

IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OF AMERICA

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

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

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

Confirmation of your Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, investors must not be located in the United States. The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to us that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and that you consent to delivery of such Offering Circular by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular to any other person. You should not reply by e-mail to this notice, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

The materials relating to the offering of securities to which the Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers (as defined in the Offering Circular) or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Dealers or such affiliate on behalf of the Issuer (as defined in the Offering Circular) in such jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, Citigroup Global Markets New Zealand Limited (the "**Arranger**") or any of the Dealers, the Trustee or the Agents (each as defined in the Offering Circular) or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Arranger or the Dealers.

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



Watercare Services Limited

U.S.\$5,000,000,000

Secured Medium Term Note Programme

Under the Secured Medium Term Note Programme described in this Offering Circular (the "**Programme**"), Watercare Services Limited (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue medium term notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.\$5,000,000,000 (or the equivalent in other currencies) (the "**Programme Limit**"). Words and expressions defined in "*Terms and Conditions of the Notes*" below shall have the same meanings where used elsewhere in this Offering Circular.

The obligations of the Issuer under the Notes and the Trust Deed are secured pursuant to the Specific Security Deed (Water Charges) (as defined in "*Summary of the Programme*") granted by the Issuer in favour of the Security Trustee (as defined in "*Summary of the Programme*") who holds the benefit of such security on trust for, among others, the Noteholders as beneficiaries of the Watercare Security Trust.

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

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

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and for the listing and quotation of any Notes to be issued which are agreed at or prior to the time of issue to be listed on the SGX-ST. The applicable pricing supplement in respect of any issue of Notes (a "**Pricing Supplement**") will specify whether or not such Notes will be listed on the SGX-ST or any other stock exchange. There is no guarantee that an application to the SGX-ST will be approved. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group (as defined herein), the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed herein. Unlisted Series of Notes may also be issued pursuant to the Programme. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series of Notes. The applicable pricing supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).

Each Series (as defined in "*Summary of the Programme*") of Notes in bearer form that are being issued in compliance with TEFRA D (as defined in "*Summary of the Programme – Selling Restrictions*" below) will be represented on issue by a temporary global note in bearer form (each a "**temporary Global Note**"), and will be sold in an "offshore transaction" within the meaning of Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Interests in temporary Global Notes generally will be exchangeable for interests in permanent global notes (each a "**permanent Global Note**" and, together with the temporary Global Notes, the "**Global Notes**"), or if so stated in the relevant Pricing Supplement, definitive Notes ("**Definitive Notes**"), after the date falling 40 days after the later of the commencement of the offering and the relevant issue date of such Tranche, upon certification as to non-US beneficial ownership. Interests in permanent Global Notes will be exchangeable for Definitive Notes in whole but not in part as described under "*Summary of Provisions Relating to the Notes while in Global Form*".

The Notes of each Series to be issued in registered form and which are sold in an "offshore transaction" within the meaning of Regulation S will initially be represented by a permanent registered global certificate (each a "**Global Certificate**") without interest coupons, which may be deposited on the relevant issue date (a) in the case of a Series intended to be cleared through Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**"), with a common depository on behalf of Euroclear and Clearstream and (b) in the case of a Series intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream, or delivered outside a clearing system, as agreed between the Issuer, the relevant Dealer, the Trustee and the Agents. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes (as defined in "*Summary of the Programme*") that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold, or in the case of Bearer Notes delivered, within the United States. The Notes are subject to certain restrictions on transfer, see "*Subscription and Sale*".

The Issuer may agree with any Dealer and the Trustee and Agents (each as defined herein) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes (the "**Conditions**") herein, in which event a supplementary Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

The Programme has been rated "Aa3" by Moody's Investor Services ("**Moody's**"). Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.

This Offering Circular is an advertisement and is not a prospectus for the purposes of Regulation (EU) 2017/1129.

Arranger

Citigroup

Dealers

Citigroup
Commonwealth Bank of Australia
MUFG
Société Générale
Corporate & Investment Banking

ANZ
HSBC
National Australia Bank Limited
Westpac Banking Corporation

The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains or incorporates all information which is material in the context of the issuance and offering of Notes, that the information contained or incorporated in this Offering Circular relating to the Issuer and the Group is true and accurate in all material respects and is not misleading in any material respect, that the opinions and intentions expressed in this Offering Circular are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and that there are no other facts in relation to the Issuer, the Group or the Notes the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading in any material respect and which, in each case, is material in the context of the issuance and offering of the Notes. The Issuer accepts responsibility for the information contained in this Offering Circular.

Each Tranche of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" as amended and/or supplemented by a Pricing Supplement. This Offering Circular is to be read and construed together with any amendments or supplements hereto and with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*") and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement. This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular. No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Arranger, the Dealers, the Trustee or the Agents (each as defined in "*Summary of the Programme*") or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them.

Neither the delivery of this Offering Circular or any Pricing Supplement nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Issuer and each of its subsidiaries and controlled entities taken as a whole (the "**Group**") since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular and any Pricing Supplement and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Arranger, the Dealers, the Trustee or the Agents to inform themselves about and to observe any such restriction. None of the Issuer, the Arranger, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them represents that this Offering Circular or any Pricing Supplement may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them which would permit a public offering of any Notes or distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where action for such purposes is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and none of this Offering Circular, any Pricing Supplement or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

PRIIPs REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made

available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

UK MiFIR product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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

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

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

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

investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

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

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Bearer Notes, delivered within the United States. For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular, see "*Subscription and Sale*".

THE NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF NOTES AND THE DISTRIBUTION OF THIS OFFERING CIRCULAR AND ANY PRICING SUPPLEMENT, SEE "*SUBSCRIPTION AND SALE*".

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer, the Arranger and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any person outside the United States to any person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such person within the United States is prohibited.

This Offering Circular or any Pricing Supplement do not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger, the Dealers, the Trustee, the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them to subscribe for, or purchase, any Notes.

To the fullest extent permitted by law, none of the Arranger, the Dealers, the Trustee, the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them: (a) makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy, completeness or sufficiency of any of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme; nor (b) accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Arranger, a Dealer, the Trustee, any Agent or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them or on its behalf in connection with the Issuer or the issue and offering of the Notes, and nothing contained or incorporated in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Arranger, the Dealers, the Trustee or the Agents or any of their respective

directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them. The Arranger, each Dealer, the Trustee and each Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement. None of the Arranger, any Dealer, the Trustee or any Agent or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them have independently verified any of the information contained herein.

Neither this Offering Circular, the Pricing Supplement, any other financial statements nor other information provided or incorporated by reference in connection with the Programme are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger, the Dealers, the Trustee, the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them, that any recipient of this Offering Circular, the Pricing Supplement, any other financial statements or any such information should purchase the Notes. Each potential investor of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigations with its own tax, legal and business advisers as it deems necessary. None of the Arranger, the Dealers the Trustee, the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arranger, the Dealers the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them.

From time to time, in the ordinary course of business, certain of the Dealers and their affiliates have provided advisory and investment banking services, and entered into other commercial transactions with the Issuer and its affiliates, including commercial banking services, for which customary compensation has been received. It is expected that the Dealers and their affiliates will continue to provide such services to, and enter into such transactions with, the Issuer and its affiliates in the future.

The Dealers or certain of their respective affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes and not with a view to distribution.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor's particular circumstances) of an investment in the Notes of a particular issue. Each potential purchaser of Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue of Notes, which may describe additional risks and investment considerations associated with such Notes. In making an investment decision, each potential investor must rely on its own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. The Issuer does not, and none of the Arranger, the Dealers, the Trustee, the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them, makes any representation regarding the legality of investment under any applicable laws.

Potential investors should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement (the "**Stabilisation Manager(s)**") may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur.

Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation or over-allotment must be conducted by the relevant Stabilisation Manager (or person(s) acting on behalf of the relevant Stabilisation Manager) in accordance with all applicable laws and rules.

PRESENTATION OF INFORMATION

Unless otherwise specified or the context otherwise requires, references to "**U.S.\$**" and to "**U.S. dollars**" are to the lawful currency of the United States of America, references to "**New Zealand dollars**" and "**NZ\$**" are to the lawful currency of New Zealand, references to "**sterling**" and "**£**" are to the lawful currency of the United Kingdom, references to "**S\$**" are to the lawful currency of Singapore, references to "**A\$**" are to the lawful currency of Australia and references to "**€**" and "**Euro**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended from time to time.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes statements that are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the United States Securities and Exchange Act of 1934 (the "**Exchange Act**"). These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Circular and include statements regarding the intentions, beliefs or current expectations of the Issuer concerning, among other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and the areas in which the Issuer operates.

By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and that the Issuer's actual results of operations, financial condition and liquidity, and the development of the areas in which the Issuer operates, may differ materially from those made in or suggested by the forward-looking statements contained in this Offering Circular. In addition, even if the results of operations, financial condition and liquidity and the development of the areas in which the Issuer operates are consistent with the forward-looking statements contained in this Offering Circular, those results or developments may not be indicative of results or developments in subsequent periods.

The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer or persons acting on its behalf may issue. The Issuer does not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this Offering Circular.

The factors that may cause actual results to differ from those anticipated or predicted may include those set out in the section headed "Risk Factors".

Any forward-looking statements that the Issuer makes in this Offering Circular speak only as at the date of such statements, and the Issuer undertakes no obligation to update such statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, and should only be viewed as historical data.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with:

- (a) the audited consolidated annual financial statements of the Issuer (including the notes in respect of such financial statements) for the years ended 30 June 2024 and 30 June 2025 and the auditors' reports prepared in connection therewith;
- (b) the most recently published audited consolidated annual financial statements and any consolidated interim financial statements (whether audited or unaudited) published subsequently to the date of this Offering Circular of the Issuer from time to time (if any);
- (c) all amendments and supplements from time to time to this Offering Circular, which shall be deemed to be incorporated in, and to form part of, this Offering Circular; and
- (d) each relevant Pricing Supplement,

which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents.

Any unaudited interim accounts ("**Unaudited Financials**") published by the Issuer from time to time have not been audited by Deloitte Limited on behalf of the Auditor-General or any other independent auditors. As a result, any Unaudited Financials should not be relied upon by potential investors to provide the same quality of information associated with information that has been subject to an audit. Potential investors must exercise caution when using such data to evaluate the Issuer's financial condition and results of operations. In addition, any Unaudited Financials should not be taken as an indication of the expected financial condition, results of operations and results of the Group as at and for their respective period(s). None of the Arranger, Dealers, Trustee or Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them makes any representation or warranty, express or implied, regarding the sufficiency of any Unaudited Financials for an assessment of the Issuer's financial condition and results of operations, and potential investors must exercise caution when using such data to evaluate the Issuer's financial condition and results of operations.

Copies of all such documents which are so deemed to be incorporated in, and to form part of, this Offering Circular will be available free of charge during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the specified office of the Trustee set out at the end of this Offering Circular, and will also be published on the website of the SGX-ST at <http://www.sgx.com>, which is a platform operated by or authorised by a securities exchange for such purpose and which is publicly accessible. See "*General Information*" for a description of the financial statements currently published by the Issuer.

REFERENCES TO INTERNET SITE ADDRESSES

Save as otherwise provided in this Offering Circular, any internet site addresses provided in this Offering Circular (including the Issuer's website) are for reference only and the content of any such internet site is not incorporated by reference into, and does not form part of, this Offering Circular.

SUPPLEMENTAL OFFERING CIRCULAR

The Issuer has given an undertaking to the Arranger and the Dealers that, unless the Issuer has notified the Dealers in writing that it does not intend to issue Notes under the Programme for the time being, the Issuer (among other things) shall prepare and publish an amendment or supplement to this Offering Circular if at any time during the duration of the Programme a significant new factor, material mistake or material inaccuracy arises or is noted relating to the information included in the Offering Circular which is capable of affecting an

assessment by investors of the assets and liabilities, financial position, surpluses and deficits, and prospects of the Issuer and/or of the rights attaching to the Notes.

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SUMMARY OF THE PROGRAMME

The following summary is qualified in its entirety by the remainder of this Offering Circular. This summary must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole, including any information incorporated by reference. Words and expressions used in this summary and not otherwise defined shall have the meanings given to them in "Terms and Conditions of the Notes".

The Issuer	Watercare Services Limited
Description	Secured Medium Term Note Programme.
Size	Up to U.S.\$5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arranger	Citigroup Global Markets New Zealand Limited
Dealers	<p>Citigroup Global Markets New Zealand Limited</p> <p>Australia and New Zealand Banking Group Limited</p> <p>Commonwealth Bank of Australia</p> <p>The Hongkong and Shanghai Banking Corporation Limited</p> <p>MUFG Securities Asia Limited</p> <p>National Australia Bank Limited</p> <p>Société Générale</p> <p>Westpac Banking Corporation</p> <p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to "Permanent Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to "Dealers" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p>
Trustee	Citicorp International Limited
Issuing and Paying Agent and Transfer Agent	Citibank, N.A., London Branch
Registrar	Citicorp International Limited
Security Trustee and Security	NZGT Security Trustee Limited (the "Security Trustee")

The Security Trustee has been appointed pursuant to the Security Trust and Intercreditor Deed between, among others, the Issuer and the Security Trustee dated 11 April 2025 (as amended, restated or supplemented from time to time) (**"Security Trust Deed"**).

The obligations of the Issuer under the Notes and the Trust Deed are secured (the **"Security"**) pursuant to a Specific

	<p>Security Deed (Water Charges) dated 11 April 2025 (as amended, restated or supplemented from time to time) ("Specific Security Deed (Water Charges)") granted by the Issuer in favour of the Security Trustee from time to time, which creates security over the Issuer's charges and charging regime revenue, with such security held on trust by the Security Trustee as trustee of the Watercare Security Trust ("Security Trust"). See "<i>Description of the Security</i>".</p>
No Crown or Auckland Council Guarantee	<p>No obligation of the Issuer under or in respect of the Notes is guaranteed by His Majesty the King in right of New Zealand or Auckland Council.</p>
Method of Issue	<p>The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "Series") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the Pricing Supplement.</p>
Issue Price	<p>Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.</p>
Form of Notes	<p>The Notes may be issued in bearer form only ("Bearer Notes") or in registered form only ("Registered Notes"). Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if:</p> <ul style="list-style-type: none"> (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date; or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with TEFRA D (as defined in "<i>Summary of the Programme – Selling Restrictions</i>" below), (iii) otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "Global Certificates".

	Registered Notes sold in an "offshore transaction" within the meaning of Regulation S will initially be represented by a Global Certificate.
Clearing Systems	Euroclear and Clearstream, and, in relation to any Series, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer.
Initial Delivery of Notes	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream or any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Trustee, the Issuing and Paying Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.
Maturities	Subject to compliance with all relevant laws, regulations and directives, any maturity.
Specified Denomination	<p>Definitive Notes will be in such denominations as may be specified in the relevant Pricing Supplement, save that unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which must be redeemed before the first anniversary of their date of issue and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of £100,000 (or its equivalent in other currencies).</p> <p>Any Notes which are to be admitted to trading on a regulated market within the EEA and in the UK or offered to the public in a Member State of the EEA and in the UK in circumstances which require the publication of a Prospectus under Regulation (EU) No. 1129 of 14 June 2017, as amended from time to time (the "Prospectus Regulation") will have a minimum denomination of at least €100,000 (or its equivalent in other currencies).</p> <p>For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies).</p>
Fixed Rate Notes	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.

Floating Rate Notes

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., as amended, supplemented or replaced;
- (ii) by reference to EURIBOR, HIBOR or SOFR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin

Interest periods will be specified in the relevant Pricing Supplement.

Zero Coupon Notes

Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Dual Currency Notes

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Pricing Supplement.

Index Linked Notes

Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.

Interest Periods and Interest Rates

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.

