playground, public toilets, a picnic area and an asphalt perimeter track. There will be new plantings including a wetland. We will also be upgrading the existing sportsfield pavilion. Council has a budget of \$3.6m for the upgrade, which includes \$1.54m of funding from the Plimmer Bequest Fund.

Frank Kitts Park

Subsequent to the resource consent being approved by the High Court, a tender process in 2019 for the Frank Kitts Park Children's Playground resulted in a cost estimate exceeding the budgeted amount in the Long-term Plan. This, together with the subsequent closure of the underground carpark and associated strengthening requirements, means the Council is further considering the wider Frank Kitts Park redevelopment. Decisions about the future of the redevelopment of Frank Kitts Park and the timing of funding will be made by the Council as part of the 2021-31 Long Term Plan process.

Cemeteries Management Plan

Work will begin on reviewing and updating the Cemeteries Management Plan for the Karori and Makara Cemeteries. This is a scheduled review of the plan and will include public engagement and consultation on the future of Wellington's Cemeteries. More information will be detailed at the time of the review.

Wellington Regional Aquatic Centre renewals

The main pool at the aquatic centre is planned to have its 5-year maintenance closure during July and August. However, this is subject to whether the work can be safely carried out under the COvid-19 level at the time. The main pool will be closed for about 8 weeks while we undertake maintenance on the pool plant and bulkheads, replace joint sealants on the tiles, paint the changing rooms, and replace the skylights over the main pool.

Basin Reserve Master Plan

Redevelopment Programme: With the strengthening and restoration of the Museum Stand nearing completion, most of the main buildings and seating areas at the Basin Reserve have been upgraded and refurbished. The remaining projects that will complete the master plan, include refurbishing and upgrading the embankment toilets, improving the perimeter fence and entrances and developing a children's play area. Planning for these works is underway and construction will be completed during the off-season. The playing surface will also undergo a full refurbishment through the 2020 winter period. However, these works are dependent on safe working practices under the COVID-19 alert levels allowing the work to begin in late autumn/early winter.

Tāone tupu ora | Urban Development

We want to see our city thrive as it grows.

What we do

The services in this area matter to the lives of individual Wellingtonians and to the community as a whole. They provide opportunity for Wellington to grow and provide an attractive urban landscape for people to live, work and play. Services include:

- Assess earthquake prone buildings and set times for strengthening work
- Plan for the future growth of the city
- Design and build upgrades to the city and suburbs, for example laneway and suburban centre beautification projects.
- Work to make Wellington more accessible.
- Enhance the CBD public space, urban parks and squares
- Support the preservation of the city's heritage buildings
- Develop and maintain the Wellington waterfront
- Undertake the regulatory functions for the built environment, including issuing Resource and Building Consents.

Impact of Covid-19

The activities and programme of work for urban development are broadly expected to continue as planned for 2020/21. The development of a number of plans – such as Planning for Growth – will continue although the approach to consultation may need to be adapted and timeframes for when they occur may shift slightly to reflect the impact the lockdown has had on preparations on some of the work.

In terms of capital projects, the construction sector faces some uncertainty from the impact of the lockdown and a planned stimulus package expected from central government, and therefore the timing and costs for some of Council's new capital projects may require further refinement in June when this picture will be clearer.

The money talk

	2020/21 Annual Plan
Operating expenditure	\$39.862m
Capital expenditure	\$46.347m

Key projects in 2020/21

Planning for Growth

The Planning for Growth programme involves the development of a 30-year spatial plan for the city and a full review of the District Plan, our 'rule book' for managing development in the City. The spatial plan will direct where and how growth will occur taking into account transport, infrastructure, the impacts of

climate change, heritage, and our natural environment. The focus will be ensuring quality urban development in and around the Central City, Inner Suburbs and key suburban centres. Consultation on a draft Spatial Plan is expected to occur in late 2020/early 2021.

Once finalised the spatial plan will be a key strategic tool for directing future investment, and will also provide significant direction for the review of the District Plan. This will likely mean changes to the existing zones and development controls relating to building heights, densities and open space. For more information visit: planningforgrowth.wellington.govt.nz.

Te Ngākau Civic Precinct

The future development of Te Ngākau — Civic Precinct has been under discussion for several years as a result of concerns about seismic resilience. In 2013, the Town Hall was closed to the public for earthquake strengthening. In 2016, the Kaikōura earthquake further highlighted seismic concerns with other buildings and structures in the Precinct. Since then, updates to building earthquake standards and concerns about building materials has changed the scope of work already underway and involved more buildings, the latest being the Central Library, which was closed on 19 March 2019.

On this basis, the Te Ngākau Programme has been established to develop options for the Precinct including identifying the best approach and scenarios to allow informed decision making over key assets such as the Central Library service and the Precinct as a whole, while also delivering the active projects underway in the Precinct e.g. National Music Centre. This programme encompasses not only the physical structures in the Precinct, but the way in which the space is utilised and the services that are provided for the benefit and enjoyment of the public.

Town Hall/National Centre for Music

The Town Hall upgrade is underway with seismic strengthening and redevelopment as approved by Council in February 2019. The work is technically challenging and good progress has been made on demolition, heritage management and restoration, and installation of some seismic strengthening. Major structural works will continue for a further three years. Initially the completion date is expected to be extended by two months or more, with higher costs than pre-Covid-19. Measures will be taken to reduce the effects of Covid-19 on the programme and cost and will be reported in the future. The benefits of a National Centre for Music are expected to remain unchanged with a significant building returned to full use, and an asset for the city to use and enjoy for many decades.

North Kumutoto waterfront space

The final stage (Site 9) of development of the North Kumutoto waterfront space is finalising the planning phase and entering into developed design for the landscape. Resource consent for the deferred landscape works and the existing car park use (temporary) was approved in July 2019. Resource Consent for the subdivision was approved in mid-February 2020 followed by approval for the development application in early March. Pre-Covid 19, construction was anticipated to start the second half of this year with an estimated duration of 16 months.

Laneway upgrades

Laneways are small streets that link through urban blocks, offering people shorter, more dynamic alternative routes through the city. They also provide necessary servicing access, bring light into potentially dark areas, frame views of nearby landscapes or landmarks, provide alternative connections to the crowded primary routes and sheltered routes in bad weather. Done well, such investment, in partnership

with the private sector, can bring holistic benefits to the city's unique places, their associated communities and local businesses. These benefits include: making pedestrian movements easier; strengthening identity of place through cultural and historic narratives; increasing social interaction opportunities; enhancing or connecting central area greenspaces; increasing the vibrancy and safety of urban life; supporting local businesses, and attracting future investment. This programme of upgrades will continue in 2020/21.

Waka | Transport

We want a safe, efficient, environmentally sustainable and reliable transport system.

What we do

A good transport system should do more than just move people and goods efficiently. It should benefit people's overall quality of life, support economic productivity, help create healthy urban neighbourhoods that are people focused, and reduce the city's carbon emissions. In this area we provide:

- Partner with the region and NZTA on the future of transport in the city
- Maintain roads, footpaths, cyclepaths, bridges and retaining walls
- Upgrade and build new seawalls
- Operate, maintain and upgrade street lighting
- Build bus lanes, bus stops, and bus shelters
- Plan and build minor safety projects such as intersection improvements
- Respond to more than 30,000 customer enquiries and requests
- Trim vegetation on the roadside
- Clean Streets, remove graffiti and remove uncollected rubbish
- Install and maintain street signs, street furniture and road markings
- Provide safe crossing points and walking space for pedestrians
- Operate and maintain traffic signals and a network of CCTV cameras
- Own and operate Kiwi Point Quarry
- Provide traffic assessments to support encroachment, resource and building consent approvals
- Manage parking in the city
- Operate the Cable Car through a council-controlled organisation

Impact of Covid-19

The activities and work programme for transport were delayed as a result of the Covid-19 lockdown, but now construction has restarted under Level 3, we are working to catch up on the backlog and build up to a busy start of the new financial year. Work will continue on the Cobham Drive and Evans Bay cycleways, Ngaio Gorge slope stabilisation as well as several minor safety projects such as the Hataitai intersection improvements and Rangiora footpath.

In the planning space, the Let's Get Wellington Moving programme of work had planned to consult on 'early wins' early in the new financial year but, due to Covid-19, the programme has been reconfigured. This is outlined in more detail in the section below.

On street car parking activity, including fees, and parking turnover and compliance monitoring, is expected to resume by the start of the 2020/21 year. However, revenue is expected to be significantly impacted as many people will continue to work and shop from home or locally in the different alert levels. We had originally proposed parking fee increases in this budget to limit the impact of cost increases on rates. As part of our Covid-19 response, we are now not proposing to progress with these increases. Any losses in revenue for 2020/21 will be offset by borrowing.

The money talk

	2020/21 Annual Plan
Operating expenditure	\$97.121m
Capital expenditure	\$69.453m

Key projects in 2020/21

Let's Get Wellington Moving (LGWM)

LGWM is a joint initiative between Wellington City Council, Greater Wellington Regional Council, and Waka Kotahi NZ Transport Agency. LGWM is about working with the people of Wellington to develop a transport system that supports our aspirations for how the city looks, feels, and functions. It supports Wellington's growth while making it safer and easier to get around. Our focus is the area from Ngauranga Gorge to Miramar including the Wellington Urban Motorway, access to the port, and connections to the central city, Wellington Hospital, and the airport. It includes all the ways we get to and around our city, and how the city develops alongside its transport system.

At the end of the 2019 calendar year, Council agreed the LGWM City Streets work package will deliver the joint WCC/GWRC bus priority action plan to expedite improvements and maximise funding opportunities, noting that this approach has been endorsed by the LGWM Board. The Council also agreed to the additional funding for the LGWM programme in 2020/21 as outlined below

Partner	Expenditure type	2020/21
NZTA	Operating expenditure	\$21.4m
	Capital expenditure	\$19.2m
	Total	\$40.6m
Greater Wellington Regional Council	Operating expenditure	\$7.1m
	Total	\$7.1m
Wellington City Council	Operating expenditure	\$7.1m
	Capital expenditure	\$6.9m
	Total	\$14.1m

For the purposes of the 2020/21 Annual Plan, Council agreed that the funding of Wellington City Council's contribution to the LGWM programme will be funded through borrowing, with payments deferred for the 2020/21 year.

The operating expenditure will be used to complete investigations into next stage of the program across the five main areas: early delivery, city streets, mass rapid transit, strategic highway improvements and travel demand management. The capital expenditure funding has been allocated to the early delivery and city streets areas to enable LGWM to begin programmes this year, subject to the outcomes of the business case investigations. This work will relate to walking, cycling and public transport improvement.

Find out more about the programme at lgwm.nz

Ngaio Gorge Slope Stabilisation

Major landslides occurred at two locations on Kaiwharawhara and Ngaio Gorge roads in July and September 2017. These two slips caused road closures for traffic for a considerable period of time until the road was made safe for travel by temporarily managing the traffic and reducing the speed limit. The stabilisation works project comprises widening and realigning a section of road at the slip sites by the construction of three retaining walls, slope stabilisation to the two major landslides, building catch fences, and build new car parking area for Trelissick Park users.