Redemption

The relevant Pricing Supplement will specify whether the Notes will be redeemable at the option of the Issuer and/or the Noteholder upon giving notice to the Noteholders or the Issuer, as the case may be, prior to the stated maturity and the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which must be redeemed before the first anniversary of their date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Redemption by Instalments

The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set

	out the dates on which, and the amounts in which, such Notes may be redeemed.
Optional Redemption	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Change of Control Put Option	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes are subject to a Change of Control Put Option, pursuant to which the holder of such Notes may require the Issuer to redeem those Notes prior to their stated maturity. See " <i>Terms and Conditions of the Notes – Redemption, Purchase and Options – Redemption at the Option of Noteholders (Change of Control Put Option)</i> ".
Other Notes	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, partly paid Notes and any other type of Note that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement.
Status of Notes	The Notes and the Receipts and Coupons relating to them will constitute (subject to Condition 4) secured obligations of the Issuer and shall at all times rank <i>pari passu</i> without any preference among themselves, as further described in Condition 3 and " <i>Description of the Security</i> " below.
Negative Pledge	The Notes will have the benefit of a negative pledge as described in " <i>Terms and Conditions of the Notes – Negative Pledge</i> ".
Ratings	<p>The Programme has been rated "Aa3" by Moody's.</p> <p>Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
Early Redemption	Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity only for taxation reasons. See " <i>Terms and Conditions of the Notes – Redemption, Purchase and Options</i> ".
Withholding Tax	All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons will be made free and clear of, and without set-off or counterclaim and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of New Zealand or any authority therein or thereof having power to tax, unless the withholding or deduction of such

taxes, duties, assessments or governmental charges is required by law. The Issuer will, subject to customary exceptions (including for New Zealand resident withholding tax), pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and the Couponholders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, Receipts or (as the case may be) Coupons, in the absence of such withholding or deduction. See *"Terms and Conditions of the Notes — Taxation"*.

Benchmark Discontinuation

Where the Original Reference Rate is not SOFR Benchmark, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, or failing which, an Alternative Rate. See *"Terms and Conditions of the Notes — Interest and other Calculations — Benchmark Discontinuation"*.

Where the Original Reference Rate is SOFR Benchmark, if the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. See *"Terms and Conditions of the Notes — Interest and other Calculations — Benchmark Discontinuation (SOFR)"*.

Use of Proceeds

The proceeds of the Notes will be used for general corporate purposes of the Issuer or as may be specified in the applicable Pricing Supplement.

See *"Use of Proceeds"*.

Governing Law

English law.

Listing

Application has been made to the SGX-ST for permission to deal in, and for the listing and quotation of, any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies).

Unlisted Series of Notes may also be issued pursuant to the Programme.

Selling Restrictions

The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series of Notes.

The United States, the European Economic Area, the United Kingdom, Hong Kong, Japan, Singapore, Australia, New Zealand and Italy. See "*Subscription and Sale*".

Notes in bearer form will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form for the purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) ("**TEFRA D**") unless:

- (i) the relevant Pricing Supplement states that such Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form for purposes of Section 4701 of the Code ("**TEFRA C**")); or
- (ii) such Notes are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which such Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"),

which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.

Risk Factors

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfill its obligations under the Notes are discussed in "*Risk Factors*" below.

RISK FACTORS

Prospective investors should carefully consider the risks described below, together with the risks described in the other sections of this Offering Circular, before making any investment decision relating to the Issuer's Notes. The occurrence of any of the following events could have a material adverse effect on the Issuer's business, its assets, its liquidity, its financial performance, its ability to implement its strategy and its ability to repay the interest or principal on the Notes in a timely fashion or at all.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Before making an investment decision, prospective investors should carefully consider all of the information contained in this Offering Circular, including the financial statements of the Group, which are incorporated by reference into and deemed to be included in this Offering Circular. Copies of those financial statements can be obtained from the website of the Issuer at: <https://www.watercare.co.nz/home/about-us/what-we-do/reports-and-publications>.

Risks relating to the Issuer

General

The Issuer is a limited liability company registered under the Companies Act 1993 of New Zealand ("**Companies Act**"), a council-controlled organisation ("**CCO**") wholly owned by Auckland Council and a local government organisation under the Local Government Act 2002 of New Zealand ("**Local Government Act**"). The Issuer has a statutory responsibility to maintain drinking and wastewater services, and almost all of its operations occur in the Auckland region of New Zealand. Accordingly, the Issuer is subject to political, economic, legal, geographic/environmental and regulatory risks specific to New Zealand and Auckland. Many of these factors are beyond the control of the Issuer.

Business and Operational Risks

Infrastructure renewal and development

As part of the ordinary course of the Issuer's network and treatment plant assets lifecycle, a large proportion of those assets require replacement, which will require significant capital expenditure. There is a risk that the Issuer may not be able to replace such assets in a timely manner and within budget due to factors outside of its control, including skilled labour shortages, limited availability of materials and high demand for construction services. These pressures may result in delays and increased costs which could adversely affect the Issuer's operations and financial position. The Issuer manages these risks through a renewals investment programme focused on proactively renewing and upgrading plants and network assets to ensure safety and reliability, and by sharing its forward works programme with the construction industry to provide partners with greater certainty when allocating resources.

There is also risk that projects or works may be required that are outside the planned scope of, or arise earlier than anticipated in, the Issuer's budgets and forecasts. For example, if infrastructure assets fail unexpectedly or growth occurs in areas not aligned with planned infrastructure upgrades. This could result in the Issuer incurring capital expenditure in excess of, or ahead of, current expectations. Any such unplanned or accelerated expenditure may adversely affect the Issuer's financial position. The Issuer seeks to manage this risk by prioritising and sequencing its pipeline of projects and continuing to monitor the condition of its existing infrastructure, such that if additional or earlier expenditure is required, other projects may be deferred to balance overall capital demands.

Health and safety

The Issuer's construction activities expose its staff, contractors and third party led operations to significant health, safety and wellbeing hazards inherent to the industry, including risks of fire, structural collapse and machinery failure. The occurrence of these events could lead to investigation and potential prosecution by WorkSafe New Zealand (New Zealand's primary work health and safety regulator), requirement to remediate safety conditions, the imposition of fines, exposure to civil claims for exemplary damages, and reputational harm. Any of these consequences could adversely affect the Issuer's business, financial condition and results of operations.

Regulatory and Legal Risks

No guarantee by the New Zealand Government or Auckland Council

The Issuer is required to be financially independent and to borrow in its own name. The New Zealand Government and Auckland Council do not guarantee any liability of the Issuer and accordingly are not guarantors of, or otherwise obligors under, the Notes. Payments by the Issuer of principal and interest with respect to its outstanding indebtedness, including the Notes, are not supported by any guarantee by the New Zealand Government or Auckland Council. The New Zealand Government and Auckland Council are not obliged or legally required to provide any support in respect of the Notes.

New Zealand Government regulation

The operations and financial independence of the Issuer are enabled and governed by statute and regulation, and could be impacted by a change in or introduction of new statute or regulation or change in the way existing statute or regulation is enforced. The New Zealand statutory framework which enables and governs the operations of the Issuer is found largely in the Local Government Act, the Local Government (Auckland Council) Act 2009 of New Zealand ("**Local Government (Auckland Council) Act**"), the Local Government (Water Services Preliminary Arrangements) Act 2024 of New Zealand ("**Local Government (Water Services Preliminary Arrangements) Act**"), the Local Government (Water Services Preliminary Arrangements) (Watercare Charter) Order 2025 of New Zealand ("**Watercare Charter**") and the Local Government (Water Services) Act 2025 of New Zealand.

The Issuer is also subject to numerous other New Zealand laws and regulations that impact on many aspects of the Issuer's services and operations in Auckland. These include Taumata Arowai – the Water Services Regulator Act 2020 of New Zealand, Water Services Act 2021 of New Zealand, Health Act 1956 of New Zealand, Health and Safety at Work Act 2015 of New Zealand and the Resource Management Act 1991 of New Zealand. A change to environmental or health standards, planning policies, or other regulatory requirements governing water quality, wastewater treatment, or infrastructure development could affect the Issuer's ability to efficiently provide water and wastewater services or otherwise have a material adverse effect on its operations.

The Issuer faces some uncertainty due to the transitional nature of economic regulation following the end of the Watercare Charter period. While the economic regulator is already known to the Issuer and no material impact is expected, the transitional period may inhibit certain long-term decisions until the regulatory framework is confirmed.

Financial Risks

Credit risk

The Issuer relies upon the Auckland regional economy and the properties within the Auckland region for its water and wastewater service charge revenue. The revenue to be obtained from those sources is dependent

upon economic factors affecting the trading environment (for example, local or global recessions, government regulation, changes to taxation regimes and financial markets and specific natural disasters).

The Issuer's creditworthiness may decline due to circumstances beyond its control and for reasons that are not specific to the Issuer (for example, a recession in Auckland or New Zealand, a regulatory change or a one off event (including, for example, a global outbreak of communicable diseases)). Please refer to the risk factor entitled "Communicable Diseases" for further details.

Currency risk

The risk associated with exchange rate movements, which determine the New Zealand dollar cost of foreign currency denominated liabilities may affect the Issuer's financial position. However, the Issuer seeks to minimise this risk by entering into cross currency swaps in order to hedge against any exchange rate risk.

Market and Economic Risks

Economic factors

The economic indicators in Auckland in recent years have shown mixed signs. Future growth of the Auckland regional economy is subject to many factors beyond its control. A downturn in the general economic and business conditions in Auckland or New Zealand or globally could slow down development in the Auckland region and in turn reduce revenue from infrastructure growth charges, which could have an adverse impact on the Issuer's revenue and financial position.

Natural disasters

A natural disaster of significant magnitude (for example, earthquakes, volcanic activity or floods) could also materially adversely affect the Issuer. Such an event may affect the financial position of the Issuer and the ability of Auckland water users to pay their water and wastewater service charges. The Issuer manages a balanced insurance programme to mitigate the impact of such risks. Please refer to the section entitled "Insurance" in the Description of Watercare's operations for further details.

Communicable diseases

The outbreak of communicable diseases in New Zealand and around the globe, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy, and could thereby adversely impact the revenues and results of operations of the Issuer.

General economic disruption and downturn may affect the ability of Auckland water users to pay water and wastewater service charges. These outcomes may affect the financial position of the Issuer. In addition, adverse changes to credit market conditions due to economic downturn in New Zealand or globally may adversely affect the financial position of the Issuer.

Climate change

Auckland faces climate change risks like many cities around the world. Increased frequency of extreme weather events can create landslides and floods that damage the integrity of the Issuer's assets, and they can cause untreated water quality to deteriorate. Extended dry spells can increase demand; and sea-level rise can damage assets.

Any measures or steps taken by the Issuer to seek to mitigate the effects of climate change may necessitate capital expenditure and costs that may impact the Issuer's financial position. The Issuer has a Climate Change

Strategy and Policy, which sets the direction for it to become a low-carbon, climate-resilient organisation, integrating climate change mitigation and adaptation into its decision-making and operations.

Risks Relating to the Notes Issued under the Programme

The Notes may not be a suitable investment for potential investors

Each potential investor must determine the suitability of any Notes in light of its own circumstances. In particular, each potential investor should:

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

Some Notes may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to a potential investor's overall portfolios. No potential investor should invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on its overall investment portfolio.

Additionally, a potential investor's investment activities may be subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent:

- Notes are legal investments for it;
- Notes can be used as collateral for various types of borrowing; and
- other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

There are certain risks to Noteholders associated with the Security Trust arrangement and acceleration of the Notes

Terms defined or incorporated in the "*Description of the Security*" section below shall have the same meanings where used in this section. The security created under the Specific Security Deed (Water Charges) is held by the Security Trustee on trust for, among others, the Noteholders as beneficiaries of the Security Trust. As a result, there are certain risks to Noteholders associated with the Security Trust arrangements, including that in certain circumstances the Security Trustee may not be required to act in the best interests of the Noteholders. In particular:

- Enforcement Action (as defined in the Security Trust Deed, including acceleration of secured indebtedness) is restricted by the standstill period under the Security Trust Deed. In short, except where the Majority Beneficiaries instruct the Security Trustee to enforce, the Issuer becomes insolvent or fails to discharge secured liabilities on their final maturity date, the Issuer will be protected against any Enforcement Action for 12 months from the occurrence of the Standstill Trigger Event (or, if later, for a period of 3 months from the date on which the Security Trustee receives the relevant notice from the relevant Beneficiary that it wishes to take Enforcement Action). This means that an Event of Default affecting only a particular Series of Notes could occur but the Noteholders of that Series may be restricted from taking Enforcement Action during the Standstill Period;
- as there are Beneficiaries other than Noteholders, there is a risk that the Majority Beneficiaries instruct the Security Trustee without the cooperation of Noteholders, and the Security Trustee may not act in accordance with the wishes of the Noteholders;
- voting is weighted according to the aggregate Secured Credit Participations of the voting Beneficiary or (in the case of Noteholders) Beneficiary Group, relative to the aggregate Secured Credit Participations of all Beneficiaries and Beneficiary Groups entitled to vote and who do vote on the relevant matter. This means that the influence of a Beneficiary or Beneficiary Group on outcomes is proportional to its Secured Credit Participations, so those with larger Secured Credit Participations may have a greater impact on decisions than those with smaller Secured Credit Participations. For further details on voting by the trustee and how votes are calculated, see "*Description of the Security—Voting under the Security Trust Deed*"; and
- further, other secured indebtedness of the Issuer may be in default without triggering an event of default under the Notes. The Notes do not include a cross-default or cross-acceleration event of default. While the Noteholders will rank equally with other Beneficiaries in the event of any enforcement action, it is possible that the Security Trustee may take steps to enforce the Security even when the Notes are not in default.

The Issuer may from time to time, without the consent of the Security Trustee, the Noteholders or the Trustee, incur further secured indebtedness that ranks equally with the Issuer's obligations to the holders of the Noteholders. There is no restriction in the Security Documents on the amount of debt for which the Issuer may provide security.

For further details on the Security, see "*Description of the Security*".

Modification and waivers

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Noteholders or Couponholders, agree to:

- any modification of any of the provisions of the Trust Deed, the Agency Agreement or the Conditions that is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law; and
- any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement and/or the Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders.

Risks Relating to the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for any potential investor. Set out below is a description of certain of those features:

Notes subject to optional redemption by the Issuer may have a lower market value than Notes that cannot be redeemed

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

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

Dual Currency Notes have features which are different from single currency issues

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Each potential investor should be aware that:

- the market price of such Notes may be volatile;
- they may receive no interest;
- payment of principal or interest may occur at a different time or in a different currency than expected; and
- the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero.

Failure by a potential investor to pay a subsequent instalment of partly-paid Notes may result in it losing all of its investment

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in a potential investor losing all of its investment.

Notes, the interest rate of which may be converted from fixed to floating interest rates and vice-versa may have lower market values than other Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since it may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing.

If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than prices for conventional interest-bearing

securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks associated with Index Linked Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each a "**Relevant Factor**"). Each potential investor should be aware that:

- the market price of such Notes may be volatile;
- they may receive no interest;
- payment of principal or interest may occur at a different time or in a different currency than expected;
- they may lose all or a substantial portion of their principal;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Variable or floating rate Notes with a multiplier or other leverage factor

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

Bearer Notes where denominations involve integral multiples: Definitive Notes

In relation to any issue of Bearer Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If Definitive Notes are issued, each potential investor should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

General Risks Relating to the Notes

Exchange rate risks and exchange controls may result in a potential investor receiving less interest or principal than expected

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

- the Investor's Currency equivalent yield on the Notes;
- the Investor's Currency equivalent value of the principal payable on the Notes; and
- the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, a potential investor may receive less interest or principal than expected, or no interest or principal.

Lack of public market for the Notes

There can be no assurance as to the liquidity of the Notes or that an active trading market will develop. If such a market were to develop, the Notes may trade at prices that may be higher or lower than the initial issue price. This will depend on many factors, including, but not limited to, prevailing interest rates, the Issuer's operations and the market for similar securities. The Dealers are not obliged to make a market in the Notes and any such market making, if commenced, may be discontinued at any time at the sole discretion of the relevant Dealers. No assurance can be given as to the liquidity of, or trading market for, the Notes.

Inability to comply with the restrictions and covenants contained in the Issuer's debt agreements

If the Issuer is unable to comply with the restrictions and covenants in its current or future debt and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Issuer, accelerate the debt and declare all amounts borrowed due and payable or terminate the agreements, whichever the case may be.

Majority interests in Noteholder meetings

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent:

- Notes are legal investments for it;
- Notes can be used as collateral for various types of borrowing; and
- other restrictions apply to its purchase or pledge of any Note. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction

In certain circumstances (including giving of notice to the Issuer pursuant to Condition 10 and taking steps and/or actions and/or instituting proceedings pursuant to Condition 12), the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes any steps and/or actions and/or institutes any proceedings on behalf of Noteholders. The Trustee shall not be obligated to take any such steps and/or actions and/or institute any proceedings if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such steps and/or actions can be taken and/or when such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or institute proceedings, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed (as defined in the Conditions) and in such circumstances or where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and applicable law, it will be for the Noteholders to take such actions directly.

Notes linked to "benchmarks" (including Floating Rate Notes)

Interest rates and indices which are deemed to be or used as "benchmarks", have, in recent years, been the subject of international regulatory guidance and proposals for reform. Most reforms have reached their planned conclusion (including the transition away from the London Interbank Offered Rate) and "benchmarks" remain subject to ongoing monitoring. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Note linked to or referencing such a benchmark. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

In Europe, Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. In the UK, Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the "**UK Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK. The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark.

The potential elimination of any benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any

Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark; or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

The Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark, such as EURIBOR, (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event (as defined in the Conditions), as applicable, otherwise occurs. Such an event may be deemed to have occurred prior to the issue date for a Series of Notes. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate (as defined in the Conditions) or an Alternative Rate (as defined in the Conditions) and that such Successor Rate or Alternative Rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of any Successor Rate and Alternative Rate and the involvement of an Independent Adviser (as defined in the Conditions) in certain circumstances, the relevant fallback provisions may not operate as intended at the relevant time. Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any international reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Notes

Investors should be aware that the market continues to develop in relation to risk-free rates, such as the Secured Overnight Financing Rate ("**SOFR**"), as reference rates in the capital markets for U.S. dollar bonds, as applicable, and their adoption as alternatives to the relevant interbank offered rates.

For example, the Federal Reserve began to publish SOFR in April 2018 and although the New York Federal Reserve has been publishing historical indicative SOFR since 2014, such historical indicative data inherently involves assumptions, estimates and approximations. Therefore, such risk-free rates have a limited performance history and it is impossible to predict the future performance of such risk-free rates. No future performance of the relevant risk-free rate or Notes referencing such risk-free rate may be inferred from any of the hypothetical or actual historical performance data. In addition, investors should be aware that risk-free rates may behave materially differently from interbank offered rates as interest reference rates. For example, since the publication of SOFR, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

As SOFR is an overnight funding rate, interest on SOFR-based Notes with interest periods longer than overnight will be calculated on the basis of either the arithmetic mean of SOFR over the relevant interest period or compounding SOFR during the relevant interest period. As a consequence of this calculation method, the amount of interest payable on each interest payment date and the amount of distribution payable on each distribution payment date will only be known a short period of time prior to the relevant interest payment date

and the relevant distribution payment date, respectively. Noteholders therefore will not know in advance the interest amount and the distribution amount which will be payable on such Notes.

The Federal Reserve Bank of New York notes on its publication page for SOFR that use of the SOFR is subject to important limitations and disclaimers, including that the Federal Reserve Bank of New York may alter the methods of calculation, publication schedule, rate revision practices or availability of the SOFR at any time without notice. In addition, SOFR is published by the Federal Reserve Bank of New York based on data received from other sources. There can be no guarantee that the SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of the Noteholders. If the manner in which the SOFR is calculated is changed or if SOFR is discontinued, that change or discontinuance may result in a reduction or elimination of the amount of interest payable on the Notes and a reduction in trading prices of the Notes, which would negatively impact the holders of the Notes who could lose part of their investment.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, save for the words in italics and subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are constituted by a trust deed (as amended or supplemented as at the date of issue of the Notes (the **"Issue Date"**), the **"Trust Deed"**) dated 1 December 2025 between Watercare Services Limited (the **"Issuer"**) and Citicorp International Limited (the **"Trustee"**, which expression shall include its successor(s) and all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the **"Conditions"**) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An agency agreement (as amended or supplemented as at the Issue Date, the **"Agency Agreement"**) dated 1 December 2025 has been entered into in relation to the Notes between the Issuer, the Trustee, Citicorp International Limited as the registrar (the **"Registrar"** (which expression includes any successor Registrar appointed from time to time in connection with the Notes), and Citibank, N.A., London Branch as initial issuing and paying agent, transfer agent, and (where appointed as contemplated therein) as calculation agent and the other agents named in it. The issuing and paying agent, the other paying agents the transfer agents and (where appointed as contemplated therein) the calculation agent(s) for the time being (if any) are referred to respectively as the **"Issuing and Paying Agent"** (which expression shall include any successor Issuing and Paying agent appointed from time to time in connection with the Notes), the **"Paying Agents"** (which expression shall include the Issuing and Paying Agent and any successor or additional Paying Agents appointed from time to time in connection with the Notes), the **"Transfer Agents"** (which expression shall include any successor or additional Transfer Agents appointed from time to time in connection with the Notes) and the **"Calculation Agent(s)"** (which expression includes any successor Calculation Agent(s) appointed from time to time in connection with the Notes) (such Issuing and Paying Agent, Paying Agents, Registrar and Transfer Agents being together referred to as the **"Agents"**). Copies of the Trust Deed and the Agency Agreement are available (i) for inspection during usual business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time), Monday to Friday other than public holidays) at the principal office of the Trustee (presently at 40/F, Champion Tower, 3 Garden Road, Central, Hong Kong) and at the specified office of the Issuing and Paying Agent and (ii) electronically to a requesting Noteholder, in each case upon prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Issuing and Paying Agent.

The Noteholders, the holders of the interest coupons (the **"Coupons"**) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the **"Talons"**) (the **"Couponholders"**) and the holders of the receipts for the payment of instalments of principal (the **"Receipts"**) relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, **"Tranche"** means Notes which are identical in all respects, including as to Issue Date.

Unless otherwise specified, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement or the Trust Deed.

1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown in the applicable Pricing Supplement provided that:

- (i) in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Prospectus under Regulation (EU) 2017/1129, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes); and
- (ii) in the case of any Notes listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the rules of the SGX-ST so require, the minimum Specified Denomination shall, in all cases, be at least S\$200,000 (or its equivalent in any other currency).

All Registered Notes shall have the same Specified Denomination.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown as specified in the applicable Pricing Supplement.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them in these Conditions, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 No Exchange of Notes and Transfers of Registered Notes

(a) No Exchange of Notes

Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes**

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. No transfer of title to a Registered Note will be valid unless and until entered on the Register. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer or the Registrar, with (in the case of any regulation proposed by the Issuer) the prior written approval of the Registrar and the Trustee and (in the case of any regulation proposed by the Registrar) the prior written approval of the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon prior written request and proof of holding and identity to the satisfaction of the Registrar.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes**

In the case of an exercise of the Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates**

Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or any other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed (at the expense of the Issuer) by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday or public holiday, on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

(e) **Transfers Free of Charge**

Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge to the relevant Noteholder by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the relevant Noteholder of any tax or

other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or pre-funding as the Registrar or the relevant other Transfer Agent may require).

(f) **Closed Periods**

No Noteholder may require the transfer of a Registered Note to be registered:

- (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note;
- (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d);
- (iii) after any such Note has been called for redemption; or
- (iv) during the period of seven days ending on (and including) any Record Date.

3 Status and Security

(a) **Status of the Notes**

The Notes and the Receipts and Coupons relating to them constitute (subject to Condition 4) secured obligations of the Issuer. The Notes shall be secured in the manner described in Condition 3(b) and shall at all times rank *pari passu* and without any preference among themselves.

(b) **Security**

The obligations of the Issuer under the Notes and the Trust Deed are secured (the "**Security**") pursuant to the Security Documents granted by the Issuer in favour of the Security Trustee, who holds the benefit of the Security on trust for, among others, the Noteholders as beneficiaries of the Security Trust. The Trustee, on behalf of the Noteholders, has agreed in the Trust Deed to accede as a Beneficiary Representative to, and as defined in, the Security Trust Deed. Details of the Security are more particularly set out in the Trust Deed and the Security Documents.

(c) **Application of Proceeds**

Under the Trust Deed all moneys received by the Trustee in connection with the realisation or enforcement of the Security will be held by the Trustee on trust to apply them in accordance with the Trust Deed.

The Trust Deed requires that the moneys received by the Trustee under the Trust Deed and the Security Documents in connection with the realisation or enforcement of the Security be applied **firstly**, in payment of all fees, all costs, charges and expenses properly incurred and all liabilities incurred by and amounts payable to the Trustee and its agents and delegates (including without limitation remuneration, indemnity payments and other amounts payable to it and its Appointees) and any other amounts owing to the Trustee in carrying out its functions and duties and/or exercising its rights, powers and/or discretions under or in accordance with the Trust Deed, the Agency Agreement and/or the Notes (which, for the avoidance of doubt, includes all fees, costs, charges, expenses and liabilities of the Agents for so long as they are acting as agents of the Trustee), **secondly**, in payment of any principal and any other amounts owing to the Noteholders *pari passu* and rateably, **thirdly**, in payment of all fees, all costs, charges, expenses properly incurred and all liabilities incurred by or payable to the Agents (including remuneration, indemnity payments and other amounts payable to it and its agents) and any other amounts owing to the Agents in carrying out their functions and duties and/or exercising their rights, powers and/or discretions under or in connection with the Agency Agreement and the Notes and **fourthly**, in payment of any balance to the Issuer for itself.

For the purposes of these Conditions:

"Charged Property" has the meaning ascribed to the term in the Specific Security Deed (Water Charges);

"Security Documents" means:

- (i) the Security Trust Deed;
- (ii) the Specific Security Deed (Water Charges); and
- (iii) each other Security Document (as defined in the Security Trust Deed) entered into from time to time;

"Security Trust Deed" means the security trust and intercreditor deed dated 11 April 2025 between (among others) the Issuer, the Security Trustee and the other parties named therein, as amended, restated and/or supplemented from time to time;

"Security Trustee" means NZGT Security Trustee Limited as trustee of the Security Trust;

"Security Trust" means the Watercare Security Trust established under the Security Trust Deed; and

"Specific Security Deed (Water Charges)" means the amended and restated specific security deed (water charges) dated 30 September 2025 executed by the Issuer in favour of the Security Trustee, as amended, restated and/or supplemented from time to time.

4 Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Issuer will not create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital but excluding the Charged Property) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto granting to the Notes, the Receipts and the Coupons the same security, guarantee or indemnity as is created or subsisting in respect of any such Relevant Indebtedness or such other security, guarantee or indemnity as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

In this Condition 4:

"Relevant Indebtedness" means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

5 Interest and other Calculations

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).

(b) Interest on Floating Rate Notes and Index Linked Interest Notes

(i) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be

determined in accordance with Condition 5(h). Such Interest Payment Date(s) is/are either shown in the applicable Pricing Supplement as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the applicable Pricing Supplement, Interest Payment Date shall mean each date which falls the number of months or other period shown in the applicable Pricing Supplement as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the applicable Pricing Supplement and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the applicable Pricing Supplement.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (y) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

- (x) Subject to Condition 5(k), where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

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

- (y) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph (x) above, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest applicable to such Notes on the Interest Commencement Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SOFR Benchmark

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined where the Reference Rate is SOFR Benchmark, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus

the Margin (if any) in accordance with Condition 5(h), all as determined by the Calculation Agent on the relevant Interest Determination Date.

The "**SOFR Benchmark**" will be determined based on Compounded Daily SOFR or Compounded SOFR Index, as follows (subject Condition 5(l)):

- (x) If Compounded Daily SOFR ("**Compounded Daily SOFR**") is specified in the applicable Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Accrual Period shall be calculated by the Calculation Agent in accordance with one of the formulas referenced below depending upon which is specified as applicable in the applicable Pricing Supplement:

- (i) SOFR Lag:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_{i-xUSBD} \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards and where:

"**SOFR_{i-xUSBD}**" for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day(i);

"**Lookback Days**" means such number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement;

"**d**" means the number of calendar days in the relevant Interest Accrual Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period (each a "**U.S. Government Securities Business Day(i)**"); and

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

- (ii) SOFR Observation Shift:

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

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards and where:

"SOFR," for any U.S. Government Securities Business Day(i) in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

"SOFR Observation Period" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Accrual Period;

"SOFR Observation Shift Days" means the number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement;

"d" means the number of calendar days in the relevant SOFR Observation Period;

"d_o" means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"i" means a series of whole numbers ascending from one to d_o, representing each U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each a **"U.S. Government Securities Business Day(i)"**); and

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

The following defined terms shall have the meanings set out below for purpose of Condition 5(b)(iii)(C)(x):

"SOFR" means, in respect of a U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provision:

- (i) the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;
- (ii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or
- (iii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 5(l) shall apply; and

"SOFR Determination Time" means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

- (y) If Compounded SOFR Index ("**Compounded SOFR Index**") is specified as applicable in the applicable Pricing Supplement, the SOFR Benchmark for each Interest Accrual Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent as follows:

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

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards and where:

"SOFR Index" means, in respect of a U.S. Government Securities Business Day, the SOFR Index value as published on the SOFR Administrator's Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, *provided that*:

- (a) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "SOFR Index" shall be calculated on any Interest Determination Date with respect to an Interest Accrual Period, in accordance with the Compounded Daily SOFR formula described above in Condition 5(b)(iii)(C)(y)(ii) "SOFR Observation Shift", and the term "SOFR Observation Shift Days" shall be specified in the applicable Pricing Supplement; or
- (b) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 5(l) shall apply;

"SOFR Index_{End}" means, in respect of an Interest Accrual Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Pricing Supplement prior to the Interest Period Date for such Interest Accrual Period (or in the final Interest Accrual Period, the Maturity Date);

"SOFR Index_{Start}" means, in respect of an Interest Accrual Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Pricing Supplement prior to the first day of such Interest Accrual Period;

"SOFR Index Determination Time" means, in respect of a U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

"SOFR Observation Period" means, in respect of an Interest Accrual Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Accrual Period;

"SOFR Observation Shift Days" means the number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement; and

"d_c" means the number of calendar days in the applicable SOFR Observation Period.

The following defined terms shall have the meanings set out below for purpose of this Condition 5(b)(iii)(C):

"SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York (currently, being <https://www.newyorkfed.org/markets/reference-rates/sofr-averages-and-index>), or any successor source;

"SOFR Benchmark Replacement Date" means the Benchmark Replacement Date with respect to the then-current Benchmark;

"SOFR Benchmark Transition Event" means the occurrence of a Benchmark Event with respect to the then-current Benchmark; and

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

(iv) *Rate of Interest for Index Linked Interest Notes*

The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified in the applicable Pricing Supplement and interest will accrue by reference to an Index or Formula as specified in the applicable Pricing Supplement.

(c) **Zero Coupon Notes**

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) **Dual Currency Notes**

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

(e) **Partly Paid Notes**

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(f) **Accrual of Interest**

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding**

(i) If any Margin is specified in the applicable Pricing Supplement (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates

of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

- (ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the applicable Pricing Supplement, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(h) **Calculations**

- (i) Amount of Interest: The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the applicable Pricing Supplement, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (ii) Linear Interpolation: Where Linear Interpolation is specified in the applicable Pricing Supplement in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified in the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified in the applicable Pricing Supplement), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Issuer (acting in good faith and in a commercially reasonable manner, and in consultation with an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer) shall determine such rate at such time and by reference to such sources as it determines appropriate.

"Applicable Maturity" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Instalment Amounts and Change of Control Redemption Amounts**

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Instalment Amount or Change of Control Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, any Instalment Amount or Change of Control Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information (if applicable) after their determination but in no event later than the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders.

(j) **Fallback Determination or Calculation**

If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Issuer shall appoint another agent on its behalf to do so. In doing so, such other agent shall apply the foregoing provisions of this Condition 5, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(k) **Benchmark Discontinuation**

Where the Original Reference Rate is not SOFR Benchmark, in addition and notwithstanding the terms set out elsewhere in these Conditions, this Condition 5(k) shall apply.

(i) *Independent Adviser*

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, or

failing which, an Alternative Rate (in accordance with Condition 5(k)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5(k)(iv)).

In making such determination, the Independent Adviser appointed pursuant to this Condition 5(k) shall act in good faith as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents, the Noteholders or the Couponholders for any determination made by it, pursuant to this Condition 5(k).

If:

- (A) the Issuer is unable to appoint an Independent Adviser; or
- (B) the Independent Adviser fails to determine a Successor Rate or, failing which, an Alternative Rate, in accordance with this Condition 5(k)(i) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. This paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5(k)(i).

(ii) *Successor Rate or Alternative Rate*

If the Independent Adviser determines that:

- (A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(k)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(k)).

(iii) *Adjustment Spread*

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(k) and the Independent Adviser (in consultation with the Issuer) determines:

- (A) that amendments to these Conditions and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**"); and
- (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(k)(v), without any requirement for the consent or approval of Noteholders, the Trustee or the Agents, vary these Conditions and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer pursuant to Condition 5(k)(v), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including any supplemental trust deed) in any way.