Construction works are expected to commence in mid-October 2020. The delay in construction start is due to the environmental requirements to ensure we protect the lizard population. We had intended to fulfil this requirement in April, but due to the Covid-19 lockdown, this has to be delayed until October. The long delay is because we cannot complete this during the colder winter months when the lizards are hibernating. Construction is expected to take 24 months.

Wadestown Route Resilience Enhancement

The Wadestown route has been identified as a key alternative route for emergency response, to the Wellington Urban Motorway between Thorndon and Johnsonville. The southern section of the Wadestown route also provides a vital link from the suburbs of Wadestown, Wilton, and Crofton Downs to the city. It carries about 6,900 vehicles per day. There are two walls below Grant Road and two other walls below Grosvenor Terrace which need to be strengthened. The Grant Road works started on in January 2020 and, while delayed by Covid 19, should be completed in the first quarter of 2021.

Karori and Marsden Village Speed Limits

Since 2009, the Council has been rolling out 30kmh speed limits in suburban shopping centres across the city. We have to date completed 15 of these schemes out of a planned 21. The schemes are designed to reduce vehicle speeds and crashes at locations where there are high concentrations of pedestrians crossing the street coupled with a high concentration of vehicular activity such as , buses pulling into and out of stops.. We are currently looking at whether there is merit in implementing such a scheme in central Karori and Marsden Village.

We propose including the change process to a 30kmh speed limit within a programme of Council initiatives planned for Karori. These will include public space enhancements in central Karori, redevelopment of the St John's site, and potential improvements for public transport and cycling along Karori Road.

Public engagement is currently open and people can have their say at wcc.govt.nz.

Cycling masterplan

Over the next decade, Wellington City Council is partnering with NZTA and central government to deliver a fully connected cycle network throughout Wellington. By 2028 the cycle network is expected to see connections developed to the south through Newtown, Berhampore and Island Bay; to the outer eastern suburbs, including Miramar, and Strathmore Park. This year work will continue on Evans Bay and Cobham Drive projects, as well as continued design development of the Miramar and Southern connections.

Parking

It is expected that a new Parking Policy for the city will be adopted by the end of this year. If adopted as proposed, new area-based parking plans will be developed for specific areas of the city to ensure joined up

consideration of the use of on and off-street space for pedestrians, active and public transport and private vehicles. The plans would be developed in discussion with local communities. It is proposed that area-based parking plans and subsequent parking changes would be implemented in line with improvements in active and public transport identified through the Let's Get Wellington Moving programme.

Appendices

Your Mayor and Councillors

The Wellington City Council is made up of 14 elected Councillors and a Mayor. The Council is elected, along with all other local authority elected members in New Zealand, every 3 years.

The Mayor is elected by the city's residents. The Councillors are elected by voters from the wards they represent. The wards and number of elected Councillors for each are:

- Northern Ward – three Councillors
- Onslow-Western Ward – three Councillors
- Lambton Ward – three Councillors
- Eastern Ward – three Councillors
- Southern Ward – two Councillors

Pandemic Response & Recovery Plan

As at 15/04/2020

Aim

To ensure Wellington gets through the Pandemic in the best possible shape and the City recovers as fast as possible.

1. Council Financial Support

With the lockdown in place, some businesses and households are facing significant financial hardship. The government is providing a range of support mechanisms as are banks. Council will be:

- providing support to businesses and commercial ratepayers by providing the ability to defer 2019/20 fourth quarter rates without penalty for 6 months
- providing a variety of rent relief or rent payment plans for the balance of 2019/20 to organisations, businesses and clubs that use council facilities
- reducing the timeframes for payments to suppliers who provide goods and services to Council from 20 to 7 days to help with cash-flow

2. Council Services

Council services are important for community wellbeing. While many are temporarily on hold, essential services continue to be delivered and others are being delivered in a different way. Council services will play an important part of the recovery phase, and Council costs also impact many businesses. Council is:

- reducing many fees such as alcohol and food licence fees to support the hospitality sector
- providing a rebate for pavement licence holders for the equivalent of the fourth quarter of 2019/20
- providing ongoing support through Council grants to Wellington community groups
- freezing pool and council gym membership costs for the duration of the lockdown

3. Community Wellbeing

As we move through COVID-19 and into recovery we will work with our partners to understand and address emerging needs.

- To assist us we will provide additional grant funding of \$1.5m to support community and social service organisations to address these needs
- Continue work with our partners to address homelessness and ensure the increased transitional housing capacity developed through the COVID-19 response is maintained
- We recognise there is a need have an increased focus on wellbeing and harm reduction programmes such as family violence and we will take a partnership approach to address increased need in this area
- To ensure food is available to people in need we will continue with our food security work programme
- Renewed emphasis on programmes that improve local resilience and wellbeing – including restoring the function of community centres.
- get people active – provide discounted or free entry to facilities like the Zoo, Zealandia and Council pools for a period of time to encourage people

4. Economic Recovery

Businesses pay 45% of the total rates in the city, and provide jobs for Wellingtonians as well many others in the region. It is important that businesses are supported through the lockdown so they can be at the forefront of the economic recovery. Actions include:

- Business support – WellingtonNZ operating a business advice line and running a series of webinars and online workshops for the business community
- City Recovery Fund – a fund of up to \$8m to support and boost the economic recovery including support for the creative and innovative sectors
- City Recovery Plan – the development of a comprehensive recovery plan with key stakeholders that encompasses the economy but also the cultural and recreational dynamics of the city

5. Absolutely Positively Wellington

Wellington has a strong sense of community and is no stranger to a crisis. As shown with the earthquake in 2016, Wellingtonians are resilient and look after each other in times of need. This area of focus is about maintaining pride in the city, looking after each other, and looking after everything local. There are two main aspects:

- Buy local – The #LoveLocal programme will be geared up to encourage Wellingtonians to buy from and support local Wellington businesses and those across the region
- Pride in the city – a range of initiatives will be undertaken to encourage the Absolutely Positively Wellington pride in our city, foster Wellingtonians' caring spirit and find new ways in which we can support each other

6. Regional & Central Govt Collaboration

As part of the recovery phase it will be important that economic stimulus projects are strongly aligned with central government efforts to ensure benefits are maximised. The key areas of focus are:

- Preparing a package of 10 'shovel ready' projects to support economic growth and job creation in the region
- Partnering with Wellington stakeholders and our CCOs on a future programme of work to assist city recovery.
- Working alongside mana whenua towards a strong recovery for our city, whānau and hapori.
- Advocate to central government for funding and other support to assist with the recovery of Wellington, a capital fit for the future

NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY AMENDMENTS

Purpose

1. This report asks the Council to approve the execution of the amendment of Local Government Funding Agency (LGFA) agreements for its borrowing programme, based on the 2019 shareholders decision at the Annual General Meeting (AGM).

Summary

2. In 2019 at its AGM, shareholders of the LGFA agreed to amend its borrowing programme. The purpose of the proposed amendments is to:
 - (a) Enable approved Council-controlled organisations (CCOs) to borrow directly through the LGFA
 - (b) Allow a local authority to apply to LGFA to be tested at a group level rather than a parent level for compliance with covenants
 - (c) Increase the amount of borrower notes that must be issued to a local authority when it is borrowing; and
 - (d) Certain technical provisions around the borrowing programme.
3. To give effect to these changes, the amendment of several documents relating the borrowing programme is required. These are the Multi-issuer Deed, the Guarantee and Indemnity Deed and the Notes Subscription Agreement.
4. The LGFA is targeting execution of the deeds by 30 April 2020.

Recommendation/s

That the Council:

1. Receive the New Zealand Local Government Funding Agency Amendments report.
2. Authorise the Council's entry into the documentation outlined in attachments 3, 4 and 5 to the report.
3. Authorise any two of the Council's elected members to execute the following deeds for the purposes of recommendation 2 above:
 - (a) Amendment and Restatement Deed (Multi-issuer Deed)
 - (b) Amendment and Restatement Deed (Notes Subscription Agreement) and
 - (c) Amendment and Restatement Deed (Guarantee and Indemnity).
4. Authorise the Chief Executive to execute the Chief Executive Certificate and such other documents and take such other steps on behalf of Council as the Chief Executive

considers it is necessary or desirable to execute or take to give effect to recommendation 2 above.

Background

5. The LGFA is a Council-controlled organisation (CCO), owned 11.1% by the Government and 88.9% by 30 local authorities.
6. The LGFA was established to provide councils with improved access to cost-effective long term debt. It is a registered financial institution regulated by the Reserve Bank. Total loans made to local government total around \$10 billion.
7. Council oversight is provided through a Shareholders' Council. The members are Auckland Council, Christchurch City Council, Hamilton City Council, Bay of Plenty Regional Council, Greater Wellington Regional Council, Tasman District Council, Tauranga City Council, Wellington City Council, Western Bay of Plenty District Council and Whangarei District Council as well as the NZ Government (with oversight through the Ministers of Local Government and Finance).
8. The shareholders agreement (SHA) provides that the role of the Shareholders' Council is to advise shareholders on certain matters, and that it shall (in relation to the matters for resolution at the AGM):
 - review and report to shareholders periodically on the performance of the company and the board;
 - make recommendations on the appointment, removal, re-election, replacement and remuneration of directors; and
 - make recommendations to shareholders on, and endeavour to ensure that shareholders are fully informed on matters concerning the company.

Discussion

9. Council is a member of the LGFA borrowing programme as a borrower and a guarantor.
10. LGFA has proposed amending the borrowing programme by making amendments to certain LGFA documents. The decision to make this change was made by shareholders at the November 2019 AGM.
11. As this decision fell during the election period, Wellington City Councils voting was authorised by the Chief Executive, per the relevant delegations.
12. The documents to amend include the:
 - (a) Multi-issuer Deed
 - (b) Guarantee and Indemnity
 - (c) Notes Subscription Agreement.

LGFA's Shareholder Agreement has already been amended by LGFA and its shareholders.

13. The purpose of the proposed amendments is to:
 - (a) Enable approved Council Controlled Organisations (CCOs) to borrow directly through the LGFA borrowing programme (on the basis of guarantees from and/or sufficient uncalled capital issued to their parent local authorities).
 - (b) Allow local authorities to apply to LGFA to be tested at the group level rather than at the parent level (for compliance with LGFA covenants).
 - (c) Increase the amount of borrower notes required to be subscribed for when borrowing from LGFA, borrower notes increasing from 1.6% to 2.5%. These are subordinated convertible debt instruments which each council that borrows from LGFA must subscribe for and under normal circumstances these Borrower Notes are redeemed at the maturity of the associated debt.
 - (d) Make certain other technical improvements to the borrowing programme, in particular to allow the provision of committed standby borrowing facilities.
14. At the LGFA Annual General Meeting on 21 November 2019 shareholders approved to amend LGFA lending documentation to allow lending to CCOs that are 100% owned by one or multiple councils (only exception being those with a New Zealand Government ownership). Any LGFA lending to CCOs requires parent council approval with appropriate security structure arrangements.
15. In order to amend the LGFA documentation, each local authority member of LGFA is required to enter into certain deeds of amendment and restatement. Council therefore intends to make a formal resolution to execute the following legal documents:
 - (a) Amendment and Restatement Deed (Multi-issuer Deed)
 - (b) Amendment and Restatement Deed (Notes Subscription Agreement)
 - (c) Amendment and Restatement Deed (Guarantee and Indemnity).