In connection with any such variation in accordance with this Condition 5(k)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) *Notices*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5(k) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 16, the Noteholders or the Couponholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer:

- (A) confirming
 - (i) that a Benchmark Event has occurred;
 - (ii) the Successor Rate or, as the case may be, the Alternative Rate;
 - (iii) the applicable Adjustment Spread; and
 - (iv) the specific terms of the Benchmark Amendments (if any),in each case as determined in accordance with the provisions of this Condition 5(k); and

- (B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Trustee shall be entitled to rely conclusively on such certificate (without further enquiry or investigation and without liability to the Issuer, the Noteholders or any other person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate, Alternative Rate, the Adjustment Spread or the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents, the Noteholders and Couponholders.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Condition 5(k)(i), 5(k)(ii), 5(k)(iii) and 5(k)(iv), the Original Reference Rate and the fallback provisions provided for in Condition 5(b)(iii) will continue to apply unless and until a Benchmark Event has occurred.

(vii) *Definitions:*

As used in this Condition 5(k):

"Adjustment Spread" means either:

- (a) a spread (which may be positive, negative or zero); or
- (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:
 - (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)
 - (ii) the Independent Adviser determines as being customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Independent Adviser determines that no such spread is customarily applied)
 - (iii) the Independent Adviser (in consultation with the Issuer) determines, and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

"Alternative Rate" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5(k)(ii) as being customarily applied in market usage in the international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

"Benchmark Amendments" has the meaning given to it in Condition 5(k)(iv).

"Benchmark Event" means:

- (a) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (b) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (e) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(k)(i).

"Original Reference Rate" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

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

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

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

(l) **Benchmark Discontinuation (SOFR)**

Where the Original Reference Rate is SOFR Benchmark, in addition and notwithstanding the terms set out elsewhere in these Conditions, this Condition 5(l) shall apply.

(i) *Benchmark Replacement*

If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

(ii) *Benchmark Replacement Conforming Changes*

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. The Trustee and any of the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 5(l), provided that the Trustee and Agents shall not be obliged so to effect such consequential amendments if in the opinion of the Trustee or Agents doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or protective provisions afforded to the Trustee and Agents in these Conditions, the Trust Deed and the Agency Agreement in any way. Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by the Trustee or any of the Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrar or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(iii) *Decisions and Determinations*

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 5(l), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (i) will be conclusive and binding absent manifest error, (ii) will be made in the sole discretion of the Issuer or its designee, as applicable, and (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(iv) *Definitions*

The following defined terms shall have the meanings set out below for purpose of this Condition 5(l):

"Benchmark" means, initially, the relevant SOFR Benchmark specified in the applicable Pricing Supplement; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then **"Benchmark"** means the applicable Benchmark Replacement.

"Benchmark Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (A) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (B) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (C) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

"Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (A) the sum of:
 - (a) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and
 - (b) the Benchmark Replacement Adjustment;
- (B) the sum of:
 - (a) the ISDA Fallback Rate; and
 - (b) the Benchmark Replacement Adjustment; or
- (C) the sum of:
 - (a) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated Floating Rate Notes at such time; and
 - (b) the Benchmark Replacement Adjustment.

"Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Notes at such time.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (i) in the case of sub-paragraph (A) or (B) of the definition of "Benchmark Event", the later of:
 - (x) the date of the public statement or publication of information referenced therein; and
 - (y) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of sub-paragraph (C) of the definition of "Benchmark Event", the date of the public statement or publication of information referenced therein.

If the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

"designee" means a designee as selected and separately appointed by the Issuer in writing.

"ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented

from time to time, or any successor definitional booklet for interest rate derivatives published from time to time, including the 2021 ISDA Interest Rate Derivatives Definitions (as amended or supplemented from time to time).

"ISDA Fallback Adjustment" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark.

"ISDA Fallback Rate" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

"Reference Time" with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Compounded Daily SOFR is specified as applicable in the applicable Pricing Supplement) or SOFR Index Determination Time (where Compounded SOFR Index is specified as applicable in the applicable Pricing Supplement), or (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes.

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(m) **Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Business Day" means:

- (i) in the case of Notes denominated in a currency other than euro, a day (other than a Saturday or Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of Notes denominated in euro, a day on which T2 is open for the settlement of payments in euro (a **"TARGET Business Day"**); and/or
- (iii) in the case of Notes denominated in a currency and/or one or more Business Centres specified in the applicable Pricing Supplement a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the **"Calculation Period"**):

- (i) if **"Actual/Actual"** or **"Actual/Actual - ISDA"** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any

portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (ii) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;
- (iii) if "**Actual/360**" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;
- (iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

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

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

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

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30;

- (vii) if "**Actual/Actual-ICMA**" is specified in the applicable Pricing Supplement:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date(s) specified as such in the applicable Pricing Supplement or, if none is so specified, the Interest Payment Date(s).

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each

successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"Interest Amount" means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified in the applicable Pricing Supplement, shall mean the Fixed Coupon Amount or Broken Amount specified in the applicable Pricing Supplement as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"Interest Commencement Date" means the Issue Date or such other date as may be specified in the applicable Pricing Supplement.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the applicable Pricing Supplement or, if none is so specified:

- (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling;
- (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro;
- (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro; or
- (iv) (where SOFR Benchmark is specified in the applicable Pricing Supplement as the Reference Rate) the fifth U.S. Government Securities Business Day prior to the last day of each Interest Period.

If the Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which the Notes became due and payable and the Rate of Interest on the Notes shall, for so long as the Notes remain outstanding, be that determined on such date.

"Interest Period" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

"Interest Period Date" means each Interest Payment Date unless otherwise specified in the applicable Pricing Supplement.

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the applicable Pricing Supplement.

"Reference Rate" means the rate specified as such in the applicable Pricing Supplement.

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Pricing Supplement (or any successor or replacement page, section, caption, column or other part of a particular information service).

"Specified Currency" means the currency specified as such in the applicable Pricing Supplement or, if none is specified, the currency in which the Notes are denominated.

"T2" means the real time gross settlement system operated by the Eurosystem, or any successor system.

(n) **Calculation Agent**

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the applicable Pricing Supplement and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Change of Control Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6 Redemption, Purchase and Options

(a) **Redemption by Instalments and Final Redemption**

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the applicable Pricing Supplement. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the applicable Pricing Supplement at its Final Redemption Amount (which, unless otherwise provided in the applicable Pricing Supplement, is its nominal amount) or, in the case of a Note falling within Condition 6(a)(i) above, its final Instalment Amount.

(b) **Early Redemption**

- (i) *Zero Coupon Notes*
 - (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified in the applicable Pricing Supplement.

- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the applicable Pricing Supplement, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the applicable Pricing Supplement.

(ii) *Other Notes*

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified in the applicable Pricing Supplement.

(c) **Redemption for Taxation Reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified in the applicable Pricing Supplement, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) and in writing to the Trustee and the Issuing and Paying Agent, at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to but excluding the date fixed for redemption), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that:

- (i) it has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (including becoming obliged to pay additional amounts in respect of New Zealand non-resident withholding tax which may be, or may become, applicable to the Notes) as a result of any change in, or amendment to, the laws or regulations of New Zealand or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and
- (ii) such obligation cannot be avoided by the Issuer paying the New Zealand approved issuer levy at a rate not exceeding the rate of the levy being charged at the date of the Trust Deed under section 86J of the Stamp and Cheque Duties Act 1971 of New Zealand on the payments or interest (as "**interest**" is defined under New Zealand taxation legislation for withholding tax purposes);

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or the Issuer would be unable to relieve itself of the obligation to pay any additional amounts in respect of payments of principal or interest (as "**interest**" is defined under New Zealand taxation legislation for withholding tax purposes) by paying the approved issuer levy (whichever is the earlier) were a payment in respect of the Notes then due. Prior to the giving of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Trustee (A) a certificate signed by two Authorised Signatories of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer paying the approved issuer levy pursuant to (ii) above, and (B) an opinion, addressed to the Trustee, of an independent tax or legal adviser to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendments. The Trustee shall be entitled without further enquiry to accept such certificate and opinion as sufficient evidence of the satisfaction of the condition precedent set out in (i) and (ii) above in which event it shall be conclusive and binding on the Noteholders and Couponholders. The Trustee shall be protected and shall have no liability to any Noteholder, any Couponholder, the Issuer or any other person for so accepting and relying on any such certificate and opinion.

(d) **Redemption at the Option of the Issuer**

If Call Option is specified in the applicable Pricing Supplement, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the applicable Pricing Supplement) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the applicable Pricing Supplement and no greater than the Maximum Redemption Amount to be redeemed specified in the applicable Pricing Supplement.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as determined by the Issuer and notified in writing to the Trustee, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) **Redemption at the Option of Noteholders**

If Put Option is specified in the applicable Pricing Supplement, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the applicable Pricing Supplement) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (an "**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option

exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) **Redemption at the Option of Noteholders (Change of Control Put Option)**

If Change of Control Put Option is specified in the applicable Pricing Supplement and if at any time while any Note remains outstanding a Change of Control (as defined below) occurs, the holder of any such Note will have the option (a "**Change of Control Put Option**") (unless prior to the giving of the relevant Change of Control Notice (as defined below) the holder of any such Note or the Issuer (as applicable) has given notice of redemption under Condition 6(c), Condition 6(d) or Condition 6(e) above) to require the Issuer to redeem all, but not some only, of such holder's Note on the Change of Control Redemption Date (as defined below) at the Change of Control Redemption Amount specified in the applicable Pricing Supplement together with interest on such Note accrued to (but excluding) the Change of Control Redemption Date.

The Issuer shall within 14 days after the occurrence of a Change of Control, give an irrevocable notice (a "**Change of Control Notice**") to the holder of each Note and the Trustee in accordance with Condition 16 specifying:

- (i) that a Change of Control has occurred (by reference to this Condition 6(f)) and describe the Change of Control;
- (ii) that as a result of the Change of Control, the holder of any such Note may by giving notice to the Issuer (a "**Change of Control Exercise Notice**") require the Issuer to redeem all of the Notes held by that holder; and
- (iii) the date ("**Change of Control Exercise Date**") by which the holder of any such Note must give such Change of Control Exercise Notice to the Issuer, which must be not less than 15 days from the date of the Change of Control Notice and not more than 30 days from the date of the Change of Control Notice.

To exercise the Change of Control Put Option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly signed and completed Change of Control Exercise Notice in the form (for the time being current) obtainable from the specified office of any Paying Agent by the Change of Control Exercise Date. No Note or Certificate so deposited and option exercised may be withdrawn without the prior consent of the Issuer.

The Issuer shall redeem the relevant Notes 25 days after the Change of Control Exercise Date (the "**Change of Control Redemption Date**") unless previously redeemed (or purchased) and cancelled.

For the purposes of this Condition 6(f):

"Change of Control" means:

- (i) an entity (or entities acting in concert) other than a NZ Government Person obtains control of the Issuer; or
- (ii) the direct or indirect sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Issuer to any "person" (as that term is used in Section 13(d)(3) of the U.S. Securities Act of 1934) other than to a NZ Government Person unless the sale or transfer will not result in the other person or persons acquiring control over the Issuer.

"NZ Government Person" means:

- (i) Auckland Council or its successor as the local government unitary authority for the Auckland region of New Zealand;
- (ii) His Majesty the King in right of New Zealand;
- (iii) any statutory entity, Crown entity company or Crown entity subsidiary as each of those terms are defined in the Crown Entities Act 2004 of New Zealand;
- (iv) any local authority as defined in the Local Government Act 2002 of New Zealand;
- (v) any entity recognised as a public benefit entity under New Zealand accounting standards; or
- (vi) any other person directly or indirectly controlled by one of the entities listed above.

For the purpose of limb (i) of the definition of "Change of Control" and limb (vi) of the definition of "NZ Government Person", respectively, an entity (or entities acting in concert) or an entity listed in limbs (i) to (v) of the definition of NZ Government Person (as the case may be) obtains control of the Issuer or a person if such entity (or entities acting in concert) or such entity listed (as the case may be):

- (i) controls the composition of the board of the Issuer or that person (as applicable); or
- (ii) is in a position to exercise, or control the exercise of, more than one-half the maximum number of votes that can be exercised at a meeting of the Issuer or that person (as applicable); or
- (iii) holds more than one-half of the issued shares of the Issuer or that person (as applicable) excluding, in the case of limb (i) of the definition of "Change of Control", shares that carry no right to participate beyond a specified amount in a distribution of either profits or capital.

(g) **Partly Paid Notes**

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the applicable Pricing Supplement.

(h) **Purchases**

The Issuer may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer or any of its subsidiaries, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purposes of calculating quorums at meetings of the Noteholders and for the purposes of Conditions 10, 11(a) and 12.

(i) **Cancellation**

All Notes purchased by or on behalf of the Issuer may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached

thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7 Payments and Talons

(a) Bearer Notes

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relevant Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "Bank" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to T2.

(b) Registered Notes

- (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii) below.
- (ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by transfer to an account in the relevant currency maintained by the payee with a Bank, details of which appear on the Register at the close of business on the Record Date.

*So long as the Notes are represented by the Global Certificate and such Global Certificate is held on behalf of Euroclear or Clearstream or any other clearing system, each payment in respect of the Global Certificate will be made to, or to the order of, the person shown as the holder of the Notes in the Register at the close of business (of the relevant clearing system) on the Clearing System Business Day immediately prior to the due date for such payment, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except for 25 December and 1 January.*

(c) Payments in the United States

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments subject to Laws**

Save as provided in Condition 8, all payments are subject in all cases to:

- (i) any fiscal or other laws and regulations applicable thereto in the place of payment or other laws and regulations to which the Issuer or its agents agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed by such laws, regulations or agreements; and
- (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Appointment of Agents**

The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint in accordance with the Agency Agreement additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain:

- (i) an Issuing and Paying Agent;
- (ii) a Registrar in relation to Registered Notes;
- (iii) a Transfer Agent in relation to Registered Notes;
- (iv) one or more Calculation Agent(s) where the Conditions so require.
- (v) for so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, when the Notes are in definitive form; and
- (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 7(c).

Notice of any such termination or appointment or any change of any specified office of an Agent shall promptly be given by the Issuer to the Noteholders and the Trustee.

(f) **Unmatured Coupons and Receipts and unexchanged Talons**

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index linked Notes), such Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of

payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relevant unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) **Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in the location of the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) **Non-Business Days**

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, "**business day**" means a day (other than a Saturday or a Sunday or a public holiday) on which banks and foreign exchange markets are open for business in the relevant place of presentation (if presentation and/or surrender of such

Note, Receipt or Coupon is required), in such jurisdictions as shall be specified as "**Financial Centres**" in the applicable Pricing Supplement and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

8 Taxation

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons will be made free and clear of, and without set-off or counterclaim and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of New Zealand or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and the Couponholders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, Receipts or (as the case may be) Coupons, in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to (a) any withholding or deduction for or on account of New Zealand resident withholding tax; or (b) any payment in respect of any Note, Receipt or Coupon:

(a) **Other connection**

to, or to a third party on behalf of, a holder who is subject to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of any holder, or any beneficial owner of any interest in, or rights in respect of, such Note, Receipt or Coupon having some connection (whether present or past) with New Zealand (including by reason of being a beneficial owner of, or having an interest in, a Note, Receipt or Coupon jointly with another person who is resident in New Zealand for income tax purposes) otherwise (except as just provided) than merely by the holding of, or having an interest in, or rights in respect of, such Note, Receipt or Coupon; or

(b) **Lawful avoidance of withholding**

to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority or, if appropriate, to the Issuer or the Issuing and Paying Agent in the place where the relevant Note, Receipt or Coupon is presented for payment; or

(c) **Presentation more than 30 days after the Relevant Date**

presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or

(d) **Related-party debt**

to, or to a third party on behalf of, a holder who is an "associated person" of the Issuer for New Zealand income tax purposes or that otherwise relates to "related-party debt" as these terms are defined in the Income Tax Act 2007 of New Zealand.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note, Receipt or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to:

- (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes (but not to extend to the excess of the redemption amount over the issue price of any Note, and provided that a premium may be interest as defined under New Zealand taxation legislation), all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Change of Control Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it;
- (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and interest as defined under New Zealand taxation legislation for withholding tax purposes; and
- (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts which may be payable under this Condition 8 or any undertaking given in addition to or substitution for it under the Trust Deed.

Neither the Trustee nor any Agent shall in any event be responsible for paying any tax, duty, charge, withholding, assessment, governmental charge or other payment referred to in this Condition 8 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for (A) determining whether the Issuer or any Noteholder, Receiptholder or Couponholder is liable to pay any taxes, duty, charges, withholding or other payment referred to in this Condition 8; or (B) determining the sufficiency or insufficiency of any amounts so paid. None of the Trustee or the Agents shall be responsible or liable for any failure of the Issuer, any Noteholder, Receiptholder or Couponholder, or any other third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

9 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

The occurrence of any of the following events ("**Events of Default**") shall constitute an Event of Default:

(a) Non-Payment

default is made for more than seven Business Days (in the case of interest) or five Business Days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes; or

(b) **Breach of Other Obligations**

the Issuer does not perform or comply in a material way with any one or more of its other material obligations in the Notes, the Security Documents or the Trust Deed and such default is not remedied within 20 Business Days of receipt by the Issuer of a notice from the Trustee specifying the default and requiring it to be remedied; or

(c) **Enforcement Event**

the enforcement of any security over the Charged Property; or

(d) **Insolvency**

- (i) the suspension of payments, a moratorium of any indebtedness, winding up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer, except for:
 - (A) a solvent reorganisation of the Issuer that does not have a material adverse effect on the ability of the Issuer to perform its payment obligations when due under the Notes and the Trust Deed; or
 - (B) the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders; or
- (ii) a composition, compromise, assignment or arrangement is entered into by the Issuer with its creditors generally; or
- (iii) the appointment of a liquidator, receiver, administrative receiver, statutory manager (other than a Crown Manager, Crown Facilitator or Crown Commissioner (in each case as defined in the Security Trust Deed)) or voluntary administrator, in respect of the Issuer or any of its assets; or
- (iv) the Issuer ceases or threatens to cease to carry on all or substantially all of its activities; or

(e) **Security**

the Notes are no longer secured pursuant to the Security Documents or the Noteholders (or any Beneficiary Representative (as defined in the Security Trust Deed) appointed on their behalf) cease to be Beneficiaries (as defined in the Security Trust Deed) of the security trust established under the Security Trust Deed; or

(f) **Invalidity of Document**

any material provision of the Notes, the Trust Deed or any of the Security Documents:

- (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, in each case, the Issuer, or any person on its behalf, makes any allegation or claim to the effect; or

(g) **Change in law**

the enactment of or any change in any law or directive, by any governmental agency, occurs which will have a material adverse effect on the ability of the Issuer to perform its payment obligations when due under the Notes and the Trust Deed.

In this Condition 10, "**Business Day**" means a day (other than a Saturday or a Sunday) on which registered banks (within the meaning of the Banking (Prudential Supervision) Act 1989) are open in Auckland for the transaction of general banking business.

If an Event of Default as specified under Condition 10(a) in relation to the non-payment of principal or interest on the Maturity Date or Condition 10(d) occurs, the Trustee at its discretion may, and if so requested by holders in writing of at least twenty per cent. in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, in each case subject to being indemnified and/or secured and/or pre-funded to its satisfaction by the Noteholders, give notice to the Issuer and Security Trustee that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest.

If an Event of Default (other than as specified under Condition 10(a) in relation to the non-payment of principal or interest on the Maturity Date or Condition 10(d)) occurs, the Trustee at its discretion may, and if so requested by holders in writing of at least twenty per cent. in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, in each case subject to being indemnified and/or secured and/or pre-funded to its satisfaction by the Noteholders, give notice to the Issuer and the Security Trustee that it wishes to declare that the Notes are immediately due and payable at their Early Redemption Amount together (if applicable) with accrued interest, but subject always to and in accordance with the Security Trust Deed.

11 Meetings of Noteholders, Modification, Waiver and Substitution

(a) **Meetings of Noteholders**

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Trustee or the Issuer and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing more than fifty per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*:

- (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes;
- (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes;
- (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes;

- (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown in the applicable Pricing Supplement, to reduce any such Minimum Rate of Interest and/or Maximum Rate of Interest;
- (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount or the Change of Control Redemption Amount, including the method of calculating the Amortised Face Amount;
- (vi) to vary the currency or currencies of payment or denomination of the Notes;
- (vii) to amend any of the Security Documents; or
- (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution,

in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding or passed by Electronic Consent (as defined in the Trust Deed) shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. A resolution passed in writing or by Electronic Consent will be binding on all Noteholders whether or not they participated in such written resolution or Electronic Consent.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) Modification of the Trust Deed and Agreements

The Trustee may agree, without the consent of the Noteholders or Couponholders, to:

- (i) any modification of any of the provisions of the Trust Deed, the Agency Agreement or these Conditions that is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of law; and
- (ii) any other modification (except as mentioned in the Trust Deed) and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement and/or these Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise requires, such modification, waiver or authorisation shall be notified by the Issuer to the Noteholders as soon as practicable.

(c) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, subject to the Trustee obtaining approval of the Noteholders by way of an Extraordinary Resolution, to the substitution of the Issuer's successor in business in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, to a change of the law governing the Notes, the Receipts, the Coupons, the

Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) **Entitlement of the Trustee**

In connection with the exercise of its functions, rights, powers and/or discretions (including but not limited to those referred to in this Condition 11) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require on behalf of Noteholders or Couponholders, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

12 Enforcement

(a) **The Notes**

Subject to clause 3.5 (Standstill Period) of the Security Trust Deed, at any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, take such steps and/or actions and/or institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such steps and/or actions and/or institute such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least twenty per cent. in nominal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

(b) **Enforceability of Security**

The Security shall become enforceable in accordance with Clause 3.5 (Standstill Period) and Clause 8.1 (Enforcement) of the Security Trust Deed.

At any time after the Security becomes enforceable, the Trustee may, at its sole discretion without further notice, instruct the Security Trustee to take such proceedings and/or actions as it may think fit against or in relation to the Issuer and pursuant to the terms of the Security Documents to enforce the Issuer's obligations under the Security Documents and take action to enforce the Security without any liability as to the consequences of such action, but it need not take any such steps and/or actions and/or institute such proceedings unless:

- (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least twenty per cent. in nominal amount of the Notes outstanding; or
- (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

13 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. Under the Trust Deed, the Trustee is entitled to be indemnified, secured and/or pre-funded to its satisfaction and to be relieved from responsibility in certain circumstances including without limitation, provisions relieving it from taking steps and/or actions and/or instituting proceedings to enforce its rights under the Trust Deed, the Agency Agreement and/or these Conditions and in respect of the Notes, the Receipts and the Coupons and payment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction and to be paid or reimbursed for any fees, costs, expenses and indemnity payments and for liabilities incurred by it in priority to the claims of Noteholders, Receiptholders

and/or Couponholders. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to the Issuer, Noteholders, Couponholders or any other person on any report, confirmation or certificate or any advice of any legal advisers, accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders. The Trustee and the Agents shall not be responsible or liable to the Issuer, the Noteholders or any other person for any loss occasioned by acting on or refraining from acting on any such report, confirmation, certificate, opinion or advice.

Neither the Trustee nor any of the Agents shall have any obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement, or these Conditions or to monitor or take any steps to ascertain whether an Event of Default or a Potential Event of Default has occurred, and none of them shall be responsible or liable to the Issuer, the Noteholders, the Receiptholders, the Couponholders or any other person for not doing so.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer and any other person appointed by the Issuer in relation to the Notes of the duties and obligations on their part expressed in respect of the same in these Conditions or under the Trust Deed and/or the Agency Agreement and, unless it has written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Noteholder, Receiptholder, Couponholder, the Issuer or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Noteholders. The Trustee shall be entitled to rely on any direction, request or resolution given by Noteholders holding the requisite principal amount of Notes outstanding or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement, or these Conditions to exercise any discretion or power, take or refrain from taking any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking or refraining from taking any such action, making any such decision, or giving any such direction, or clarification of any directions, to seek directions from the Noteholders by way of an Extraordinary Resolution or given as otherwise contemplated or permitted by the Trust Deed and/or the Notes, and shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all action, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including but not limited to legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee shall not be responsible or liable for any loss or liability incurred by the Issuer, the Noteholders or any other person as a result of any delay in it exercising such discretion or power, taking or refraining from such action, making such decision, or giving such direction as a result of seeking such direction where the Trustee is seeking such directions from Noteholders or in the event that no such directions are received by the Trustee, or as a result of any action taken by it in accordance with the approval, directions or instructions of the Noteholders.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

14 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date and the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with an outstanding Series. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and forming a single series with the Notes.

16 Notices

Notices to the holders of Registered Notes shall be in English and mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday or a public holiday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 16.

So long as the Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of Euroclear or Clearstream or any other clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for notification as required by these Conditions. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear or Clearstream or the alternative clearing system, as the case may be.

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

18 Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) Jurisdiction

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) Service of Process

The Issuer has in the Trust Deed irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

(d) Waiver of Immunity

In respect of any Proceedings to the extent that the Issuer may in any jurisdiction claim for itself, or have attributed to itself, any right of immunity on the grounds of sovereignty from any suit, execution, attachment or other legal process, the Issuer shall irrevocably agree not to claim and will waive such immunity to the fullest extent permitted by law.

19 No Crown Guarantee

No obligation of the Issuer under or in respect of the Notes or under the Trust Deed is guaranteed by His Majesty the King in right of New Zealand.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1 Initial Issue of Notes

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream (the "**Common Depositary**").

Upon the initial deposit of a Global Note with the Common Depositary or registration of Registered Notes in the name of any nominee for Euroclear or Clearstream (as the case may be) and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream (as the case may be) will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear or Clearstream or an Alternative Clearing System (as defined below).

2 Relationship of Accountholders with Clearing Systems

Save as provided in the following paragraph, each of the persons shown in the records of Euroclear or Clearstream or an Alternative Clearing System as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear and Clearstream or such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear and Clearstream or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3 Exchange

3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see "*Summary of the Programme — Selling Restrictions*"), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "Partial Exchange of Permanent Global Notes" below, in part for Definitive Notes:

- (i) if the permanent Global Note is held on behalf of Euroclear or Clearstream or any other clearing system (an "**Alternative Clearing System**") and any such clearing system is closed for business

for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Global Certificates

If the relevant Pricing Supplement states that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2 may only be made in part if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, provided that, in the case of the first transfer of part of a holding, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes: (1) if principal in respect of any Notes is not paid when due; or (2) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

3.5 Delivery of Notes

On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will:

- (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange; or
- (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. Global Notes and Definitive Notes will be delivered outside the United States and its possessions.
- (iii) In this Offering Circular, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the relevant Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 Exchange Date

"Exchange Date" means:

- (i) in relation to an exchange of a temporary Global Note to a permanent Global Note, the day falling after the expiry of 40 days after its issue date;
- (ii) in relation to an exchange of a permanent Global Note to a Definitive Note, a day falling not less than 60 days after the date of receipt of the first relevant notice by the Issuing and Paying Agent;

provided if such date is not a day on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located, the immediately following day on which banks are so open in such locations.

4 Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Condition 7(e)(vi) will apply to the Definitive Notes only.

Each payment in respect of Notes represented by a Global Certificate held in Euroclear or Clearstream, will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

4.2 Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

4.3 Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note or a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4.4 Cancellation

Cancellation of any Note represented by a permanent Global Note or Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note or Global Certificate.

4.5 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.6 Issuer's Redemption

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain, in the case of Bearer Notes, the certificate numbers of Notes drawn or, in the case of Registered Notes, the holder of the Notes in respect of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear or Clearstream or an Alternative Clearing System (as the case may be).

4.7 Noteholders' Redemption

Where the Notes are represented by a permanent Global Note, the Noteholder's redemption options in Conditions 6(e) or 6(f) may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to such deposit of Notes set out in the Conditions substantially in the form of the notice available from any Paying Agent except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Issuing and Paying Agent (or to a Paying Agent acting on their behalf) for notation.

Where the Notes are represented by a Global Certificate, the Noteholder's redemption options in Conditions 6(e) or 6(f) may be exercised by the holder of the Global Certificate giving notice to the Registrar or any Transfer Agent of the principal amount of Notes in respect of which the relevant option is exercised and presenting the Global Certificate for endorsement or exercise within the time limits specified in the Conditions. Notice of exercise received within the time limits specified in the Conditions by the Registrar or any Transfer Agent from or on behalf of a holder of a book-entry interest in the relevant Notes will be accepted by the Issuer as having been given by the holder as to the principal amount of Notes in respect of which it is given (but without double counting), and whether or not the Global Certificate is presented for endorsement therewith. Following the exercise of any such option, the Issuer shall procure that the principal amount of the Notes recorded in the records of Euroclear or Clearstream (or, as the case may be, any Alternative Clearing System) and represented by the Global Certificate shall be reduced accordingly.

4.8 Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of, or in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or

Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

4.9 Notices

So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held on behalf of Euroclear and/or Clearstream or an Alternative Clearing System, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate.

5 Partly Paid Notes

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes or Global Certificates. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalments due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

6 SGX-ST

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

FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

[PRIIPs REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]¹

**Pricing Supplement dated [●]
Watercare Services Limited**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.\$5,000,000,000 Secured Medium Term Note Programme**

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 1 December 2025 [and the supplementary Offering Circular dated [●]] (the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as so supplemented].

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [original date]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date] [and the supplementary Offering Circular dated [●], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Offering Circular[, the supplementary Offering Circular dated [●]] and this Pricing Supplement.]]

[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 directions for completing the Pricing Supplement.]

- | | | |
|----------|-------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| 1 | Issuer: | Watercare Services Limited |
| 2 | (i) [Series Number:] | [●] |
| | (ii) [Tranche Number:] | [●] |
| | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]</i> | |
| 3 | Specified Currency or Currencies: | [●] |
| 4 | Aggregate Nominal Amount: | [●] |
| | (i) [Series:] | [●] |
| | (ii) [Tranche:] | [●] |

¹ For any Notes to be offered to Singapore investors other than accredited investors and institutional investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

5	[(i)]	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (in the case of fungible issues only, if applicable)]
	(ii)	[Net proceeds:	[●]]
6	(i)	Specified Denominations:	[●] ^{2 3 4}
	(ii)	Calculation Amount:	[●] <i>[If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor]</i> <i>[Note: There must be a common factor in the case of two or more Specified Denominations]</i>
7	(i)	Trade Date:	[●]
	(ii)	Issue Date:	[●]
	(iii)	Interest Commencement Date:	<i>[Specify/Issue date/Not Applicable]</i>
8		Maturity Date:	<i>[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</i>
9		Interest Basis:	[[●] per cent. Fixed Rate] <i>[[specify reference rate] +/- [●] per cent. Floating Rate]</i> [Zero Coupon] [Index Linked Interest] [Other (specify)] (further particulars specified below)
10		Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (specify)]
11		Change of Interest or Redemption/ Payment Basis:	<i>[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]</i>
12		Put/Call Options:	[Investor Put] [Change of Control Put Option] [Issuer Call] [(further particulars specified below)]

² For all Notes, the minimum denomination shall, in all cases, be at least S\$200,000 (or its equivalent in any other currency).

³ Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies). Add appropriate provisions to terms and conditions if included.

⁴ If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the additional wording set out in the Guidance Note published by ICMA in November 2006 (or its replacement from time to time) as follows: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No notes in definitive form will be issued with a denomination above [€199,000]".