In addition, the Chief Executive is requested to sign a section 118 Chief Executive Certificate (in relation to the documents noted at 6.(a) – 6.(c)).
16. The documents have been prepared by LGFA's solicitors, Russell McVeagh. Simpson Grierson have reviewed and approved the documents on behalf of the LGFA Shareholders' Council. The Chief Executive Certificate has been prepared by Simpson Grierson.
17. The advice from the Shareholders Council for the 2019 AGM on these matters is in attachment 1, and a background paper on the issues from the LGFA is outlined in attachment 2 to the report.
18. It is proposed that the authority for signing the above mentioned documents be delegated to two elected members (previously signed by Mayor and Deputy Mayor) of Council. The Chief Executive is also requested to sign the Chief Executive Certificate.

Options

19. The process has been voted on at the 2019 AGM by shareholders and this paper is an administrative process to finalise the approvals

Next Actions

20. The execution of the LGFA agreements.

Attachments

Attachment 1.	LGFA Shareholder Council Recommendations ↓	Page 68
Attachment 2.	LGFA Background Paper for Councillors ↓	Page 71
Attachment 3.	Amendment and Restatement Deed (Multi-issuer Deed) ↓	Page 77
Attachment 4.	Amendment and Restatement Deed (Notes Subscription Agreement) ↓	Page 234
Attachment 5.	Amendment and Restatement Deed (Guarantee and Indemnity) ↓	Page 316

Author	Martin Read, Manager Financial Strategy & Treasury
Authoriser	Andy Matthews, Chief Financial Officer

SUPPORTING INFORMATION

Engagement and Consultation

Not applicable

Treaty of Waitangi considerations

Not applicable

Financial implications

Not applicable

Policy and legislative implications

Not applicable

Risks / legal

Not applicable

Climate Change impact and considerations

Not applicable

Communications Plan

Not applicable

Health and Safety Impact considered

Not applicable



27 September 2019

The Shareholders
NZ Local Government Funding Agency

Dear Shareholder

You have recently received papers from the LGFA for its Annual General Meeting (AGM) on 21 November 2019. The Shareholders' Council (SC) has considered this material and wishes to make recommendations to help with your decision making prior to the AGM.

Our role (as per the Shareholders' Agreement) includes requirements to:

- make recommendations to Shareholders as to the appointment, removal, re-election, replacement and remuneration of Directors.
- make recommendations to Shareholders as to any matters which require the approval of Shareholders

Our recommendations on the different AGM resolutions are as follows:

Resolution 1 – Financial Statements and Reports

The Shareholders' Council recommends approval is given for this resolution.

Resolution 2 - Election of Directors

Linda Robertson and Mike Timmer have both proven themselves to be effective and competent directors and they have the support of the SC.

There have been no other nominations.

The Shareholders' Council recommends approval is given for this resolution.

Resolution 3 - Election of Nominating Local Authorities

- Auckland Council is represented by John Bishop.
- Western Bay of Plenty Council is represented by Kumaren Perumal.

Both are actively involved in LGFA matters and wish to continue their association.

We are not aware of any other Councils that wish to have direct representation on the SC at this time and no other nominations have been received. However, some interest has been expressed from potential new members next year.

The Shareholders' Council recommends approval is given for this resolution.

NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED
AUCKLAND Level 12, West Plaza Tower, Corner Albert and Customs Street
WELLINGTON Level 8, City Chambers, 142 Featherston Street
PO Box 5704, Lambton Quay, Wellington 6145 | PH +64 4 974 6530 | www.lgfa.co.nz

Resolution 4 – Directors’ Remuneration

The Shareholder’s Council commissioned Board Dynamics to undertake an LGFA director remuneration review. This review was to provide an update to the Board Dynamics review undertaken in 2017.

Board Dynamics Review

The Shareholder’s Council met in August to review the report on your behalf. The outcome of our meeting was to make the following recommendations to shareholders, based on our review of the report.

That Annual Fees are set from 2019 as follows:

• Independent Chair	\$102,000
• Director with Audit and Risk Chair role	\$63,000
• Director	\$57,000
• Director with Audit and Risk Committee membership	\$2,000*

**this additional fee is at the lower end of the recommended range*

The report also provides some useful background and information relating to the LGFA, the Board, and remunerations levels at other comparable Boards. You may find this information useful should you need to take a report and recommendations through your governance approval processes.

If you have any questions or queries relating to the report please feel free to contact either myself or Mat Taylor (mat.taylor@boprc.govt.nz), at Bay of Plenty Regional Council who was part of the sub- group of the Shareholder’s Council who oversaw the preparation of the report.

There is very strong (although not quite unanimous) support for the remuneration changes and the Shareholders’ Council recommend that approval is given for this resolution.

Lending directly to CCOs

- **Resolution 5 - Changes to Foundation Documents**
- **Resolution 6 - Changes to the Shareholders’ Agreement**

At the November 2018 AGM LGFA received shareholder approval to proceed with establishing the framework and process to lend directly to CCOs. LGFA management subsequently commissioned Russell McVeagh to help develop the structure, process and drafting changes to the LGFA legal documents to implement the required changes.

The Shareholders Council received draft documentation to review and provide feedback. We in turn commissioned Simpson Grierson to give independent advice on the overall approach and documentation.

As you will be aware the LGFA documentation (Shareholders’ Agreement, Multi-Issuer Deed, Notes Issuer Agreement and Guarantee & Indemnity) is complex and detailed. It has gone through numerous iterations as feedback from LGFA, two legal firms and the Shareholders’ Council (comprising nine council and two central government appointees) has been reviewed and incorporated. We have now reached agreement that the proposed changes to the documentation are appropriate and will allow LGFA to lend directly to CCOs without exposing guarantors to additional risk, which was a fundamental aspect of the 2018 AGM decision.

The Notice of Meeting from LGFA includes some information about the proposed changes, so I will not include that in this letter. However, we have worked with LGFA management to prepare two discussion papers that

NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED
AUCKLAND Level 12, West Plaza Tower, Corner Albert and Customs Street
WELLINGTON Level 8, City Chambers, 142 Featherston Street
PO Box 5704, Lambton Quay, Wellington 6145 | PH +64 4 974 6530 | www.lgfa.co.nz

provide 'plain English' explanations. Councils may wish to include one or both of these in agendas if any Elected Member approvals are required.

However, I would like to point out that during this process the SC facilitated considerable discussion about:

- ensuring that the proposed arrangements did not add any additional risk to guarantors
- the way financial covenants should be calculated where there are lending arrangements at both Parent and Group level for a council; particularly those relating to the Debt to Revenue ratio. We will be working with LGFA to review this going forward.
- limiting direct lending to CCO's that are 100% in the ownership of one or more councils (with the sole exception being those with a Central Government shareholding)
- incorporating the ability to lend to CCOs with less than 100% council ownership **in the future**. A minimum of 51% ownership would be required, with this facility only being 'switched on' following a Special Resolution of shareholders at a later date. This high approval threshold (which requires at least 75% approval) has been set at the SC's request as lending to entities (even though they would be minority shareholders) outside our sector is seen as a fundamental change in LGFA's operating model.
- ensuring any agreements embedded in the foundation documents are not compromised by the proposed changes
- having all documents drafted so that they meet all requirements for this change, but are not so prescriptive that they hinder the practical application of the underlying principles as LGFA conduct their business.

This has been a complex and time-consuming process with some robust discussion between the parties involved. Much of the complexity has arisen because we have had to accommodate the wide (and often subtle) variations in the way councils and their CCOs are structured across our sector as we have contemplated both current and potential future scenarios (such as the formation of jointly-owned water service providers).

During our deliberations the SC members recognised that we have separate interests as shareholders, guarantors and borrowers. However, given the cooperative structure of LGFA, we felt that these interests did not give rise to any specific conflicts that precluded any members from participation in the process.

We also note there are also some minor amendments required to reflect the lending growth of LGFA and these changes are supported.

We have now reached a point where there is very strong (although not quite unanimous) support for all the proposed changes, and the Shareholders' Council recommend that approvals are given for both these resolutions.

I trust you find this information helpful. Please contact me or your Shareholders' Council liaison should you wish to discuss any matter relating to this letter or any other aspects of LGFA operations.

Yours sincerely



Alan Adcock
Chair, LGFA Shareholders' Council

cc. Mark Butcher, Chief Executive LGFA

NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED
AUCKLAND Level 12, West Plaza Tower, Corner Albert and Customs Street
WELLINGTON Level 8, City Chambers, 142 Featherston Street
PO Box 5704, Lambton Quay, Wellington 6145 | PH +64 4 974 6530 | www.lgfa.co.nz



Background information and an update on CCO lending

The New Zealand Local Government Funding Agency (LGFA) is an agency specialised in financing the New Zealand local government sector. LGFA was established to raise debt on behalf of councils on terms that are more favourable to them than if they raised the debt directly. LGFA was incorporated as a limited liability company under the Companies Act 1993 on 1 December 2011, following the enactment of the Local Government Borrowing Act 2011. As LGFA is majority owned by councils, it constitutes a “council-controlled organisation” under the Local Government Act 2002.

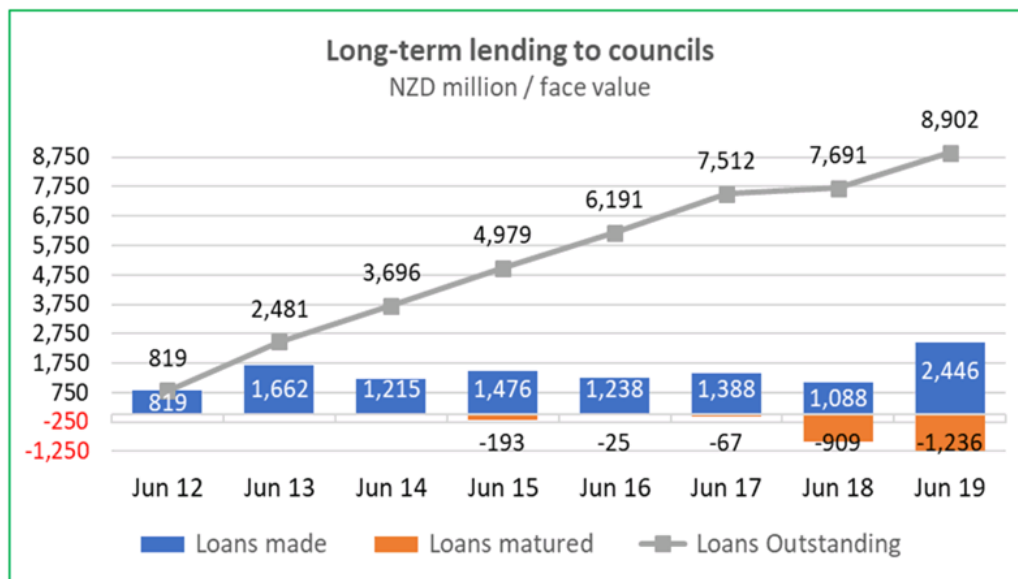
Capital structure and shareholding

As at 2 September 2019, LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled. There are currently 31 shareholders, comprising the New Zealand Government at 20% and 30 councils at 80%. Any councils wanting to become new shareholders are required to purchase shares from existing council shareholders. The capital structure of LGFA comprises fully paid shares, unpaid shares, retained earnings and borrower notes. Borrower notes are subordinated convertible debt instruments which each council that borrows from LGFA must subscribe for (in an amount equal to 1.6% of the long term borrowing from LGFA by that council). LGFA will redeem borrower notes when the council’s related borrowings are repaid or no longer owed to LGFA. Currently there are NZ\$147 million of borrower notes on issue.