- 13 Status of the Notes: Secured
- 14 Listing and admission to trading: ☐ (specify)/None
- 15 Method of distribution: ☐ Syndicated/Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 16 **Fixed Rate Note Provisions** ☐ Applicable/Not Applicable
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: ☐ per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): ☐ in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: ☐ per Calculation Amount
- (iv) Broken Amount(s): ☐ per Calculation Amount, payable on the Interest Payment Date falling [in/on] ☐
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / other]
- (vi) [Determination Dates: ☐ in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: ☐ Not Applicable/*give details*
- 17 **Floating Rate Note Provisions** ☐ Applicable/Not Applicable
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Period(s): ☐
- (ii) Specified Interest Payment Dates: ☐
- (iii) Interest Period Date ☐
(*Not applicable unless different from Interest Payment Date*)
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
- (v) Business Centre(s) (Condition 5(m)): ☐
[For the purposes of Condition 5(m), "**Business Day**" for the Notes shall include the following:

	[(a)] <i>[repeat the details of the Business Centre(s) as per above if applicable]; [Only include where a Business Centre has been indicated for the drawdown]</i>
	[(b)] [New York City] / [London] / [TARGET Business Day (being any day on which T2 is open for the settlement of payments in euro)].]
(vi) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (<i>give details</i>)]
(vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]):	[●]
(viii) Screen Rate Determination	
– Reference Rate:	[●] / [SOFR Benchmark] (<i>Either EURIBOR, HIBOR, SOFR or other, although additional information is required if other</i>)
– Interest Determination Date(s):	[●] (<i>the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is not sterling, euro or Hong Kong Dollars or first day of each Interest Accrual Period if the Specified Currency is sterling or Hong Kong Dollar or the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro</i>)
– Relevant Screen Page:	[●] (<i>[In the case of EURIBOR, if not Reuters Page EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately]</i>)
– SOFR:	[Applicable/Not Applicable]
• SOFR Benchmark	[Not Applicable/Compounded Daily SOFR/Compounded SOFR Index] (<i>Only applicable where the Reference Rate is SOFR</i>)
• Compounded Daily SOFR	[Not Applicable/SOFR Lag/SOFR Observation Shift] (<i>Only applicable in the case of Compounded Daily SOFR</i>)
• Lookback Days	[Not Applicable/[●] U.S. Government Securities Business Day(s)]
• SOFR Observation Shift Days	(<i>Only applicable in the case of SOFR Lag</i>) [Not Applicable/[●] U.S. Government Securities Business Day(s)]

	<ul style="list-style-type: none"> • SOFR Index_{Start} 	<p><i>(Only applicable in the case of SOFR Observation Shift or Compounded SOFR Index)</i></p> <p>[Not Applicable/[•] U.S. Government Securities Business Day(s)]</p>
	<ul style="list-style-type: none"> • SOFR Index_{End} 	<p><i>(Only applicable in the case of Compounded SOFR Index; must be at least 5 U.S. Government Securities Business Days)</i></p> <p>[Not Applicable/[•] U.S. Government Securities Business Day(s)]</p> <p><i>(Only applicable in the case of Compounded SOFR Index; must be at least 5 U.S. Government Securities Business Days)</i></p>
(ix)	ISDA Determination:	
	– Floating Rate Option:	[•]
	– Designated Maturity:	[•]
	– Reset Date:	[•]
	– ISDA Definitions:	2006 (if different to those set out in the Conditions, please specify)
(x)	Margin(s):	[+/-][•] per cent. per annum
(xi)	Minimum Rate of Interest:	[•] per cent. per annum
(xii)	Maximum Rate of Interest:	[•] per cent. per annum
(xiii)	Day Count Fraction:	[•]
(xiv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	<p>[Benchmark Discontinuation (Condition 5(k)/Benchmark Discontinuation (SOFR) (Condition 5(l))/<i>specify other if different from those set out in the Conditions</i>]</p>
18	Zero Coupon Note Provisions	<p>[Applicable/Not Applicable]</p> <p><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i></p>
	(i) Amortisation Yield:	[•] per cent. per annum
	(ii) Any other formula/basis of determining amount payable:	[•]
19	Index-Linked Interest Note Provisions	<p>[Applicable/Not Applicable]</p> <p><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i></p>
	(i) Index/Formula:	[give or annex details]
	(ii) Party responsible for calculating the Rate(s) of Interest and/or	[•]

	Interest Amount(s) (if not the [Agent]):	
(iii)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted:	[●]
(iv)	Interest Period(s):	[●]
(v)	Specified Interest Payment Dates:	[●]
(vi)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
(vii)	Business Centre(s):	[●] [For the purposes of Condition 5(m), " Business Day " for the Notes shall include the following: [(a)] <i>[repeat the details of the Business Centre(s) as per above if applicable]</i> ; [Only include where a Business Centre has been indicated for the drawdown] [(b)] [New York City] / [London] / [TARGET Business Day (being any day on which T2 is open for the settlement of payments in euro)].]
(viii)	Minimum Rate of Interest:	[●] per cent. per annum
(ix)	Maximum Rate of Interest:	[●] per cent. per annum
(x)	Day Count Fraction:	[●]
20	Dual Currency Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Rate of Exchange/method of calculating Rate of Exchange:	<i>[give details]</i>
(ii)	Party, if any, responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]):	[●]
(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[●]
(iv)	Person at whose option Specified Currency(ies) is/are payable:	[●]

PROVISIONS RELATING TO REDEMPTION

21	Call Option	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) Optional Redemption Date(s):	[•]
	(ii) Optional Redemption Amount(s) of each Note and specified denomination method, if any, of calculation of such amount(s):	[•] per Calculation Amount
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[•] per Calculation Amount
	(b) Maximum Redemption Amount:	[•] per Calculation Amount
	(iv) Notice period	[•]
22	Put Option	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) Optional Redemption Date(s):	[•]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Calculation Amount
	(iii) Notice period	[•]
23	Change of Control Put Option	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) Change of Control Redemption Amount(s) of each Note:	[•]
24	Final Redemption Amount of each Note	[•] per Calculation Amount
25	Early Redemption Amount	[•]
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/ or the method of calculating the same (if required or if different from that set out in the Conditions):	

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26	Form of Notes:	[Bearer Notes/Registered Notes]
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		[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
		[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] ⁵
		[Permanent Global Note/Global Certificate /definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the permanent Global Note/Global Certificate]
27	Financial Centre(s) or other special provisions relating to Payment Dates:	<p>[Not Applicable/give details. <i>Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 16 (ii), 17(iv) and 19(vii) relate</i>]</p> <p>[For the purposes of Condition 7(h), "business day" for the Notes shall include the following:</p> <p>[(a)] <i>[repeat the details of the Financial Centre(s) as per above if applicable]; [Only include where a Financial Centre has been indicated for the drawdown]</i></p> <p>[(b)] [New York City] / [London] / [TARGET Business Day (being any day on which T2 is open for the settlement of payments in euro)].]</p>
28	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. <i>If yes, give details</i>]
29	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/give details]
30	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable/give details]
31	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable [annexed to this Pricing Supplement] apply]
32	Consolidation provisions:	[Not Applicable/The provisions [in Condition ●] [annexed to this Pricing Supplement] apply]
33	Other terms or special conditions:	[Not Applicable/give details]

⁵ If the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: [€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000] the Temporary Global Note shall not be exchangeable on [●] days' notice.

DISTRIBUTION

- 34 (i) If syndicated, names of Managers: [Not Applicable/*give names*]
- (ii) Stabilisation Manager (if any): [Not Applicable/*give name*]
- 35 If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- 36 U.S. selling restrictions: [Reg. S Category 1; TEFRA D/ TEFRA C/ TEFRA Not Applicable]
- 37 Singapore Sales to Institutional Investors and Accredited Investors only: [Not Applicable/Applicable]
- 38 Additional selling restrictions: [Not Applicable/*give details*]

OPERATIONAL INFORMATION

- 39 ISIN Code: [●]
- 40 Common Code: [●]
- 41 Legal Entity Identifier: 984500T79F9E43C5EF58
- 42 Any clearing system(s) other than Euroclear and Clearstream and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- 43 Delivery: Delivery [against/free of] payment
- 44 Additional Paying Agent(s) (if any): [●]
- 45 Calculation Agent (if any): [●]

GENERAL

- 46 The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of [●], producing a sum of (for Notes not denominated in U.S. dollars): [Not applicable/U.S.\$][●]
- 47 In the case of Registered Notes, specify the location of the office of the Registrar if other than Luxembourg: [●]
- 48 In the case of Bearer Notes, specify the location of the office of the Issuing and Paying Agent if other than Hong Kong: [●]
- 49 Ratings: The Notes to be issued have been rated:
[Moody's: [●]]
[Other: [●]]
(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

HONG KONG SFC CODE OF CONDUCT

- 50 (i) Rebates [A rebate of [●] bps is being offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.] / [Not Applicable]
- (ii) Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent: [Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – OCs to provide] / [Not Applicable]
- (iii) Marketing and Investor Targeting Strategy: [As set out in the Offering Circular / describe if different from the Offering Circular]

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the [specify relevant stock exchange/market] of the Notes described herein pursuant to the U.S.\$5,000,000,000 Secured Medium Term Note Programme.

STABILISATION

In connection with this issue, [●] (the "**Stabilisation Manager**") (or persons acting on behalf of any Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or person(s) acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

INVESTMENT CONSIDERATIONS

There are significant risks associated with the Notes including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their

objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of Watercare Services Limited:

By:
Duly authorised signatory

USE OF PROCEEDS

The proceeds of the Notes will be used for general corporate purposes of the Issuer.

SELECTED FINANCIAL INFORMATION FROM THE AUDITED FINANCIAL STATEMENTS

The following presents the selected financial information of the Group as at 30 June 2025 and 30 June 2024. It is derived from the Group's audited consolidated financial statements as at 30 June 2025 and 30 June 2024. Such information should be read in conjunction with the Group's audited consolidated financial statements and the related notes incorporated by reference in this Offering Circular.

Basis of reporting

The primary objective of the Issuer is to provide water and wastewater services and facilities to the Auckland community for social benefit rather than to make a financial return. Accordingly, the Issuer has designated itself as a public benefit entity ("**PBE**") and applies New Zealand Tier 1 PBE Accounting Standards. These standards are based on International Public Sector Accounting Standards ("**IPSAS**"), with amendments for the New Zealand environment.

Differences between PBE IPSAS and IFRS

The principal differences between PBE IPSAS and the International Financial Reporting Standards ("**IFRS**") that are relevant to Issuer are summarised below. These differences do not materially affect the recognition or measurement of key financial statement items but may affect the classification or presentation of certain transactions.

Area	PBE IPSAS	IFRS
Service concession arrangements	The Issuer applies PBE IPSAS 32 (Grantor). Assets under concession (e.g. Papakura franchise) remain on balance sheet; liabilities for operator contributions are recognised and amortised over the concession period.	IFRS does not have a direct equivalent for grantors. Practice varies; assets may be recognised if controlled, but no explicit guidance.
Borrowing costs	All borrowing costs are expensed as incurred (from FY2024), in line with PBE IPSAS 5 and Auckland Council policy.	IFRS (IAS 23) requires borrowing costs on qualifying assets to be capitalised.
Asset revaluation and impairment	Infrastructure assets are revalued regularly to fair value. Impairment is only recognised if service potential is reduced.	IFRS allows revaluation; impairment is tested based on recoverable amount (higher of value in use or fair value less costs to sell).
Leases	Operating leases are expensed and disclosed as commitments (PBE IPSAS 13). PBE IPSAS 43 (aligned to IFRS 16) will be adopted in future periods.	IFRS 16 requires most leases to be recognised on balance sheet as right-of-use assets and lease liabilities.
Equity and surplus	The Issuer is prohibited by statute from paying dividends; all surpluses are retained and reinvested. Equity is presented as "public equity", comprising	IFRS entities may pay dividends from retained earnings. Equity is presented as share capital, retained earnings, and reserves.

	accumulated surplus and revaluation reserves.	
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Audit procedures

External audit

The Auditor-General is the auditor of the Group pursuant to the Public Audit Act 2001 of New Zealand. Under the Local Government Act, the annual financial statements in each annual report prepared as at 30 June must be audited and prepared in accordance with generally accepted accounting practice in New Zealand.

The Auditor-General has appointed Brett Tomkins, using the staff and resources of Deloitte Limited, to carry out the audit of the consolidated financial statements of the Group for the years ended 30 June 2024 and 2025. The annual audit focuses on presenting fairly, in all material respects the consolidated financial statements, in compliance with generally accepted accounting practices in New Zealand in accordance with Public Benefit Entity Standards.

Internal audit and control processes

The Issuer has an Audit and Risk Committee, which is independent of the external audit function. The purpose of the Audit and Risk Committee is to assist the Board of Directors in exercising good governance by providing assurance on the design and effective operation of the Council's risk management, internal control, governance processes and policies.

Income Tax Exempt

In August 2025, the Local Government (Water Services) (Repeals and Amendments) Act 2025 of New Zealand was enacted and amended the Income Tax Act 2007 of New Zealand. As part of the amendment, the Issuer became an income tax exempt entity. As the amendment was not substantively enacted at 30 June 2025, the impact was not reflected in the financial statements of the Group for the financial year ended 30 June 2025.

A summary of the impacts of the law change is outlined as follows.

- (a) The Issuer is no longer required to pay tax on income and does not receive tax deductions for expenditure. As a result, all deferred tax liabilities will be derecognised.
- (b) Historic tax losses are anticipated to remain available for use within the wider Auckland Council group. As a result, in the financial year ending 30 June 2026, the Issuer will consider the value of tax losses to continue to be recognised, and will recognise income for the tax effect of any losses transferred to other Auckland Council group entities.
- (c) The current and deferred tax consequences of a change in tax status will be recognised in the income tax expense or credit in the statement of comprehensive revenue and expense, unless they relate to transactions recognised directly in other comprehensive revenue and expense.

The financial impact of the law change will remain uncertain until the Issuer's final tax return is completed and the total quantum and value of available tax losses are determined.

Financial performance

Statement of comprehensive revenue and expense

Summary statements of comprehensive revenue and expenditure for the Group for the years ended 30 June 2025 and 30 June 2024 are as follows:

	2025 Actual NZ\$000	2024 Actual NZ\$000
Revenue	1,158,323	1,085,078
Total revenue	1,158,323	1,085,078
Operating expenses		
Asset operating costs	(107,483)	(88,390)
Maintenance costs	(83,164)	(90,535)
Employee benefit expenses	(110,857)	(105,541)
Other expenses	(79,788)	(82,553)
Total operating expenses	(381,292)	(367,019)
Depreciation and amortisation	(460,727)	(394,669)
Finance costs	(172,321)	(150,275)
Total expenses	(1,014,340)	(911,963)
Operating surplus from trading operations	143,983	173,115
Net gain/(loss) on disposal of property, plant and equipment	522	(9,682)
Operating surplus before tax	144,505	163,433
Income tax expense	(61,520)	(66,825)
Net surplus for the year from continuing operations	82,985	96,608
Profit from the year from discontinued operations	-	-
Net surplus for the year	82,985	96,608
Other comprehensive revenue and expense net of tax		
Gain/(Loss) on revaluation of property, plant and equipment	998,458	(25,792)
Total comprehensive revenue and expense for the year, net of tax	1,081,443	70,816

Financial position

A summary of the Group's financial position as at 30 June 2025 and 30 June 2024 is as follows:

	2025 Actual NZ\$000	2024 Actual NZ\$000
Assets		
Current		
Cash and cash equivalents	22,175	23,611
Restricted cash	30,714	24,678
Trade and other receivables from exchange transactions	153,986	138,341
Inventories	19,927	20,435
Prepaid expenses	10,167	10,547
Other financial assets	-	6,988
Total current assets	236,969	224,600
Non-current		
Property, plant and equipment	18,034,834	16,046,002
Intangible assets and goodwill	133,957	86,745
Inventories	6,864	6,946
Prepaid expenses	29,211	30,326
Other financial assets	-	-
Total non-current assets	18,204,866	16,170,019
Total assets	18,441,835	16,394,619
Liabilities		
Current		
Trade and other payables for exchange transactions	71,766	34,153
Accrued expenses	157,396	159,613
Provisions	11,953	12,931
Borrowings	200,000	-
Total current liabilities	441,115	206,697
Non-current		
Borrowings	3,832,230	3,567,495
Deferred tax liability	2,915,348	2,465,539
Trade and other payables for exchange transactions	26,520	19,370
Accrued expenses	18,832	9,736
Provisions	12,651	12,085
Total non-current liabilities	6,805,581	6,074,225
Total liabilities	7,246,696	6,280,922
Equity		
Equity attributable to owners of the parent		
Retained earnings	4,802,828	4,718,797
Revaluation reserves	6,131,618	5,134,207
Issued capital	260,693	260,693
Total equity attributable to owners of the parent	11,195,139	10,113,697
Non-controlling interest	-	-
Total equity	11,195,139	10,113,697
Total equity and liabilities	18,441,835	16,394,619

INDEBTEDNESS

The Issuer uses debt to spread the cost of assets over the generations that will benefit from them.

As at 30 June 2025 and 30 June 2024, the Group's borrowings were as follows:

	2025 Face Value NZ\$000	2024 Face Value NZ\$000
Current		
Related party term loan (unsecured)	200,000	-
Total current borrowings	200,000	-
Non-current		
Related party term loan (unsecured)	3,832,230	3,567,495
Total non-current borrowings	3,832,230	3,567,495
Total borrowings	4,032,230	3,567,495

DESCRIPTION OF THE SECURITY

The following is a summary of the provisions of the security for the Notes and the intercreditor arrangements relating to that security and does not describe every aspect of such security, the underlying security documents or the related provisions of the Trust Deed, the Terms and Conditions of the Notes, the Security Trust Deed and the Specific Security Deed (Water Charges) as amended, restated or supplemented from time to time. This summary is qualified in its entirety by reference to the provisions of the Trust Deed, the Terms and Conditions of the Notes, the Security Trust Deed and the Specific Security Deed (Water Charges), a copy of each of which is available for inspection at the office of the Issuer during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), as set out at the end of this Offering Circular.

Capitalised terms used in this section have the meaning given to them in the Security Trust Deed, unless otherwise defined.

General

The obligations of the Issuer under the Trust Deed and the Notes are secured pursuant to the Security Documents granted by the Issuer in favour of the Security Trustee as trustee of the Watercare Security Trust ("**Watercare Security Trust**").

The Watercare Security Trust has been established pursuant to the Security Trust Deed between, among others, the Issuer and the Security Trustee. The Security Trustee holds the benefit of Security granted by the Issuer in favour of it on trust for the beneficiaries of the Watercare Security Trust ("**Beneficiaries**") in accordance with the Security Trust Deed.

Under the Security Trust Deed, a creditor to certain prescribed financing arrangements (including under the Issuer's common terms structure, hedging, debt securities, private placements or commercial paper) may become a Beneficiary in respect of any such arrangement that the Issuer designates as Approved Secured Financial Accommodation. Bondholders as defined in the Security Trust Deed (which shall include the Noteholders) may enforce and enjoy the benefit of the Security Trust Deed even if they have not acceded to it (including, in respect of Bondholders with a Beneficiary Representative, acting through its Beneficiary Representative), provided their debt is designated as Approved Secured Financial Accommodation.

In accordance with the Security Trust Deed:

- (a) the Issuer has issued an Approval Notice, designating all financial indebtedness of the Issuer in respect of the Notes as Approved Secured Financial Accommodation; and
- (b) the Trustee (on behalf of the Noteholders) has delivered and the Security Trustee has accepted a Beneficiary Accession Undertaking in respect of the Notes,

such that each Noteholder from time to time is a Beneficiary and together with each other Noteholder from time to time forms a Beneficiary Group represented by the Trustee as Beneficiary Representative (on behalf of the Noteholders).

The Security Trust Deed does not limit the amount of Approved Secured Financial Accommodation that may be incurred from time to time. The Issuer may from time to time, without the consent of the Security Trustee, the Noteholders or the Trustee, incur further secured indebtedness that ranks equally with the Issuer's obligations to the Noteholders. The Security Trust Deed also does not prevent the Issuer from incurring financial indebtedness that does not constitute Approved Secured Financial Accommodation provided such creditors do not share in, or have the benefit of, security over the Charged Property (as defined below).

Charged Property

Under the Specific Security Deed (Water Charges), the Issuer has granted a security interest in:

- (a) all charges and charging regime revenue of the Issuer, including all water service charges and revenue from such charges;
- (b) each Special Charge (as defined below) and revenue from such charges; and
- (c) the proceeds of paragraphs (a) and (b) above,

(together, the "**Charged Property**").

The security interest created by the Specific Security Deed (Water Charges) is intended to be a first-ranking security interest except to the extent that other security is preferred by New Zealand law.

In accordance with section 60A of the Local Government Act (Auckland Council) 2009 of New Zealand ("**LGACA**"), if a receiver is appointed pursuant to the Specific Security Deed (Water Charges), that receiver has the power to assess and collect the Issuer's water services charges ("**Special Charges**") and apply them in repayment of secured liabilities of the Beneficiaries, and to pay the reasonable costs of administering, assessing and collecting such charges. All powers necessary for the recovery of Special Charges assessed under section 60A of the LGACA are conferred on, and may be exercised by, the receiver. However, under the Receiverships Act 1993 of New Zealand, a receiver must ensure that no action by it prevents the Issuer from providing services that are essential for the maintenance of public health and safety requirements.

The Specific Security Deed (Water Charges) creates a charge over the Charged Property only and not any other assets of the Issuer. If the Charged Property is not sufficient to repay outstandings, there is no recourse to other assets of the Issuer under the Specific Security Deed (Water Charges).

Enforcement by Security Trustee

The ability of the Security Trustee to enforce the Specific Security Deed (Water Charges) is subject to the terms of the Security Trust Deed, including that:

- (a) a Standstill Trigger Event (including an event of default specified in a Finance Document, the Trust Deed, or Hedging Agreement, or an event of review specified in a Finance Document entitling the relevant Beneficiaries to cancel any commitments or declare any indebtedness due and payable prior to its stated maturity) has occurred and is continuing; and
- (b) the Standstill Period (as defined below) has terminated.

If a Standstill Trigger Event is continuing, the Directing Representative may, at its discretion, or must if requested or directed by the relevant Beneficiaries, notify the Security Trustee and the Issuer that it wishes to take Enforcement Action in accordance with the terms of the relevant Secured Debt Documents. A standstill period will then commence ("**Standstill Period**"), during which no Beneficiary may take any such Enforcement Action, until the Standstill Period terminates on the earliest of:

- (a) the Security Trustee receiving notice from the relevant Directing Representative that the Standstill Default has been remedied or waived;
- (b) the date which is 12 months after the occurrence of the Standstill Trigger Event (or, if later, the date which is 3 months after receipt by the Security Trustee of the relevant EoD Notice);

- (c) the Security Trustee receiving instructions from the Majority Beneficiaries to take Security Enforcement Action;
- (d) an Insolvency Event occurring, in relation to which any one or more Beneficiaries (acting together) notify the Security Trustee that it wishes to take Enforcement Action in accordance with the relevant Secured Debt Documents; and
- (e) the Directing Representative notifying the Security Trustee that the Issuer has failed to discharge any secured liabilities of a Beneficiary due within 5 business days of the final maturity date in respect of those liabilities.

If a Standstill Trigger Event occurs in respect of the Notes, the Trustee (acting in accordance with the Trust Deed) will be the Directing Representative for the purposes of notifying the Security Trustee and the Issuer that the Noteholders wish to take Enforcement Action.

Following the termination of a Standstill Period, the Security Trustee will, at the instruction of the Majority Beneficiaries, enforce the Specific Security Deed (Water Charges), including by taking any one or more of the following steps:

- (a) taking possession of all or any part of the Charged Property;
- (b) either with or without taking possession selling, calling in, collecting or converting into money all or any part of the Charged Property in such manner and for such consideration as the Security Trustee thinks fit;
- (c) applying any of the Charged Property that are accounts receivable, money or negotiable instruments (as those terms are defined in the Personal Property Securities Act 1999 of New Zealand) in or towards satisfaction of secured liabilities of the Beneficiaries;
- (d) whether or not a receiver has been appointed, exercising any power of a receiver, or which a person would have if appointed as a receiver;
- (e) appointing a receiver;
- (f) exercising any other powers in relation to the Charged Property that are conferred upon the Security Trustee by law; and/or
- (g) paying any expenses incurred in the exercise of any of such powers out of the revenue from, or proceeds of realisation of, the Charged Property.

Enforcement by Trustee

Enforcement of the Specific Security Deed (Water Charges) is a two-stage process involving enforcement action under the Terms and Conditions of the Notes (as summarised below), followed by enforcement action under the Specific Security Deed (Water Charges) by the Security Trustee (as summarised above).

In summary, if:

- (a) an Event of Default occurs;
- (b) any Notes have become immediately due and repayable in accordance with the Terms and Conditions; and

- (c) the Standstill Period has terminated (other than by waiver or remedy of the underlying Standstill Trigger Event),

the Trustee may, in its discretion, request the Security Trustee to take one of the enforcement steps listed above. The Trustee shall not be bound to take any such action unless directed or requested to do so:

- (a) by an Extraordinary Resolution; or
- (b) in writing by the Noteholders of at least 20 per cent. in aggregate nominal amount of the Notes of the relevant Series then outstanding,

and in either case then only if it is indemnified, secured and/or pre-funded to its satisfaction.

Only the Trustee may institute proceedings against the Issuer to enforce the provisions of the Trust Deed and the Notes. A Noteholder is not entitled to proceed directly against the Issuer to enforce the performance of any of the provisions of the Trust Deed or the Notes, or instruct the Security Trustee to enforce the Security Trust Deed unless the Trustee having become bound to take proceedings fails to do so within a reasonable time and such failure shall be continuing.

Voting under the Security Trust Deed

Voting by the Trustee

For the purposes of the Security Trust Deed, the Noteholders will collectively constitute a Beneficiary Group. The Trustee, acting as their Beneficiary Representative, will exercise the Noteholders' voting rights in respect of any instruction, amendment, waiver or consent to be voted on under the Security Trust Deed ("**Relevant Decision**").

In determining the votes of the Noteholders for a Relevant Decision:

- (a) if the Requisite Majority votes in favour of the Relevant Decision (by way of an Extraordinary Resolution (as defined in the Trust Deed)), 100% of the Noteholders' Secured Credit Participation will be deemed to have voted in favour the Relevant Decision; and
- (b) if that Requisite Majority does not vote in favour of the Relevant Decision, votes cast by the Noteholders will be divided between votes cast in favour of and against the Relevant Decision.

Weighting of votes

Voting is weighted according to the aggregate Secured Credit Participations of the voting Beneficiary or (in the case of Noteholders) Beneficiary Group, relative to the aggregate Secured Credit Participations of all Beneficiaries and Beneficiary Groups entitled to vote and who do vote on the Relevant Decision. Votes are calculated on a Dollar for Dollar (in New Zealand dollars) basis, with the Security Trustee aggregating votes cast in favour and against each relevant request, proposal, vote or instruction.

For the purpose of determining whether any relevant percentage of Secured Credit Participations has been obtained under the Security Trust Deed, the Security Trustee may notionally convert any Secured Credit Participations that are not in New Zealand dollars into the equivalent New Zealand dollar amount.

The "**Secured Credit Participation**" of a Beneficiary or Beneficiary Group is:

- (a) in respect of Secured Debt Documents which include a commitment to provide financial indebtedness:
 - (i) prior to an Event of Default, its share of the total commitments under the Secured Debt Document; and
 - (ii) while an Event of Default is continuing, all outstanding amounts actually or contingently owing or payable by the Issuer to it under the Secured Debt Documents;
- (b) in respect of Secured Debt Documents relating to hedging transactions that are:
 - (i) not terminated or closed out, the Potential Close Out Amount (as defined in the Security Trust Deed) but only in relation to a decision to take Enforcement Action under the Security; and
 - (ii) terminated or closed out, any unpaid Realised Swap Loss; and
- (c) in respect of any other Secured Debt Documents, the principal amount of the outstanding amounts owing or payable by the Issuer to it.

The Secured Credit Participation of the Noteholders is determined under limb (c) above.

Order of application of proceeds

All amounts received or recovered by the Security Trustee in connection with the realisation or enforcement of Specific Security Deed (Water Charges) will be applied in the following order of priority:

- (a) firstly, pro rata and pari passu, in discharging any sums owing to any receiver under any Secured Debt Document (including remuneration, costs and indemnity payments);
- (b) secondly, in discharging any claims preferred by New Zealand law in respect of any charge over the Charged Property;
- (c) thirdly, in payment or retention of any amounts (if any) required to enable a receiver to provide the services specified in section 40D(1) of the Receiverships Act 1993 of New Zealand, as applicable;
- (d) fourthly, pro rata and pari passu, in discharging any sums owing to the Security Trustee (other than it its capacity as parallel debt creditor) or any delegate of the Security Trustee;
- (e) fifthly, pro rata and pari passu, in discharging all costs and expenses incurred by any Agent (as defined in the Security Trust Deed) or any Beneficiary in connection with any realisation or enforcement of the Specific Security Deed (Water Charges);
- (f) sixthly, pro rata and pari passu, in payment or distribution to each Beneficiary Representative on its own behalf in respect of its Agent Liabilities and on behalf of the Beneficiaries for which it acts in respect of their secured liabilities (including any other Agent Liabilities and Arranger Liabilities as defined in the Security Trust Deed); and
- (g) the balance (if any) in payment or distribution to the Issuer entitled thereto to deal with as it sees fit.

Amendments and waivers to Security Documents

General

Subject to the exceptions below, the Security Trustee on the authority of the Simple Majority Beneficiaries may amend or waive requirements under the Security Documents, unless:

- (a) the amendment or waiver is of a minor, technical or administrative nature or to correct a manifest error;
- (b) the amendment or waiver is to comply with the requirements or a modification of any requirements of any applicable law or any rules of any stock exchange; or
- (c) the amendment or waiver is not, in the opinion of the Security Trustee, materially prejudicial to the interests of the relevant Beneficiaries (where "materially prejudicial" means such amendment, or waiver could have a material adverse effect on the Issuer to repay its secured liabilities),

in which case such amendment or waiver may be made with the consent of the Issuer and the Security Trustee without any further instructions from the Beneficiaries.

Exceptions

The general rule to amendments and waivers above is subject to various exceptions under the Security Trust Deed, including that if the proposed amendment or waiver may impose new or additional obligations on, or withdraw or reduce the rights of any Beneficiary or Beneficiary Group (other than in a way which would affect all Beneficiaries or Beneficiary Groups generally), the consent of that Beneficiary or Beneficiary Group (as applicable) will be required.

DESCRIPTION OF WATERCARE'S OPERATIONS

General

The Issuer is a limited liability company registered under the Companies Act with registration number 519049. The Issuer has a statutory responsibility to maintain drinking and wastewater services in the Auckland region of New Zealand. Its registered office and principal place of business is at 73 Remuera Road, Auckland 1050, New Zealand. The Issuer was incorporated on 21 August 1991.

As the Issuer is wholly owned by Auckland Council, it is a council-controlled organisation, and a local government organisation under the Local Government Act. The Issuer is also a substantive council-controlled organisation, as defined in the Local Government (Auckland Council) Act, and is therefore subject to additional governance requirements.

The Issuer is governed by its board of directors ("**Board of Directors**"). The Issuer is financially independent of Auckland Council and cannot receive financial support from nor will it pay any dividend or distribute any surplus to Auckland Council.

Statement of Intent

The Issuer has been required to consult with Auckland Council to develop a three-year statement of intent ("**Statement of Intent**"). The Statement of Intent identifies the relationship between the Issuer's activity and the delivery of those outcomes sought by the Mayor of Auckland and those specified within the Auckland Plan. Auckland Council, Houkura – the Independent Māori Statutory Board and the general public were invited to comment on the final draft, before its adoption by the Board of Directors.

Business of Watercare

The Issuer is New Zealand's largest water utility, providing water supply and wastewater services to approximately 1.7 million people within the Auckland region, where it is a natural monopoly. The Issuer is responsible for the collection, treatment and delivery of potable water to domestic, commercial and industrial users, and for the collection, treatment and discharge of wastewater, including trade waste, in accordance with applicable environmental and regulatory requirements.

As at 30 June 2025, the Issuer owns and manages water and wastewater assets worth NZ\$18.03 billion. It undertakes significant capital planning and investment to ensure that its network and infrastructure are maintained, renewed and expanded to meet both current demand and future regional growth.

The Issuer is funded through water user charges and borrowings. It is required by statute to operate as a minimum-cost, cost-efficient provider of water and wastewater services.

The Issuer has stable cashflows underpinned by being a monopoly provider of an essential service with a large, diverse customer base. The Issuer has low historical bad debts, robust enforcement processes and the ability to restrict water supply mitigates the risk of non-payment.

Regulatory and oversight

The Issuer manages its operations in accordance with New Zealand law, under a regulatory and legislative framework specific to it.

The Issuer's primary responsibility is set out in section 57(1)(a) of the Local Government (Auckland Council) Act, which requires it to manage operations efficiently to ensure the overall costs of water supply and

wastewater services to its customers (collectively) are kept at the minimum levels, consistent with the effective running of its business and maintaining the long-term integrity of its assets. In addition to this strategic imperative, the Local Government (Water Services Preliminary Arrangements) Act provides that the Issuer is owned by Auckland Council but operates as a financially independent entity: it must borrow in its own name, repay all debt to Auckland Council by 30 June 2030, and is prohibited from paying dividends.

The Issuer operates under a wide regulatory framework, including drinking water regulation overseen by the Water Services Authority – Taumata Arowai, which administers and enforces the drinking water regulatory system in New Zealand. Environmental obligations are primarily governed by the Resource Management Act 1991 of New Zealand, which requires the Issuer to obtain and comply with consents for water abstraction, discharges, and construction activities.