Borrowing and lending

LGFA operates with the primary objective of optimising the debt funding terms and conditions for participating councils. LGFA borrows by issuing LGFA bonds (greater than one-year maturity) and LGFA Bills (less than one-year maturity) to investors and banks and then on-lends the proceeds to councils. As at 2 September 2019, there are NZ\$10.005 billion of LGFA bonds listed on the NZX across nine maturities from 2020 to 2033. These bonds include \$450 million of treasury stock issued to LGFA for liquidity purposes. As at 2 September 2019, there are \$463 million of LGFA Bills on issue.

LGFA has experienced strong growth in lending to the sector and has approximately 92% market share of all council borrowing. As at 30 June 2019, LGFA had lent \$362 million on a short-term basis to councils and \$8.902 billion on a long-term basis.



As at 2 September 2019, there are 64 Participating Local Authorities (“PLAs”) who are members of LGFA. There are 63 borrowers amongst the PLAs with MacKenzie District the only non-Borrower to date. The PLAs cover 98% of the local government sector debt. Auckland Council is restricted to borrowing no more than 40% of LGFA lending and is currently at 25%.

The ten largest council borrowers from LGFA as at 2 September 2019 are

Council Borrower	\$ millions	%
Auckland	\$2,407	24.8%
Christchurch City	\$1,802	18.6%
Wellington City	\$585	6.0%
Tauranga City	\$500	5.1%
Greater Wellington Regional	\$400	4.1%
Hamilton City	\$385	4.0%
Kapiti Coast District	\$215	2.2%
Bay of Plenty Regional	\$192	2.0%
Rotorua District	\$187	1.9%
Hutt City	\$179	1.8%
53 others	\$2,861	29.5%
	\$9,713	100%

Guarantee structure

LGFA’s obligations in relation to its securities issued are guaranteed by the councils that are guarantors under the Guarantee and Indemnity Deed. Other than the New Zealand Government, each shareholder in LGFA must be a guarantor. In addition, any council that borrows in aggregate

NZ\$20 million or more from LGFA must be a guarantor. The guarantee will be in favour of the obligations of LGFA. Any call under the guarantee will be allocated across all the guarantors on a pro rata basis in relation to their rates revenue.

There are 52 Guarantors of LGFA. The only non-Guarantors (due to their small amount of borrowing) are Northland and West Coast Regional Councils and Grey, Central Hawkes Bay, Opotiki, Buller, Rangitikei, Stratford, Wairoa, MacKenzie, Clutha and Westland District Councils.

The New Zealand Government does not guarantee LGFA.

Governance and oversight

The LGFA Board is responsible for the strategic direction and control of LGFA's activities and comprises five independent and one non-independent directors. The Board guides and monitors the business and affairs of LGFA, in accordance with the

- Local Government Act 2002
- Local Government Borrowing Act 2011
- Companies Act 1993
- LGFA's Constitution
- LGFA Shareholder Agreement
- LGFA Annual Statement of Intent

The LGFA Shareholders' Council comprises five to ten appointees from the council shareholders and the New Zealand Government. The role of the Shareholders' Council is to

- Review and report performance of LGFA and the board
- Recommend to shareholders as to the appointment, removal, replacement and remuneration of directors
- Recommend to shareholders as to any changes to policies, or the SOI, requiring their approval
- Update shareholders on LGFA matters and
- Co-ordinate shareholders on governance decisions.

LGFA is audited by Audit NZ.

Risk management

The LGFA risk management framework follows industry best practice principles and the three lines of defence model to identify, assess and mitigate the risks faced by the business, as a part of its daily business operations.

The LGFA board and the audit and risk committee are responsible for the governance oversight of LGFA's risk management, compliance and internal audit functions. The CEO and the Manager, Risk and Compliance are responsible for the daily operational controls and processes that are in place to mitigate the business risks of the organisation.

The Risk and Compliance Manager also undertakes the board approved internal audit operations of LGFA and KPMG (appointed by Audit NZ) are the LGFAs external auditors.

The major risks and mitigants faced by LGFA are:

- Interest Rate Risk is where LGFA is subject to adverse movements in interest rates or borrowing spreads. This is mitigated by very tight treasury policy and board-imposed limits and compliance reporting requirements to the LGFA board.
- Funding Risk is where LGFA incurs a mismatch between its borrowing and lending activities and either cannot borrow to match its maturities or incurs a financial loss in doing so. LGFA can issue short dated and long dated instruments, borrows for long terms than it on-lends to councils and has a Liquid Assets Portfolio (LAP) and a standby facility from the New Zealand Government
- Credit Risk is where a loan to a council cannot be repaid or an investment in the LAP incurs a loss due to a credit event. This is mitigated through LGFA lending to councils on a secured basis (against rates revenue) and each council borrower must comply with LGFA imposed financial covenants. LGFA has strict limits on what investments can be held in the LAP in terms of type, term, amounts and credit ratings of investments in individual securities and issuers.

LGFA also has a defined compliance framework in place, to ensure that all legal, regulatory and treasury compliance requirements are actively managed and reported to the LGFA board.

Credit rating

LGFA has credit ratings from both S&P Global Ratings and Fitch Ratings Services. The credit rating of AA+ is the same as the rating of the New Zealand Government and is on positive outlook by S&P.

LGFA history

Since establishment in 2012, LGFA has sought to continuously improve to meet the requirements of its council members. A brief timeline is as follows

February 2012	Commenced issuing bonds and on-lending to councils. Councils could only borrow at times that LGFA was issuing bonds and only borrow into maturity dates that LGFA was issuing bonds into. LGFA bond maturity dates matched the New Zealand Government Bond (NZGB) maturity dates and all LGFA bond issuance via a tender was held approximately every 6 weeks.
March 2015	Commenced bespoke lending where a council could borrow at anytime and into any maturity date between the end points of the LGFA bond curve (currently between 2020 and 2033).
June 2015	Transitioned the front, middle and back office from New Zealand Treasury to an in-house model incorporating a new treasury system.
October 2015	Commenced short term lending where a council can borrow for terms of between 30 days and 365 days. LGFA commenced issuing LGFA bills with maturity dates of less than 1 year.
November 2015	LGFA bonds listed on the NZX debt market.

June 2016	LGFA established bond lending facility where banks can borrow LGFA bonds to assist with trading and market liquidity.
November 2017	Shareholders approved changes to Foundation Policy at AGM regarding LGFA investment portfolio to accommodate growth in LGFA balance sheet.
April 2018	April 2022 LGFA bond issued – this was the first LGFA bond that did not match a NZGB maturity.
November 2018	Shareholders approved changes to Foundation Policy at AGM to allow lending to Council Controlled Organisations (CCOs).
March 2019	First LGFA bond issued via syndication rather than by tender with a maturity date of April 2024.
November 2019	LGFA will be approaching shareholders to approve documents to progress CCO lending (see below).

CCO lending – for shareholder approval at November 2019 AGM

Currently LGFA can only lend to a council. However, a number of councils borrow and on-lend to their CCO subsidiaries and LGFA has been asked to change so that it can lend direct to CCOs (with the consent of the parent council).

There are several reasons for LGFA to lend to CCOs.

- LGFA estimates that forty-seven of its sixty-four member councils have CCOs and a number of councils currently borrow and on-lend to their CCO subsidiaries.
- CCOs are an important part of the Local Government sector and LGFA cannot currently lend directly to CCOs.
- It is difficult for multiple owned CCOs to access financing from LGFA and with potential reform of the water sector signalled by Central Government, LGFA needs to consider what this might mean for sector borrowing.
- Dunedin City Council is one of the few councils not to borrow through LGFA and part of the reason is that they undertake their borrowing through a CCO subsidiary.

LGFA needs to continuously evolve to meet changes in the operating environment and stakeholder demands and in 2018 we started to look at whether LGFA could lend to CCOs.

LGFA received shareholder approval at the November 2018 AGM to proceed with establishing the framework and process to lend directly to CCOs. Russell McVeagh and LGFA management have been working on the structure, process and drafting changes to the LGFA legal documents. Simpson Grierson have acted on behalf of LGFA member councils to provide feedback on the proposal.

There is no additional risk for LGFA guarantors as a result of lending to CCOs because

- The existing four financial covenant requirements at council parent level remain the key metrics for LGFA lending decisions. Given that any LGFA lending to CCOs must have a parent guarantee or uncalled capital availability, these annually tested parent covenants must remain inviolate, thus providing no less security for LGFA member guarantors than exists now;

- The LGFA board will make the decisions to lend to CCOs following extensive credit analysis of the CCO;
- LGFA will lend only to CCOs that are 100% owned by a council, a group of councils or a mix of councils and Central Government
- LGFA will report to shareholders on direct lending to CCOs which will provide more transparency for members than the current mechanism where parent councils borrow and on-lend to their CCO subsidiaries;
- LGFA member councils have the right to apply for LGFA to monitor their covenants at a Group level. So far, no council has yet applied to the LGFA.

Russell McVeagh have drafted changes to the following documents

- Multi Issuer Deed
- Notes Subscription Agreement
- Guarantee and Indemnity
- Shareholder Agreement

Approvals for these changes will be sought at the AGM in November 2019.



Amendment and Restatement Deed (Multi- issuer Deed)

PARTIES

The Local Authorities listed in Schedule 1

Issuers

New Zealand Local Government Funding Agency Limited

Subscriber

Russell
McLeagh

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

Russell
McAugh

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.