Economic regulation is in transition. The Local Government (Water Services) Act 2025 of New Zealand is expected to bring in a permanent economic regulatory framework in the 2027/2028 financial year. In the interim, the Issuer is subject to oversight by the Commerce Commission of New Zealand acting as Crown monitor, with obligations set out in the Watercare Charter. The Watercare Charter is in effect until 30 June 2028, and its approved policy settings are incorporated into the Issuer's ten-year business plan ("**Business Plan**"). The Watercare Charter prescribes minimum service standards, financial performance objectives, and an interim price-quality path.

While the Issuer does not benefit from a New Zealand Government guarantee, it is subject to New Zealand Government step-in powers and is eligible to receive support under the Civil Defence Emergency Management Act 2002 of New Zealand.

Watercare's sources of revenue

The primary source of revenue for the Issuer is water and wastewater service charges. The Issuer's authority to assess and collect charges based on water usage is established through a combination of statutory and regulatory frameworks.

Other sources of revenue for the Issuer include infrastructure growth charges and the provision of new meters, service connections and laboratory services.

Capital investment

The Issuer's capital programme focuses on building and expanding its water and wastewater infrastructure and assets to better withstand future weather events, meet the needs of Aucklanders and the environment, and sustain future growth. The Issuer also continues to renew, replace and upgrade existing assets.

During the 2024/2025 financial year, the Issuer recorded capital programme cash outflows of NZ\$1.05 billion. Under its Business Plan covering the period from 1 July 2024 to 30 June 2034, the Issuer will invest approximately NZ\$13.8 billion across more than 1,000 projects, including upgrades to existing treatment plants and construction of new facilities.

Insurance

The Issuer maintains an insurance programme designed to support its financial resilience and operational continuity. Comprehensive coverage extends to all assets, with buried assets covered for all natural disasters and above ground assets covered for material damage and business interruption for the 2025-2026 policy period. Policy loss limits are set based on external providers' event loss modelling.

Additional policies cover contract works, directors and officers' liability (including prospectus liability), public and products liability, professional indemnity, statutory liability, employers liability, cyber risks and environmental risks. Insurance decisions are approved by the Issuer's Board of Directors and Audit and Risk Committee. The Insurance Management Steering Group – consisting of the Issuer, Auckland Council, and broker Aon – oversees placement and strategy, favouring market placement over self-insurance for high-exposure layers to reduce recapitalisation risk and leverage New Zealand Government risk-sharing mechanisms.

The insurance programme is aligned with the Issuer's long-term financial strategy and risk appetite, and supports its credit rating and planned debt security issuances.

Business Plan 2025 – 2034

The Issuer prepared a ten-year Business Plan, covering the period from 1 July 2024 to 30 June 2034 (2025 to 2034 financial years). The purpose of the Business Plan is to set out how the Issuer will respond to external challenges and deliver on its business priorities over this period. It also demonstrates compliance with the Local Government (Water Services Preliminary Arrangements) Act and, in particular, the requirements of the interim regulatory framework documented in the Watercare Charter.

The Business Plan outlines the Issuer's service commitments and regulatory obligations, including those reflected in its Statement of Intent. It explains the framework for monitoring and measuring delivery against these commitments and sets out the Issuer's investment priorities to maintain and improve its infrastructure and service efficiency.

In addition, the Business Plan describes the Issuer's funding approach, including revenue settings, pricing strategies, and its growth charging policy. Together, these elements provide the basis for the Issuer's operations, long-term asset management, and financial sustainability.

Governance and management

Board of Directors

The business of the Issuer is managed by, or under the direction and supervision of, the Board of Directors. The Issuer's constitution provides for there to be not more than 8 Directors.

As at 1 December 2025, the Board of Directors of the Issuer consists of:

Name

Geoff Hunt (Chair)
Graham Darlow
Julian Smith
Andrew Clark
John Crawford
Karen Sherry
Rukumoana Schaafhausen

Executive Leadership

As at 1 December 2025, the executive leadership team of the Issuer consists of:

Name	Position
Jamie Sinclair	Chief Executive
Angela Neeson	Chief Financial Officer
Mark Bourne	Chief Operations Officer
Priyan Perera	Chief Strategy and Planning Officer
Sarah Phillips	Chief People Officer
Richard Waiwai	Chief, Māori Strategy and Relationships
Meg Wiltshire	Chief Corporate Affairs
Suzane Lucas	Chief Programme Delivery Officer (Acting)

No guarantee by the New Zealand Government or Auckland Council

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

TAXATION

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes. It relates only to the position of holders who are the absolute beneficial owners of their Notes and all payments made under such Notes. Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in any jurisdiction are advised to consult their own professional advisers.

New Zealand

Where used in this section, "interest" has the meaning given to that term in New Zealand taxation legislation for withholding tax purposes. Other words or phrases used in this section which are defined in New Zealand's Income Tax Act 2007 have the meaning given in that Act.

A deduction on account of New Zealand resident withholding tax will be made from the payment of interest under a Note, Receipt or Coupon if:

- (i) the person deriving the interest is:
 - (a) resident in New Zealand; or
 - (b) a registered bank that is not resident in New Zealand but is engaged in business in New Zealand through a fixed establishment in New Zealand and is not an associated person of the Issuer; or
 - (c) not resident in New Zealand but holds the relevant Note, Receipt or Coupon for the purposes of a business they carry on in New Zealand through a fixed establishment in New Zealand; or
 - (d) otherwise a person, the payment of interest to whom will be subject to New Zealand resident withholding tax,(each a "**New Zealand Holder**"); and
- (ii) at the time of such payment, the New Zealand Holder does not hold RWT-exempt status for New Zealand resident withholding tax purposes and is not otherwise exempt from RWT.

Under the Conditions, the Issuer is not obliged to make any additional payments where a deduction on account of New Zealand resident withholding tax is made or required.

Although New Zealand law requires a deduction on account of non-resident withholding tax to be made from the payment of interest under a Note, Receipt or Coupon to a person who is not a New Zealand Holder (a "**non-New Zealand Holder**"), the Issuer intends (to the extent permitted by law and for so long as it does not incur any increased cost or detriment from so doing) to reduce the applicable rate of non-resident withholding tax to zero per cent. by registering the Programme and the relevant Notes with the New Zealand Inland Revenue Department and paying, on its own account, an approved issuer levy which is currently equal to two per cent. of the relevant interest payment. Approved issuer levy will not be available if the non-New Zealand Holder is an "associated person" of the Issuer and/or if the interest relates to a "related-party debt" as these terms are defined in New Zealand's Income Tax Act 2007. The Issuer intends to proceed as if each recipient of interest under a Note, Receipt or Coupon is a non-New Zealand Holder unless notified otherwise.

Under the Conditions, if the Issuer makes a deduction on account of New Zealand non-resident withholding tax, the Issuer is obliged to pay such additional amounts as may be necessary in order that the net amount received by the relevant Noteholder or Couponholder after such deduction is equal to the payment that would

have been received in the absence of such deduction. Exceptions to the obligation to pay an additional amount are set out in Condition 8.

Where a non-New Zealand Holder derives interest under a Note, Receipt or Coupon jointly with one or more persons, and one or more of those persons is resident in New Zealand for income tax purposes, the approved issuer levy regime will not apply to interest paid to the non-New Zealand Holder and New Zealand non-resident withholding tax must be deducted from interest paid to the non-resident at the applicable rate of New Zealand resident withholding tax. Relief from New Zealand tax under an applicable double taxation treaty may be available, but only on application to the New Zealand Inland Revenue Department for a refund of over-deducted tax. Under the Conditions, the Issuer is not obliged to make any additional payments to such non-New Zealand Holders where a deduction on account of New Zealand non-resident withholding tax is made.

Foreign Account Tax Compliance Act ("FATCA")

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including New Zealand) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed U.S. Treasury regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes characterised as debt for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the relevant Issuer). Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("**CRS**") requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. New Zealand has enacted legislation amending the Tax Administration Act 1994 to give effect to the CRS.

CLEARANCE AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but neither the Issuer nor any Dealer or the Arranger takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

The Clearing Systems

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

Book-Entry Ownership

Bearer Notes

The Issuer has made applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note will be deposited with a common depositary for Euroclear and Clearstream. Transfers of interests in a temporary Global Note or a permanent Global Note will be made in accordance with the normal market debt securities operating procedures of Euroclear and Clearstream.

Registered Notes

The Issuer has made applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. Each Global Certificate will have an International Securities Identification Number ("**ISIN**") and a Common Code. Investors in Notes of such Series may hold their interests in a Global Certificate only through Euroclear or Clearstream.

All Registered Notes will initially be in the form of a Global Certificate. Individual Certificates will only be available, in the case of Notes initially represented by a Global Certificate, in amounts specified in the applicable Pricing Supplement.

Transfers of Registered Notes

Transfers of interests in Global Certificates within Euroclear and Clearstream will be in accordance with the usual rules and operating procedures of the relevant clearing system.

Individual Certificates

Registration of title to Registered Notes in a name other than a depositary or its nominee for Euroclear and Clearstream will be permitted only in the circumstances set forth in "*Summary of Provisions Relating to the Notes while in Global Form — Exchange — Permanent Global Certificates*". In such circumstances, the Issuer will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Individual Certificates.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated 1 December 2025 between the Issuer, the Dealers and the Arranger (the "**Dealer Agreement**"), the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Pricing Supplement.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Arranger, the Dealers and certain of their affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer, the Dealers and/or their affiliates in the ordinary course of the Issuer's or their business. The Arranger, the Dealer or certain of their affiliates may purchase the Notes and be allocated the Notes for asset management and/or proprietary purposes but not with a view to distribution.

The Arranger, the Dealers or their affiliates may purchase the Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of the Issuer or its associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

In connection with the offer and sale of each Series of Notes, the relevant Pricing Supplement will indicate whether or not and, if so, on which stock exchange(s) the Notes will be listed. No assurances can be given that the Programme will qualify for listing on a stock exchange. In addition, no assurances can be given that if the Programme qualifies for listing on a stock exchange and the relevant Pricing Supplement indicates that such Series of Notes will be listed on a stock exchange, that such Notes will trade from their date of issuance until maturity (or early redemption) and that such listing will be maintained.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in accordance with Regulation S under the Securities Act or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered and sold outside the United States in reliance on Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer, sell or, in case of Bearer Notes deliver, any Notes within the United States, except as permitted by the Dealer Agreement.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the relevant Dealer(s) may agree with the Issuer as a term of the issuance and purchase of such Notes, which additional U.S. selling restrictions shall be set out in the applicable Pricing Supplement.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the UK. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who

it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Singapore

Unless the Pricing Supplement in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for

subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the Pricing Supplement in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "**Corporations Act**")) in relation to the Programme or any Notes has been, or will be, lodged with the Australian Securities and Investments Commission ("**ASIC**"), ASX Limited or the financial market operated by it ("**ASX**"), or any other regulatory authority in Australia. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, unless the relevant Pricing Supplement otherwise provides, it:

- (i) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, subscription, sale or purchase of any Notes in Australia (including an offer or invitation which is received by a person in Australia); and
- (ii) has not distributed or published, and will not distribute or publish, any Offering Circular, any prospectus, offering document or other offering material or advertisement relating to any Notes in Australia or received in Australia,

unless in either case (i) or (ii):

- (a) the minimum aggregate consideration payable on acceptance of the offer or invitation by each offeree or invitee in Australia (including any person who receives an offer or invitation or offering materials in Australia) is at least A\$500,000 (or its equivalent in other currencies, and in either case, disregarding moneys lent by the offeror, inviter or its associates (within the meaning of that expression in Part 6D.2 of the Corporations Act)) or the offer or invitation does not otherwise require disclosure to investors in accordance with Part 6D.2 or 7.9 of the Corporations Act, and in each

case, is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act;

- (b) the offer, invitation or distribution complies with the conditions of the Australian financial services license of the person making the offer, invitation or distribution or an applicable exemption from the requirement to hold such license;
- (c) the offer, invitation or distribution complies with all applicable Australian laws, regulations and directives relating to the offer, sale and resale of the Notes in the jurisdiction in which such offer, sale and resale occurs; and
- (d) such action does not require any document to be lodged or registered with ASIC, ASX or any other regulatory authority in Australia.

For the purposes of this selling restriction, the Notes include interests or rights in the Notes held in Euroclear or Clearstream or any other clearing system.

New Zealand

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes, Receipts, Talons or Coupons may not be offered for issue or sale to any person in New Zealand and no offering document or advertisement may be published or distributed in New Zealand, except to wholesale investors within the meaning of, and in compliance with, clause 3(2)(a), (c) or (d) of schedule 1 to the Financial Markets Conduct Act 2013 of New Zealand, being persons who are an "investment business", "large" or a "government agency" as defined in that schedule.

Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to any Notes be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of this Offering Circular or any other document relating to the Notes in Italy except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the "**Financial Services Act**") and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the "**Issuers Regulation**"), all as amended from time to time; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Issuers Regulation.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the "**Banking Act**") and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time;
- (ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and

- (iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealer(s) accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes. CMIs are informed that a private bank rebate may be payable as stated in this Offering Circular and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those relevant Dealer(s) in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements

of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMI (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealer(s) named in the relevant Pricing Supplement.

To the extent information being disclosed by CMI and investors is personal and/or confidential in nature, CMI (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that it and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMI that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealer(s) may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMI (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMI (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the relevant Dealers that it is not a Sanctions Restricted Person. A "Sanctions Restricted Person" means an individual or entity (a "**Person**"): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/sdnlist.pdf>) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/fse/fselist.pdf>) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: <https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en>); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of the following (i) - (vi) to the extent that it will not result in violation of any sanctions by the CMI: (i) their inclusion in the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: <https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>) (the "**SSI List**"), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "**EU Annexes**"), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**") under which BIS has restricted exports, re-exports or

transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled "Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China" (known as the Non-SDN Chinese Military- Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled "Addressing the threat from Securities Investments that Finance Chinese Military Companies"; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organised or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the Donetsk's People's Republic or Luhansk People's Republic. **"Sanctions Authority"** means: (a) the United Nations; (b) the United States; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) the People's Republic of China; (f) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (g) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

No action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Dealers or such affiliate on behalf of the Issuer in such jurisdiction.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Offering Circular, any other offering material or any Pricing Supplement and none of the Issuer nor any other Dealer shall have responsibility therefor.

GENERAL INFORMATION

1. The Issuer has obtained and has agreed to obtain from time to time all necessary internal consents, approvals and authorisations for the issue of Notes under the Programme.
2. Except as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer or of the Group since 30 June 2025 and no material adverse change in the financial position or prospects of the Issuer or of the Group since 30 June 2025.
3. Except as disclosed in this Offering Circular, none of the Issuer or any other member of the Group is or has been involved in any litigation or arbitration proceedings relating to claims or amounts that are material in the context of the issue of the Notes nor so far as the Issuer is aware is any such litigation or arbitration pending or threatened.
4. Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: *"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code"*.
5. The Issuer has made applications to the Euroclear and Clearstream systems (which are the entities in charge of keeping the records) for acceptance in their respective book-entry systems in respect of the Notes. The relevant ISIN, the Common Code and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be set out in the relevant Pricing Supplement.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the relevant Pricing Supplement.

The Legal Entity Identifier of the Issuer is 984500T79F9E43C5EF58.

Application has been made to the SGX-ST for permission to deal in and for the listing and quotation of any Notes to be issued which are agreed at or prior to the time of issue to be listed on the SGX-ST. There is no guarantee that an application to the SGX-ST will be approved. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group (as defined herein), the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed herein. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes if traded, will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies).

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

6. For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the office of the Issuer by a holder of such Note and such holder must produce evidence satisfactory to the Issuer as to its holding of Notes and identity:

- (i) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons), the Agency Agreement and the Security Documents;
 - (ii) the audited consolidated financial statements of the Issuer in respect of the years ended 30 June 2024 and 30 June 2025;
 - (iii) the most recently published audited consolidated annual financial statements of the Issuer and any consolidated interim financial statements (whether audited or unaudited, if any) from time to time;
 - (iv) a copy of this Offering Circular together with any Supplement to this Offering Circular or further Offering Circular; and
 - (v) each Pricing Supplement.
7. The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Pricing Supplement of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.
8. Brett Tomkins, for Deloitte Limited, on behalf of the Auditor-General of New Zealand, has audited the consolidated financial statements of the Issuer for the years ended 30 June 2024 and 2025, which are incorporated by reference in this Offering Circular, in accordance with Auditor-General's Audit Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

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