Russell
McLeagh

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

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

Name of elected member

Name of elected member

CHRISTCHURCH CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

CLUTHA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

FAR NORTH DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

GISBORNE DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

GORE DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member



GREY DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

HAMILTON CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

HASTINGS DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

HAURAKI DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

HAWKE'S BAY REGIONAL COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

HOROWHENUA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

HURUNUI DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

HUTT CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member



INVERCARGILL CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

KAIKOURA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

KAIPARA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

KAPITI COAST DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

MACKENZIE DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

MANAWATU DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

**MANAWATŪ-WHANGANUI REGIONAL
COUNCIL** by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

MARLBOROUGH DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McAugh

MASTERTON DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

MATAMATA-PIAKO DISTRICT COUNCIL
by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

NELSON CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

NEW PLYMOUTH DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

NORTHLAND REGIONAL COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

ŌPŌTIKI DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

ŌTOROHANGA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

PALMERSTON NORTH CITY COUNCIL

by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member



PORIRUA CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

**QUEENSTOWN-LAKES DISTRICT
COUNCIL** by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

RANGITIKEI DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

ROTORUA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

RUAPEHU DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

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 elected member

Signature of elected member

Name of elected member

Name of elected member

SOUTH WAIRARAPA DISTRICT COUNCIL

by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

STRATFORD DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

TARANAKI REGIONAL COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

TARARUA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

TASMAN DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McAugh

TAUPO DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

TAURANGA CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

**THAMES-COROMANDEL DISTRICT
COUNCIL** by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

TIMARU DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member



UPPER HUTT CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

WAIKATO DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

WAIKATO REGIONAL COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

WAIMAKARIRI DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

WAIPA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

WAIROA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

WAITOMO DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

WELLINGTON CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

WELLINGTON REGIONAL COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

WEST COAST REGIONAL COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

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

WESTLAND DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

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

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

Local Authority name:	Debenture Trust Deed, Agency Agreement and Registrar details:	Details for notices:
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>
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>

Russell
 McLeagh

Carterton District Council	<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>
Central Hawke's Bay District Council	<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>
Christchurch City Council	<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>

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



	<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:</p> <p>15 Fitzherbert Street Gisborne</p> <p>Postal Address:</p> <p>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:</p> <p>Gore District Council 29 Bowler Avenue Gore 9740</p> <p>Attention:</p> <p>Chief Financial Officer</p> <p>Facsimile:</p> <p>(03) 209 0330</p> <p>Email:</p> <p>info@goredc.govt.nz</p>

		Postal Address: PO Box 8 Gore 9740
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: 105 Tainui Street Greymouth 7805</p> <p>Postal Address: PO Box 382 Greymouth 7840</p> <p>Email: finance@greydc.govt.nz 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: 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 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: 207 Lyndon Road East Hastings 4122</p> <p>Postal Address: Private Bag 9002</p>

Russell
 McLeagh

	time to time and most recently on 30 November 2011. 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. Registrar: Computershare Investor Services Limited	Hastings 4156 Email: brucea@hdc.govt.nz Attention: Bruce Allan
Hauraki District Council	Debenture Trust Deed between Hauraki District Council and Trustees Executors Limited dated 29 November 2012. Registrar and Paying Agency Agreement between Hauraki District Council and Computershare Investor Services Limited dated 29 November 2012. Registrar: Computershare Investor Services Limited	Delivery Address: William Street Paeroa 3600 Postal Address: PO Box 17 Paeroa 3640 Email: info@hauraki-dc.govt.nz Attention: Corporate Services Group Manager

Hawke's Bay Regional Council	<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:</p> <p>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:</p> <p>Hawke's Bay Regional Council Private Bag 6006 Napier 4142</p>
Horowhenua District Council	<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:</p> <p>126 - 148 Oxford Street Levin 5510</p> <p>Postal Address:</p> <p>Private Bag 4002 Levin 5540</p> <p>Email: dougl@horowhenua.govt.nz</p> <p>Attention: Doug Law</p>
Hurunui District Council	<p>Debenture Trust Deed between Hurunui District Council and Perpetual Trust Limited (and now between the Council and Covenant</p>	<p>Delivery Address:</p> <p>66 Carters Road (SH1) Amberley 7410</p>

Russell
 McLeagh

	<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:</p> <p>PO Box 13</p> <p>Amberley 7441</p> <p>North Canterbury</p> <p>Email: jason.beck@hurunui.govt.nz</p> <p>Attention: Jason Beck</p>
Hutt City Council	<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:</p> <p>30 Laings Road</p> <p>Lower Hutt</p> <p>Postal Address:</p> <p>Private bag 31912</p> <p>Lower Hutt 5040</p> <p>Email:</p> <p>glenn.phillips@huttcity.govt.nz</p> <p>Attention: Glenn Usoali'i-Phillips</p>
Invercargill City Council	<p>Debenture Trust Deed between Invercargill City Council and Trustees Executors Limited dated 22 October 2015, as amended from</p>	<p>Delivery Address:</p> <p>Invercargill City Council</p> <p>Attention: Dave Foster</p> <p>Email: dave.foster@icc.govt.nz</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:</p> <p>Invercargill City Council Private Bag 90104 Invercargill 9840</p>
Kaikoura District Council	<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:</p> <p>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:</p> <p>Kaikoura District Council PO Box 6 Kaikoura 7340</p>
Kaipara District Council	<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:</p> <p>42 Hokianga Road Dargaville</p> <p>Attention:</p> <p>General Manager Sustainable Growth and Investment</p> <p>Email: sdavidson@kaipara.govt.nz</p> <p>Postal Address:</p> <p>Private Bag 1001</p>

Russell
McLeagh

	to time and most recently on 22 March 2016. Registrar: Computershare Investor Services Limited	Dargaville 0340
Kapiti Coast District Council	<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:</p> <p>Council Offices 175 Rimu Road Paraparaumu 5032</p> <p>Postal Address:</p> <p>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>
Mackenzie District Council	<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:</p> <p>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>
Manawatu District Council	<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>
Manawatū-Whanganui Regional Council (which trades as Horizons Regional Council)	<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>

Russell
McLeagh

Marlborough District Council	<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>
Masterton District Council	<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</p> <p>Attention: Manager Finance</p>
Matamata-Piako District Council	<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 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>
Nelson City Council	<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>
New Plymouth District Council	<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>

Russell
 McLeagh

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

	<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>
Ōtorohanga District Council	<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</p> <p>PO Box 11 Ōtorohanga 3940</p> <p>Email: grahamb@otodc.govt.nz</p> <p>Attention: Graham Bunn</p>
Palmerston North City Council	<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:</p> <p>Private Bag 11034 Palmerston North</p> <p>Email:</p> <p>steve.paterson@pncc.govt.nz</p> <p>Attention: Strategy Manager Finance</p>

Russell
McLeagh

	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:</p> <p>Rangitikei District Council 46 High Street Marton 4741</p> <p>Attention:</p> <p>Joanne Devine</p> <p>Email:</p> <p>jo.devine@rangitikei.govt.nz</p> <p>Postal Address:</p> <p>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:</p> <p>Civic Centre 1061 Haupapa Street Rotorua</p> <p>Postal Address:</p> <p>Private Bag 3029 Rotorua Mail Centre Rotorua</p> <p>Email: Thomas.colle@rdc.govt.nz</p> <p>Attention: Thomas Colle</p>
Ruapehu District Council	Debenture Trust Deed between Ruapehu District Council and	Delivery Address: Ruapehu District Council

Russell
 McLeagh

	<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>
Selwyn District Council	<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>
South Taranaki District Council	<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>
South Wairarapa District Council	<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>
Stratford District Council	<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>

Russell
 McLeagh

Taranaki Regional Council	<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>
Tararua District Council	<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>
Tasman District Council	<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>

	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. Registrar: Link Market Services Limited.	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. 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. Registrar: Link Market Services Limited.	Delivery Address: 72 Lake Terrace Taupo 3330 Postal Address: Private Bag 2005 Taupo 3352 Email: 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. Registry and Payment Services Agreement between Tauranga District Council and Link Market Services Limited dated 1 April 2004, as amended from time to	Delivery Address: 91 Willow Street Tauranga 3143 Postal Address: Private Bag 12022 Tauranga 3143 Email: treasury.settlements@tauranga.govt.nz Attention: Mohan De Mel

Russell
McLeagh

	time and most recently on 30 November 2011. Registrar: Link Market Services Limited.	
Thames-Coromandel District Council	<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>
Timaru District Council	<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>

	to time and most recently on 18 February 2013. Registrar: Computershare Investor Services Limited	
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>

Russell
 McLeagh

Waikato Regional Council	<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>
Waimakariri District Council	<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>
Waipa District Council	<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 Sarah.Davies@waipadc.govt.nz Ken.Morris@waipadc.govt.nz</p> <p>Attention: Ken Morris</p>
Wairoa District Council	<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>
Waitomo District Council	<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>

Russell
 McLeagh

	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@wcr.c.govt.nz</p> <p>Postal Address: West Coast Regional Council PO Box 66 GREYMOUTH 7840</p>
Western Bay Of Plenty District Council	<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>
Westland District Council	<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>

Russell
McAugh

	Registrar: Link Market Services Limited	Lesley.Crichton@westlanddc.govt.nz Postal Address: Private Bag 704 Hokitika 7842
Whakatane District Council	<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>
Whanganui District Council	<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>

Russell
McLeagh

	to time and most recently on 29 November 2012. Registrar: Computershare Investor Services Limited	
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. 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. Registrar: Computershare Investor Services Limited.	Delivery Address: Forum North Rust Avenue Whangarei Postal Address: Private Bag 9023 Whangarei 0148 Email: alan.adcock@wdc.govt.nz Attention: Alan Adcock

Russell
McVeagh**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.

Russell
McAugh

APPENDIX

Amended and Restated Multi-issuer Deed



Multi-issuer Deed

PARTIES

The Local Authorities Listed in Schedule 1

Principal Shareholders

New Zealand Local Government Funding Agency Limited

Subscriber

CONTENTS

1. INTERPRETATION	1
2. ACCESSION OF LOCAL AUTHORITY AS AN ISSUER	11
2A. ACCESSION OF CCO AS AN ISSUER	13
3. OFFERS AND SALES OF SECURITIES	15
4. ISSUANCE PROCESS	16
5. ISSUE AND CREATION	20
6. REPRESENTATIONS AND WARRANTIES	20
7. UNDERTAKINGS	26
8. PAYMENT FOR EC SECURITIES	40
9. REBATES	41
10. ISSUER INDEMNITY	41
11. NOTICES	42
12. AMENDMENTS	43
13. MISCELLANEOUS	43
14. GOVERNING LAW	44
15. NO CROWN GUARANTEE	44
SCHEDULE 1	46
Principal Shareholders	46
SCHEDULE 2	53
Conditions	53
SCHEDULE	77
Meeting of Holders	77
SCHEDULE 3	87
Form of Final Terms for EC Securities	87
SCHEDULE 4	89
Form of Accession Deed	89
SCHEDULE 5	95
Form of Term Sheet	95
SCHEDULE 6	100
Form of Notice of Commitment for EC Securities	100
SCHEDULE 7	101
Form of Compliance Certificate	101
APPENDIX A TO COMPLIANCE CERTIFICATE	102

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.

"Internal 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.

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) **Raising 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.

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.

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.

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.

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

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 and most recently on 25 May 2016.	<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	Debenture Trust Deed between Bay of Plenty Regional Council and Trustees Executors Limited dated on or about 30 November 2011.	<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	Debenture Trust Deed between Christchurch City Council and Trustees Executors Limited dated 26 March 2007, as amended from time to	<p>Delivery Address: Civic Offices 53 Hereford Street Christchurch</p> <p>Postal Address: P O Box 73016 Christchurch 8154</p>

	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	<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: 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>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>Delivery Address: 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>
Selwyn District Council	<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>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>

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.	Attention: Greg Bell
		Delivery Address: 105-111 Albion Street Hawera 4610 Postal Address: Private Bag 902 Hawera 4640 Email: vipul.mehta@stdc.govt.nz
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.	Attention: Vipul Mehta
		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
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.	Attention: Neil Ward
		Delivery Address: 91 Willow Street Tauranga 3143
		Postal Address: Private Bag 12022 Tauranga 3143
		Email: treasury.settlements@tauranga.govt.nz
		Attention: Mohan De Mel

Waipa District Council	<p>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.</p>	<p>Delivery Address: 101 Bank Street Te Awamutu</p> <p>Postal Address: 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>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>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>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>

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
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.	Email: kumaren@perumal@westernbay.govt.nz
		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 Bank" 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-E 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.

"**ta** " 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.

"**ta 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.

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.

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.

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.

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.

1 . 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.

. 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.

. **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.

. **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.

. **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.

1 . **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.

1 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.

1 . RESOLUTIONS IN WRITING

- 17.1 **E traordinary 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 **E ecution** 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:

If fungible with an existing Series, details of that Series, including the date on which the Series becomes fungible

3. Type of Securities: *Fixed Rate Securities/Floating Rate Securities/Zero Coupon Securities/Amortising Security .*
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 .
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 **Ac knowledgement** 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.
- 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 SHAREHOLDERby:

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 .1A a iv *specify* / None .
- 8. **Permitted disposal** cl .1A a : *specify* / None .
- 9. **Permitted Distribution** cl .1A a : ii *specify* / None .
- 10. **Permitted financial accommodation** cl .1A a : *specify* / None .
- 11. **Permitted acquisition** cl .1A a : *specify* / None .
- 12. **Permitted merger** cl .1A a : *specify* / None .
- 13. **Additional representations by the Acceding Party** cl .1A a : *specify, including representations as to ranking obligations under the Multi-issuer Deed* / None .
- 14. **Additional representations by each LA Shareholder** cl .1A b : *specify* / None .

15. **Additional undertakings by the Acceding Party** clause 1A a: *specify, including undertakings as to ranking of obligations under the Multi-issuer Deed / None*.
16. **Additional undertakings by each LA Shareholder** clause 1A b: *specify / None*.
17. **Additional termination event in respect of the Acceding Party** clause 1A d: *specify / None*.
18. **Additional termination event in respect of each LA Shareholder** clause 1A e: *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 LGFA.tenderoperations@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).]

	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 (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	<i>Specify</i> N/A
Registrar	
Agency Agreement	
CCO Support Documents	<i>specify each security and guarantee document</i>] or [N/A if not a CCO Issuer
CCO Credit Support	<i>specify each security and guarantee</i>] or [N/A if not a CCO Issuer
CCO Negative Pledge and Covenant	<i>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</i>] or [N/A if not a CCO Issuer
Insolvency Event	<p>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:</p> <p>(a) it is declared or becomes bankrupt or insolvent or is unable to pay its debts when they fall due;</p>

	<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 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> <p>(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;</p> <p>(ii) proposes or is subject to a moratorium of its debts; or</p> <p>(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;</p> <p>(g) it seeks or obtains protection from its creditors under any statute or any other law;</p>
--	--

	<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>
Additional Event of Default	<p>(a) Cross default:</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

Form of Notice of Commitment for EC Securities

To: New Zealand Local Government Funding Agency Limited ("**Subscriber**")
Attention: [REDACTED]

Email: [REDACTED]
Date: [REDACTED]

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

Form of Compliance Certificate

To: New Zealand Local Government Funding Agency Limited

Attention:

Email:

Date:

Re: Multi-issuer Deed dated 7 December 2011 ("Deed")

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 .5	Required Performance	Actual Performance
Net Debt: Total Revenue	<i>insert</i>	<i>insert</i>
Net Interest: Total Revenue	<i>insert</i>	<i>insert</i>
Net Interest: Annual Rates Income	<i>insert</i>	<i>insert</i>
Available Financial Accommodation: External Indebtedness	<i>insert</i>	<i>insert</i>

Financial Covenant Components

Net Debt	<i>insert</i>
Total Revenue	<i>insert</i>
Net Interest	<i>insert</i>
Annual Rates Income	<i>insert</i>
Available Financial Accommodation	<i>insert</i>
External indebtedness	<i>insert</i>

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]



Amendment and Restatement Deed (Notes Subscription Agreement)

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.

Russell
McLeagh

- (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.

Russell
McAugh

EXECUTED AS A DEED

The Subscribers

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

Name of elected member

Name of elected member

Russell
McAugh

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

Name of elected member

Name of elected member

CHRISTCHURCH CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

CLUTHA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

FAR NORTH DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

GISBORNE DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

GORE DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McAugh

GREY DISTRICT COUNCIL by:

_____ Signature of Elected Member	_____ Signature of Elected Member
_____ Name of Elected Member	_____ Name of Elected Member

HAMILTON CITY COUNCIL by:

_____ Signature of elected member	_____ Signature of elected member
_____ Name of elected member	_____ Name of elected member

HASTINGS DISTRICT COUNCIL by:

_____ Signature of elected member	_____ Signature of elected member
_____ Name of elected member	_____ Name of elected member

HAURAKI DISTRICT COUNCIL by:

_____ Signature of elected member	_____ Signature of elected member
_____ Name of elected member	_____ Name of elected member



HAWKE'S BAY REGIONAL COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

HOROWHENUA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

HURUNUI DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

HUTT CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member



INVERCARGILL CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

KAIKOURA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

KAIPARA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

KAPITI COAST DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

MACKENZIE DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

MANAWATU DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

**MANAWATŪ-WHANGANUI REGIONAL
COUNCIL by:**

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

MARLBOROUGH DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member



MASTERTON DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

MATAMATA-PIAKO DISTRICT COUNCIL
by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

NELSON CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

NEW PLYMOUTH DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

NORTHLAND REGIONAL COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

ŌPŌTIKI DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

ŌTOROHANGA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

PALMERSTON NORTH CITY COUNCIL
by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member



PORIRUA CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

QUEENSTOWN-LAKES DISTRICT
COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

RANGITIKEI DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

ROTORUA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

RUAPEHU DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

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 elected member

Signature of elected member

Name of elected member

Name of elected member

SOUTH WAIRARAPA DISTRICT COUNCIL
by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

STRATFORD DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

TARANAKI REGIONAL COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

TARARUA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

TASMAN DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

TAUPO DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

TAURANGA CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

**THAMES-COROMANDEL DISTRICT
COUNCIL** by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

TIMARU DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

UPPER HUTT CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

WAIKATO DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

WAIKATO REGIONAL COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

WAIMAKARIRI DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

WAIPA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

WAIROA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

WAITOMO DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

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

WEST COAST REGIONAL COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

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

WESTLAND DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

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

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

Local Authority name:	Debenture Trust Deed, Agency Agreement and Registrar details:	Details for notices:
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>

Russell
McAugh

	<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</p> <p>CARTERTON 5713</p> <p>Attention: Jane Davis</p> <p>Email: jane.davis@cdc.govt.nz</p> <p>Postal Address:</p> <p>Carterton District Council</p> <p>PO Box 9</p> <p>CARTERTON 5713</p>
Central Hawke's Bay District Council	<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</p> <p>28-32 Ruataniwha Street</p> <p>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>
Christchurch City Council	<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:</p> <p>Civic Offices</p> <p>53 Hereford Street</p> <p>Christchurch</p> <p>Postal Address:</p> <p>P O Box 73016</p> <p>Christchurch 8154</p> <p>Email: Treasury@ccc.govt.nz</p>

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

Russell
 McLeagh

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:</p> <p>15 Fitzherbert Street Gisborne</p> <p>Postal Address:</p> <p>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:</p> <p>Gore District Council 29 Bowler Avenue Gore 9740</p> <p>Attention:</p> <p>Chief Financial Officer</p> <p>Facsimile:</p> <p>(03) 209 0330</p> <p>Email:</p> <p>info@goredc.govt.nz</p> <p>Postal Address:</p> <p>PO Box 8 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: 105 Tainui Street Greymouth 7805</p> <p>Postal Address: PO Box 382 Greymouth 7840</p> <p>Email: finance@greydc.govt.nz 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: 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 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 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: brucea@hdc.govt.nz</p>

Russell
McLeagh

	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. Registrar: Computershare Investor Services Limited	Attention: Bruce Allan
Hauraki District Council	Debenture Trust Deed between Hauraki District Council and Trustees Executors Limited dated 29 November 2012. Registrar and Paying Agency Agreement between Hauraki District Council and Computershare Investor Services Limited dated 29 November 2012. Registrar: Computershare Investor Services Limited	Delivery Address: William Street Paeroa 3600 Postal Address: PO Box 17 Paeroa 3640 Email: info@hauraki-dc.govt.nz Attention: Corporate Services Group Manager

Hawke's Bay Regional Council	<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:</p> <p>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:</p> <p>Hawke's Bay Regional Council Private Bag 6006 Napier 4142</p>
Horowhenua District Council	<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:</p> <p>126 - 148 Oxford Street Levin 5510</p> <p>Postal Address:</p> <p>Private Bag 4002 Levin 5540</p> <p>Email: dougl@horowhenua.govt.nz</p> <p>Attention: Doug Law</p>
Hurunui District Council	<p>Debenture Trust Deed between Hurunui District Council and Perpetual Trust Limited (and now between the Council and Covenant</p>	<p>Delivery Address:</p> <p>66 Carters Road (SH1) Amberley 7410</p>

Russell
 McLeagh

	<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:</p> <p>PO Box 13</p> <p>Amberley 7441</p> <p>North Canterbury</p> <p>Email: jason.beck@hurunui.govt.nz</p> <p>Attention: Jason Beck</p>
Hutt City Council	<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:</p> <p>30 Laings Road</p> <p>Lower Hutt</p> <p>Postal Address:</p> <p>Private bag 31912</p> <p>Lower Hutt 5040</p> <p>Email:</p> <p>glenn.phillips@huttcity.govt.nz</p> <p>Attention: Glenn Usoali'i-Phillips</p>
Invercargill City Council	<p>Debenture Trust Deed between Invercargill City Council and Trustees Executors Limited dated 22 October 2015, as amended from</p>	<p>Delivery Address:</p> <p>Invercargill City Council</p> <p>Attention: Dave Foster</p> <p>Email: dave.foster@icc.govt.nz</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:</p> <p>Invercargill City Council</p> <p>Private Bag 90104</p> <p>Invercargill 9840</p>
Kaikoura District Council	<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:</p> <p>Kaikoura District Council</p> <p>96 West End</p> <p>Kaikoura 7340</p> <p>Attention: Sheryl Poulsen</p> <p>Email:</p> <p>Sheryl.poulsen@kaikoura.govt.nz</p> <p>Postal Address:</p> <p>Kaikoura District Council</p> <p>PO Box 6</p> <p>Kaikoura 7340</p>
Kaipara District Council	<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:</p> <p>42 Hokianga Road</p> <p>Dargaville</p> <p>Attention:</p> <p>General Manager Sustainable Growth and Investment</p> <p>Email:</p> <p>sdavidson@kaipara.govt.nz</p> <p>Postal Address:</p> <p>Private Bag 1001</p>



	<p>to time and most recently on 22 March 2016.</p> <p>Registrar: Computershare Investor Services Limited</p>	Dargaville 0340
Kapiti Coast District Council	<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:</p> <p>Council Offices</p> <p>175 Rimu Road</p> <p>Paraparaumu 5032</p> <p>Postal Address:</p> <p>Private Bag 60-601</p> <p>Paraparaumu 5254</p> <p>Email:</p> <p>wayne.maxwell@kapiticoast.govt.nz</p> <p>Attention: Wayne Maxwell</p> <p>Email:</p> <p>mark.dehaast@kapiticoast.govt.nz</p> <p>Attention: Mark de Haast</p> <p>Email:</p> <p>david.wilson@kapiticoast.govt.nz</p> <p>Attention: David Wilson</p>
Mackenzie District Council	<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:</p> <p>Mackenzie District Council</p> <p>53 Main Street</p> <p>FAIRLIE 7925</p> <p>Attention:</p> <p>Adrian Hodgett</p> <p>Email:</p> <p>adrian@mackenzie.govt.nz</p>

		<p>Postal Address:</p> <p>PO Box 52</p> <p>Main Street</p> <p>FAIRLIE 7949</p>
Manawatu District Council	<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>
Manawatū-Whanganui Regional Council (which trades as Horizons Regional Council)	<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>

Russell
McLeagh

Marlborough District Council	<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>
Masterton District Council	<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</p> <p>Attention: Manager Finance</p>
Matamata-Piako District Council	<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 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>
Nelson City Council	<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>
New Plymouth District Council	<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>

Russell
McLeagh

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

	<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>
Ōtorohanga District Council	<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</p> <p>PO Box 11 Ōtorohanga 3940</p> <p>Email: grahamb@otodc.govt.nz</p> <p>Attention: Graham Bunn</p>
Palmerston North City Council	<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:</p> <p>Private Bag 11034 Palmerston North</p> <p>Email:</p> <p>steve.paterson@pncc.govt.nz</p> <p>Attention: Strategy Manager Finance</p>

Russell
McLeagh

	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:</p> <p>16 Cobham Court Porirua 5022</p> <p>Postal Address:</p> <p>PO Box 50218 Porirua 5240</p> <p>Email:</p> <p>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:</p> <p>10 Gorge Road Queenstown 9300</p> <p>Postal Address:</p> <p>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

Russell
 McLeagh

	<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>
Selwyn District Council	<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>
South Taranaki District Council	<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>
South Wairarapa District Council	<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>
Stratford District Council	<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>

Russell
 McLeagh

Taranaki Regional Council	<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>
Tararua District Council	<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>
Tasman District Council	<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>

	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. Registrar: Link Market Services Limited.	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. 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. Registrar: Link Market Services Limited.	Delivery Address: 72 Lake Terrace Taupo 3330 Postal Address: Private Bag 2005 Taupo 3352 Email: 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. Registry and Payment Services Agreement between Tauranga District Council and Link Market Services Limited dated 1 April 2004, as amended from time to	Delivery Address: 91 Willow Street Tauranga 3143 Postal Address: Private Bag 12022 Tauranga 3143 Email: treasury.settlements@tauranga.govt.nz Attention: Mohan De Mel

Russell
McLeagh

	time and most recently on 30 November 2011. Registrar: Link Market Services Limited.	
Thames-Coromandel District Council	<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>
Timaru District Council	<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>

	to time and most recently on 18 February 2013. Registrar: Computershare Investor Services Limited	
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>

Russell
 McLeagh

Waikato Regional Council	<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>
Waimakariri District Council	<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>
Waipa District Council	<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 Sarah.Davies@waipadc.govt.nz Ken.Morris@waipadc.govt.nz</p> <p>Attention: Ken Morris</p>
Wairoa District Council	<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>
Waitomo District Council	<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>

Russell
McLeagh

	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 Covenant Trustee Services Limited dated 26 February 2019.	<p>Delivery Address: West Coast Regional Council 388 Main South Road Paroa GREYMOUTH 7805</p>

	Registrar and Paying Agent Services Agreement between West Coast Regional Council and Computershare Investor Services Limited dated 26 February 2019. Registrar: Computershare Investor Services Limited.	Attention: Robert Mallinson Email: rm@wcr.govt.nz Postal Address: West Coast Regional Council PO Box 66 GREYMOUTH 7840
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. 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. Registrar: Computershare Investor Services Limited.	Delivery Address: Barkes Corner Greerton Tauranga Postal Address: Private Bag 12803 Tauranga 3143 Email: kumaren.perumal@westernbay.govt.nz Attention: Kumaren Perumal
Westland District Council	Debenture Trust Deed between Westland District Council and Covenant Trustee Services Limited dated 29 March 2018. Registry Customer Agreement between Westland District Council and Link Market Services Limited dated 29 March 2018.	Delivery Address: Westland District Council 36 Weld Street Hokitika 7810 Attention: Lesley Crichton Email:

Russell
McAugh

	Registrar: Link Market Services Limited	Lesley.Crichton@westlanddc.govt.nz Postal Address: Private Bag 704 Hokitika 7842
Whakatane District Council	<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>
Whanganui District Council	<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>

Russell
McLeagh

	to time and most recently on 29 November 2012. Registrar: Computershare Investor Services Limited	
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. 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. Registrar: Computershare Investor Services Limited.	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 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.

Russell
McLeagh

APPENDIX

Amended and Restated Notes Subscription Agreement



Notes Subscription Agreement

PARTIES

New Zealand Local Government Funding Agency Limited

Issuer

The Local Authorities Listed in Schedule 1

Principal Shareholders

CONTENTS

1.	INTERPRETATION	1
2.	ACCESSION OF LOCAL AUTHORITY AS A SUBSCRIBER	5
2A.	ACCESSION OF CCO AS A SUBSCRIBER	6
3.	OBLIGATIONS SEVERAL	7
4.	ISSUE AND SUBSCRIPTION	7
5.	LIMITED RIGHTS FOR SUBSCRIBERS	9
6.	INTEREST	9
7.	REDEMPTION	9
8.	CONVERSION	10
9.	PAYMENTS	13
10.	REGISTER	14
11.	RANKING OF NOTES	14
12.	SUBORDINATION	14
13.	NOTICES	16
14.	AMENDMENTS	16
15.	MISCELLANEOUS	17
16.	GOVERNING LAW	18
17.	NO CROWN GUARANTEE	18
	SCHEDULE 1 - PRINCIPAL SHAREHOLDERS	20
	SCHEDULE 2 - FORM OF ACCESSION DEED	25



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 to 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:

Russell
McLeagh

- (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).

. 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.

. 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.

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.

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).

1. 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 4 and 4 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

Russell
McLeagh

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.

1 . GOVERNING LAW

- 16.1 This agreement shall be governed by New Zealand law.

1 . 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.

Russell
McLeagh

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>

Russell
 McLeagh

Hastings District Council	Attention: David Bryant 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	Delivery Address: 27 Lincoln Road Masterton 5810 Postal Address: PO Box 444 Masterton 5840 Email: davidp@mstn.govt.nz Attention: Manager Finance
New Plymouth District Council	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	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

Russell
McLeagh

	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 Private Bag 4 Richmond, Nelson 7050 Email: 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 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 Attention: Mohan De Mel
Waipa District Council	Delivery Address: 101 Bank Street Te Awamutu Postal Address:

Russell
 McLeagh

	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	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	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 Attention: Mike Timmer
Western Bay Of Plenty District Council	Delivery Address: Barks Corner Greerton Tauranga Postal Address: Private Bag 12803 Tauranga 3143 Email: kumaren.perumal@westernbay.govt.nz Attention: Kumaren Perumal
Whangarei District Council	Delivery Address: Forum North Rust Avenue Whangarei Postal Address: Private Bag 9023

Russell
McAugh

	Whangarei 0148 Email: alan.adcock@wdc.govt.nz Attention: Alan Adcock
--	--

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.

Russell
McLeagh

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.*

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.

Russell
McAugh**EXECUTED AS A DEED**

Acceding Party

Local Authority **CCD** 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

Russell
McAugh

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)

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.

Russell
McLeagh

- (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.

Russell
McAugh

EXECUTED AS A DEED

The Guarantors

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

CANTERBURY REGIONAL COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

CHRISTCHURCH CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member



FAR NORTH DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

GISBORNE DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

GORE DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

HAMILTON CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

HASTINGS DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McAugh

HAURAKI DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

HAWKE'S BAY REGIONAL COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

HOROWHENUA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

HURUNUI DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

HUTT CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

INVERCARGILL CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

KAIPARA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

KAPITI COAST DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

MANAWATU DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

MANAWATŪ-WHANGANUI REGIONAL
COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

MARLBOROUGH DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

MASTERTON DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

MATAMATA-PIAKO DISTRICT COUNCIL
by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

NELSON CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

NEW PLYMOUTH DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member



ŌTOROHANGA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

PALMERSTON NORTH CITY COUNCIL
by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

PORIRUA CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

QUEENSTOWN-LAKES DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

ROTORUA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

RUAPEHU DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

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 elected member

Signature of elected member

Name of elected member

Name of elected member

SOUTH WAIRARAPA DISTRICT COUNCIL
by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

STRATFORD DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McAugh

TARANAKI REGIONAL COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

TARARUA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

TASMAN DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

TAUPO DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

TAURANGA CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

Russell
McLeagh

**THAMES-COROMANDEL DISTRICT
COUNCIL by:**

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

TIMARU DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

UPPER HUTT CITY COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

WAIKATO DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

WAIKATO REGIONAL COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member



WAIMAKARIRI DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

WAIPA DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

WAITOMO DISTRICT COUNCIL by:

Signature of elected member

Signature of elected member

Name of elected member

Name of elected member

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

Russell
McAugh

**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>

Russell
McLeagh

Postal Address:
P O Box 73016
Christchurch 8154

Attention: Andrew Jefferies

Far North District Council

Delivery Address:
Memorial Avenue, Kaikohe

Postal Address:
Private Bag 752
Kaikohe 0440
Janice.smith@fndc.govt.nz

Attention: General Manager, Corporate Services

Gisborne District Council

Delivery Address:
15 Fitzherbert Street
Gisborne

Postal Address:
PO Box 747
Gisborne 4010

Email: treasury@gdc.govt.nz

Attention: Pauline Foreman

Gore District Council

Delivery Address:
Gore District Council
29 Bowler Avenue
Gore 9740
Attention:
Chief Financial Officer

Facsimile:
(03) 209 0330

Email:
info@goredc.govt.nz

Postal Address:
PO Box 8
Gore 9740

Russell
McLeagh

Hamilton City Council

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

Delivery Address:
207 Lyndon Road East
Hastings 4122

Postal Address:
Private Bag 9002
Hastings 4156

Email: brucea@hdc.govt.nz

Attention: Bruce Allan

Hauraki District Council

Delivery Address:
William Street
Paeroa 3600

Postal Address:
PO Box 17
Paeroa 3640

Email: info@hauraki-dc.govt.nz

Attention: Corporate Services Group Manager

Hawke's Bay Regional Council

Delivery Address:
Hawke's Bay Regional Council
159 Dalton Street
Napier 4110

Attention: Bronda Smith

Email: bronda.smith@hbrc.govt.nz

Postal Address:
Hawke's Bay Regional Council
Private Bag 6006
Napier 4142

Russell
McLeagh

Horowhenua District Council

Delivery Address:
126 - 148 Oxford Street
Levin 5510

Postal Address:
Private Bag 4002
Levin 5540

Email: dougl@horowhenua.govt.nz

Attention: Doug Law

Hurunui District Council

Delivery Address:
66 Carters Road (SH1)
Amberley 7410

Postal Address:
PO Box 13
Amberley 7441
North Canterbury

Email: jason.beck@hurunui.govt.nz

Attention: Jason Beck

Hutt City Council

Delivery Address:
30 Laings Road
Lower Hutt

Postal Address:
Private bag 31912
Lower Hutt 5040

Email: glenn.phillips@huttcity.govt.nz

Attention: Glenn Usoali'i-Phillips

Invercargill City Council

Delivery Address:
Invercargill City Council

Attention: Dave Foster

Email: dave.foster@icc.govt.nz

Postal Address:
Invercargill City Council
Private Bag 90104

Russell
McAugh

Invercargill 9840

Kaipara District Council

Delivery Address:
42 Hokianga Road
Dargaville

Attention:
General Manager Sustainable Growth and Investment

Email:
sdavidson@kaipara.govt.nz

Postal Address:
Private Bag 1001
Dargaville 0340

Kapiti Coast District Council

Delivery Address:
Council Offices
175 Rimu Road
Paraparaumu 5032

Postal Address:
Private Bag 60-601
Paraparaumu 5254

Email: wayne.maxwell@kapiticoast.govt.nz
Attention: Wayne Maxwell

Email: mark.dehaast@kapiticoast.govt.nz
Attention: Mark de Haast

Email: david.wilson@kapiticoast.govt.nz
Attention: David Wilson

Manawatu District Council

Delivery Address:
135 Manchester Street
Fielding

Postal Address:
Private Bag 10001
Fielding 4743

Email: amanda.calman@mdc.govt.nz

Attention: Amanda Calman

Russell
McLeagh

Manawatū-Whanganui Regional Council	<p>Delivery Address: 11-15 Victoria Avenue Palmerston North</p> <p>Postal Address: Private Bag 11025 Manawatu Mail Centre Palmerston North</p> <p>Email: treasury@horizons.govt.nz</p> <p>Attention: Adrian Smith</p>
Marlborough District Council	<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</p> <p>Attention: Martin Fletcher/Adrian Ferris</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: David Paris</p>
Matamata-Piako District Council	<p>Delivery Address: 35 Kenrick Street Te Aroha</p> <p>Postal Address: PO Box 266 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>

Russell
McAugh

Nelson City Council	<p>Delivery Address: Civic House 110 Trafalgar Street Nelson 7010</p> <p>Postal Address: PO Box 645 Nelson 7040</p> <p>Email: Nikki.harrison@ncc.govt.nz</p> <p>Attention: Group Manager Corporate Services</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: trusttrumrainey@npdc.govt.nz / carla.freeman@npdc.govt.nz</p> <p>Attention: Alison TrusttrumRainey / Carla Freeman</p>
Ōtorohanga District Council	<p>Delivery Address: 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>
Palmerston North City Council	<p>Delivery Address: 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>
Porirua City Council	<p>Delivery Address: 16 Cobham Court</p>

Russell
McLeagh

	<p>Porirua 5022</p> <p>Postal Address: PO Box 50218 Porirua 5240</p> <p>Email: stephen.woolley@poriruacity.govt.nz</p> <p>Attention: Stephen Woolley</p>
Queenstown-Lakes District Council	<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>
Rotorua District Council	<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</p> <p>Attention: Thomas Colle</p>
Ruapehu District Council	<p>Delivery Address: Ruapehu District Council 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>
Selwyn District Council	<p>Delivery Address:</p>

Russell
McLeagh

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

South Wairarapa District
Council

Delivery Address:
South Wairarapa District Council
19 Kitchener Street
Martinborough 5711

Attention:
Harry Wilson / Katrina Neems

Email:
harry.wilson@swdc.govt.nz / katrina.neems@swdc.govt.nz

Postal Address:
PO Box 6
Martinborough 5741

Stratford District Council

Delivery Address:
Stratford District Council
61-63 Miranda Street
Stratford 4332

Attention: Tiffany Radich

Email: TRadich@stratford.govt.nz

Postal Address:
PO Box 320
Stratford 4352

Russell
McLeagh

Taranaki Regional Council	<p>Delivery Address:</p> <p>Taranaki Regional Council 47 Cloten Road Stratford 4332</p> <p>Attention: Mike Nield</p> <p>Fax: +64 6 765 5097</p> <p>Postal Address:</p> <p>Taranaki Regional Council Private Bag 713 Stratford 4352</p>
Tararua District Council	<p>Delivery Address:</p> <p>26 Gordon Street Dannevirke</p> <p>Postal Address:</p> <p>26 Gordon Street PO Box 115 Dannevirke 4942</p> <p>Email: cameron.mckay@tararua.govt.nz raj.supiah@tararua.govt.nz</p> <p>Attention: Finance Manager</p>
Tasman District Council	<p>Delivery Address:</p> <p>189 Queen Street, Richmond, Nelson 7050</p> <p>Postal Address</p> <p>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:</p> <p>72 Lake Terrace Taupo 3330</p> <p>Postal Address:</p> <p>Private Bag 2005 Taupo 3352</p>

Russell
McLeagh

Email: 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

Attention: Mohan De Mel

Thames-Coromandel District
Council

Delivery Address:
515 Mackay Street
Thames

Postal Address:
Private Bag
Thames 3540

Email: donna.holland@tcdc.govt.nz

Attention: Donna Holland

Timaru District Council

Delivery Address:
2 King George Place
Timaru

Postal Address:
PO Box 522
Timaru 7940

Email: enquiry@timdc.govt.nz

Attention: Chief Financial Officer

Upper Hutt City Council

Delivery Address:
Civic Administration Building
838 - 842 Fergusson Drive
Upper Hutt

Postal Address:
Private Bag 907
Upper Hutt
5140

Email: Julia.Fink@uhcc.govt.nz

Russell
McLeagh

Attention: Julia Fink

Waikato District Council

Delivery Address:
Head Office
15 Galileo Street
Ngaruawahia

Postal Address:
Private Bag 544
Ngaruawahia 3742

Email: tony.whittaker@waidc.govt.nz

Attention: Tony Whittaker

Waikato Regional Council

Delivery Address:
Waikato Regional Council
401 Grey Street
HAMILTON 3240

Attention:
Janine Becker

Email:
janine.becker@waikatoregion.govt.nz

Postal Address:
Private Bag 3038
Waikato Mail Centre
HAMILTON 3240

Waimakariri District Council

Delivery Address:
215 High Street
Rangiora

Postal Address:
Private Bag 1005
Rangiora 7440

Email: jeff.millward@wmk.govt.nz

Attention: Jeff Millward

Waipa District Council

Delivery Address:
101 Bank Street
Te Awamutu

Russell
McAugh

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

Waitomo District Council

Delivery Address:
Waitomo District Council
Queen Street
Te Kuiti 3910

Email:
info@waitomo.govt.nz

Postal Address:
Waitomo District Council
PO Box 404
Te Kuiti 3941

Attention:
Chief Executive

Wellington City Council

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

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

Attention: Mike Timmer

Russell
McLeaghWestern Bay Of Plenty District
CouncilDelivery Address:
Barkes Corner
Greerton
TaurangaPostal Address:
Private Bag 12803
Tauranga 3143

Email: kumaren.perumal@westernbay.govt.nz

Attention: Kumaren Perumal

Whakatane District Council

Delivery Address:
Civic Centre
Commerce Street
WhakatanePostal Address:
Private Bag 1002
Whakatane 3158Email: julie.caverhill@whakatane.govt.nz /
Heidi.mccallum@whakatane.govt.nz

Attention: Julie Caverhill / Heidi McCallum

Whanganui District Council

Delivery Address:
101 Guyton Street
WhanganuiPostal Address: PO Box 637
Whanganui 4540

Email: mike.fermor@whanganui.govt.nz

Attention: Mike Fermor

Whangarei District Council

Delivery Address:
Forum North
Rust Avenue
WhangareiPostal Address:
Private Bag 9023
Whangarei 0148

Email: 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).

Russell
McAugh

APPENDIX

Amended and Restated Guarantee and Indemnity



Guarantee and Indemnity

PARTIES

The Local Authorities Listed in Schedule 1

Initial Guarantors

TEL Security Trustee (LGFA) Limited

Security Trustee

CONTENTS

1.	INTERPRETATION	1
2.	GUARANTEE AND INDEMNITY	5
3.	OBLIGATIONS OF THE GUARANTORS	5
4.	NATURE AND EXTENT OF OBLIGATIONS	8
5.	RIGHTS OF THE SECURITY TRUSTEE	9
6.	GROSS-UP	10
7.	CURRENCY INDEMNITY	10
8.	DEFAULT INTEREST	11
9.	REPRESENTATIONS AND ACKNOWLEDGEMENTS	11
10.	ATTORNEY	12
11.	LIABILITY NOT PREJUDICED	13
12.	CHANGES TO THE PARTIES	14
13.	NOTICES	15
14.	COSTS	16
15.	RELEASE AND REINSTATEMENT	16
16.	MISCELLANEOUS	19
17.	COUNTERPARTS	21
18.	GOVERNING LAW AND JURISDICTION	21
19.	NO CROWN GUARANTEE	22
	SCHEDULE 1	24
	Initial Guarantors	24
	SCHEDULE 2	30
	Conditions precedent to be delivered by an Additional Guarantor	30
	SCHEDULE 3	31
	Form of Demand	31
	SCHEDULE 4	33
	Form of Guarantor Accession Deed	33
	SCHEDULE 1	35
	Existing Guarantors	35
	SCHEDULE 5	36
	Form of Further Principal Debt Release Request	36
	Form of Further Principal Debt Release	38
	SCHEDULE 6	39
	Form of Full Release Request	39
	Form of Full Release	40

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:

Russell
McLeagh

- (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

Russell
McLeagh

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

Russell
McLeagh

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:

Russell
McLeagh

- (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;

Russell
McLeagh

- (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.

Russell
McLeagh

- (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

Russell
McLeagh

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.

Russell
McAugh

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.

Russell
McAugh

SIGNATURES

[Original execution blocks intentionally deleted]

Russell
McAugh

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>

Russell
McLeagh

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>
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:</p>

Russell
McLeagh

INITIAL GUARANTORS	ADDRESS FOR NOTICES
	<p>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</p> <p>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</p>

Russell
McAugh

INITIAL GUARANTORS	ADDRESS FOR NOTICES
	Private Bag 4 Richmond, Nelson 7050 Email: 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 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 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 Kumaren.PerumalSarah.Davies@waipadc.govt.nz Ken.Morris@waipadc.govt.nz Attention: Ken Morris
Wellington City Council	Delivery Address:

Russell
McAugh

INITIAL GUARANTORS	ADDRESS FOR NOTICES
	<p>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:</p>

Russell
McAugh

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:

Russell
McLeagh**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

Russell
McLeagh

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]***

Russell
McAugh

SCHEDULE 1
Existing Guarantors

[Insert names of existing Guarantors]

Russell
McLeagh

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:

Russell
McAugh

[Attach supporting documents]

Russell
McLeagh

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:

Russell
McAugh

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]

Russell
McLeagh**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: