

**BOND TRUST DEED**

**DATED 2 JUNE 2010**

**BNZ INTERNATIONAL FUNDING LIMITED**  
acting through its London branch as an Issuer

**and**

**BANK OF NEW ZEALAND**  
as an Issuer and as Guarantor in respect of Covered Bonds issued by  
BNZ International Funding Limited acting through its London branch

**and**

**CBG TRUSTEE COMPANY LIMITED**  
as Covered Bond Guarantor

**and**

**DEUTSCHE TRUSTEE COMPANY LIMITED**  
as Bond Trustee

**relating to a NZ\$3,000,000,000 BNZ Covered Bond Programme**

**ALLEN & OVERY**

Allen & Overy

## CONTENTS

Clause	Page
1. Definitions and Interpretation.....	2
2. Amount and Issue of the Covered Bonds .....	4
3. Forms of the Covered Bonds .....	8
4. Fees, Duties and Taxes .....	12
5. Covenant of Compliance .....	12
6. Cancellation of Covered Bonds and Records .....	12
7. Guarantee and Covered Bond Guarantee.....	14
8. Payments under the Covered Bond Guarantee .....	20
9. Non-Payment .....	21
10. Proceedings, Action and Indemnification.....	22
11. Application of Monies .....	23
12. Notice of Payments .....	24
13. Investment by Trustee.....	24
14. Partial Payments .....	25
15. Covenants by the Issuer and the Guarantor and the Covered Bond Guarantor .....	25
16. Remuneration and Indemnification of Bond Trustee .....	29
17. Supplement to Trustee Acts.....	31
18. Bond Trustee's Liability.....	38
19. Bond Trustee Contracting with the Issuer, the Guarantor and the Covered Bond Guarantor .....	38
20. Waiver, Authorisation and Determination.....	39
21. Modification .....	40
22. Substitution .....	41
23. Breach .....	44
24. Holder of Bearer Definitive Covered Bond assumed to be Receiptholder and Couponholder .....	44
25. No Notice to Receiptholders or Couponholders .....	44
26. Exchange Rate Indemnity.....	44
27. New Bond Trustee .....	45
28. Separate and Co-Trustees .....	45
29. Bond Trustee's Retirement and Removal .....	45
30. Bond Trustee's Powers to be Additional.....	46
31. Notices .....	46
32. Non-petition and Limited Recourse.....	47
33. Governing Law .....	48
34. Submission to Jurisdiction.....	48
35. Contracts (Rights of Third Parties) Act 1999 .....	49
36. Counterparts.....	49

<b>Schedule</b>	<b>Page</b>
1. Terms and Conditions of the Covered Bonds.....	50
2. Forms of Global and Definitive Covered Bonds, Receipts, Coupons and Talons.....	102
Part 1 Form of Temporary Bearer Global Covered Bond.....	102
Part 2 Form of Permanent Bearer Global Covered Bond.....	113
Part 3 Form of Bearer Definitive Covered Bond.....	124
Part 4 Form of Receipt .....	128
Part 5 Form of Coupon.....	129
Part 6 Form of Talon .....	131
Part 7 Form of Registered Global Covered Bond.....	132
Part 8 Form of Registered Definitive Covered Bond .....	143
3. Form of Notice to Pay.....	150
4. Provisions for Meetings of Covered Bondholders.....	151
 Signatories .....	 161

**THIS BOND TRUST DEED** is made on 2 June 2010

**BETWEEN:**

- (1) **BNZ INTERNATIONAL FUNDING LIMITED, ACTING THROUGH ITS LONDON BRANCH**, a company incorporated in New Zealand with limited liability under registration number 1635202 and acting through its London Branch at 88 Wood Street, London EC2V 7QQ as an issuer (**BNZ-IF**);
- (2) **BANK OF NEW ZEALAND**, a company incorporated in New Zealand with limited liability under registration number 428849, having its registered office at Level 4, 80 Queen Street, Auckland, New Zealand (**BNZ**) as an issuer (in such capacity, together with BNZ-IF, the **Issuers** and each an **Issuer** and references in these presents to the **Issuer** shall mean the Issuer named as such in the applicable Final Terms) and as guarantor of the Covered Bonds issued by BNZ-IF (in such capacity, the **Guarantor**);
- (3) **CBG TRUSTEE COMPANY LIMITED** a trustee company incorporated in New Zealand with limited liability under registration number 2467131, having its registered office at Level 10, 141 Willis Street, Wellington, New Zealand, as trustee of the Trust (the **Covered Bond Guarantor**); and
- (4) **DEUTSCHE TRUSTEE COMPANY LIMITED**, incorporated under the laws of England and Wales with registered number 00338230 whose registered office is at Winchester House, 1 Great Winchester Street, London EC2N 2DB in its capacity as the Bond Trustee for the Covered Bondholders, the Receiptholders and the Couponholders (the **Bond Trustee** which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the bond trustee or bond trustees under the Trust Presents (as defined below)).

**WHEREAS:**

- (A) By resolutions of the board of directors of BNZ-IF on 14 April 2010 and of a committee of the board of directors of BNZ on 23 April 2010, BNZ-IF and BNZ have resolved to establish a Programme pursuant to which the Issuers may from time to time issue Covered Bonds as set out herein. Covered Bonds up to a maximum nominal amount (calculated in accordance with Clause 3 (Conditions of Issue) of the Programme Agreement) from time to time outstanding of NZ\$3,000,000,000 (subject to increase as provided in the Programme Agreement) (the **Programme Limit**) may be issued pursuant to the Programme.
- (B) By a resolution of a committee of the board of directors of the Guarantor on 23 April 2010, the Guarantor has resolved to guarantee all Covered Bonds issued by BNZ-IF under the said Programme.
- (C) The Covered Bond Guarantor has resolved to guarantee all Covered Bonds issued under the said Programme and certain other amounts payable by the Issuers or the Guarantor (in the case of Covered Bonds issued by BNZ-IF) under the Trust Presents in the circumstances described herein.
- (D) The Bond Trustee has agreed to act as bond trustee of the Trust Presents for the benefit of the Covered Bondholders, the Receiptholders and the Couponholders upon and subject to the terms and conditions of the Trust Presents.

NOW THIS BOND TRUST DEED WITNESSES AND IT IS AGREED AND DECLARED as follows:

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 (a) All references in the Trust Presents to principal and/or principal amount and/or interest in respect of the Covered Bonds or to any monies payable by the Issuer, the Guarantor or the Covered Bond Guarantor under the Trust Presents shall, unless the context otherwise requires, be construed in accordance with Condition 5(g) (Payments - Interpretation of principal and interest).
- (b) All references in the Trust Presents to any action, remedy or method of proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of proceeding for the enforcement of the rights of creditors available and reasonably appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of proceeding described or referred to in the Trust Presents.
- (c) All references in the Trust Presents to Euroclear and/or Clearstream, Luxembourg and/or Austraclear New Zealand and/or DTC shall, whenever the context so permits, be deemed to include references to any additional or alternative clearing system as is approved by the Issuer, the relevant Principal Paying Agent and the Bond Trustee or as may otherwise be specified in the applicable Final Terms.
- (d) Unless the context otherwise requires words or expressions used in the Trust Presents shall bear the same meanings as in the Companies Act 1985 to the extent amended, repealed or superseded by the Companies Act 2006.
- (e) All references in the Trust Presents to the **records** of Euroclear, Clearstream, Luxembourg, Austraclear New Zealand or DTC or to any additional or alternative clearing system referred to in Clause 1.1(c) above shall be to the records that each of Euroclear, Clearstream, Luxembourg, Austraclear New Zealand or DTC or that additional or alternative clearing system, as applicable, holds for its customers which reflect the amount of such customers' interest in the Covered Bonds.
- (f) In this Bond Trust Deed references to Schedules, Clauses, paragraphs and sub-paragraphs shall be construed as references to the Schedules to this Bond Trust Deed and to the Clauses, paragraphs and sub-paragraphs of this Bond Trust Deed respectively.
- (g) A reference in these Trust Presents or the Programme Documents to a **direction** or **directs** or **directed in writing** in respect of the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Covered Bonds shall (except in relation to any matter which the Conditions or the Programme Documents contemplate may be sanctioned or directed by a Programme Resolution) mean:
- (i) in relation to a matter which, in the opinion of the Bond Trustee affects the Covered Bonds of only one Series, a single direction of the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Covered Bonds of that Series then outstanding;
- (ii) in relation to a matter which, in the opinion of the Bond Trustee affects the Covered Bonds of more than one Series but does not give rise to a conflict of interest between the holders of Covered Bonds of any of the Series so affected, a single

direction of the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Covered Bonds of all the Series so affected then outstanding;

- (iii) in relation to a matter which, in the opinion of the Bond Trustee affects the Covered Bonds of more than one Series and gives or may give rise to a conflict of interest between the holders of the Covered Bonds of one Series or group of Series so affected and the holders of the Covered Bonds of another Series or group of Series so affected, directions of the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of each Series or group of Series so affected then outstanding

and, for this purpose, if the nominal amount of the Covered Bonds is not denominated in NZ Dollars, the Principal Amount Outstanding to be considered as if it were converted into NZ Dollars at the relevant Swap Rate.

- (h) The **Trust Presents** means this Bond Trust Deed and the Schedules and any bond trust deed supplemental hereto and the schedules (if any), thereto, all as from time to time modified in accordance with the provisions herein or therein contained.

- 1.2 The BNZ covered bond trust definitions schedule made between, *inter alios*, the parties to this Bond Trust Deed on or about the date hereof (as the same may be amended, varied and/or supplemented from time to time with the consent of the parties thereto) (the **Definitions Schedule**) is expressly and specifically incorporated into this Bond Trust Deed and, accordingly, the expressions defined in the Definitions Schedule (as so amended, varied and/or supplemented) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Bond Trust Deed, including the recitals hereto and this Bond Trust Deed shall be construed in accordance with the interpretation provisions set out in Clause 2 (Interpretation and Construction) of the Definitions Schedule. In the event of any inconsistency between the Definitions Schedule and the Trust Presents, the Trust Presents shall prevail.
- 1.3 To the extent not defined in the Trust Presents or the Definitions Schedule capitalised terms shall have the meanings given to them in the Conditions.
- 1.4 All references in the Trust Presents to the relevant currency shall be construed as references to the currency in which payments in respect of the Covered Bonds, Receipts and/or Coupons of the relevant Series are to be made as indicated in the applicable Final Terms.
- 1.5 All references in the Trust Presents to Covered Bonds having a listing or being listed, and all related references, shall mean that such Covered Bonds have been listed and admitted to trading on the regulated market of the Luxembourg Stock Exchange and all references in the Trust Presents to listing and listed shall include references to quotation and quoted respectively.
- 1.6 All references in the Trust Presents to the (a) **Principal Paying Agent** shall mean, in relation to a Tranche or Series of Covered Bonds, the UK Paying Agent or, in the case of NZ Registered Covered Bonds, the NZ Paying Agent, or such other paying agent as the Final Terms for that Tranche or Series may specify, (b) **Registrar** shall mean, in relation to a Tranche or Series of Registered Covered Bonds, the Luxembourg Registrar or, in the case of NZ Registered Covered Bonds, the NZ Registrar, or such other registrar as the Final Terms for that Tranche or Series may specify, (c) **Transfer Agent** shall mean, in relation to a Tranche or Series of Covered Bonds, the Transfer Agent or such other transfer agent as the Final Terms for that Tranche or Series may specify and (d) **Exchange Agent** shall mean, in relation to a Tranche or Series of Covered Bonds, the Exchange Agent or such other transfer agent as the Final Terms for that Tranche or Series may specify.

1.7 Save for the purposes of the proviso to the definition of outstanding, the Bond Trustee shall rely on the records of Euroclear and Clearstream, Luxembourg, Austraclear New Zealand and DTC and of any additional or alternative clearing system referred to in Clause 1.1(c) above in relation to any determination of the principal amount outstanding of each Global Covered Bond.

## **2. AMOUNT AND ISSUE OF THE COVERED BONDS**

### **2.1 Amount of the Covered Bonds, Final Terms and Legal Opinions**

The Covered Bonds will be issued in Series in an aggregate nominal amount from time to time outstanding not exceeding the Programme Limit from time to time and for the purpose of determining such aggregate nominal amount Clause 3 (Conditions of Issue) of the Programme Agreement shall apply.

By not later than 2.00 p.m. (London time) on the second Business Day preceding each proposed Issue Date, the Issuer shall deliver or cause to be delivered to the Bond Trustee a copy of the applicable Final Terms and drafts of all (if any) legal opinions (such legal opinions being given only upon the issuance of the applicable Final Terms) to be given in relation to the relevant issue and shall notify the Bond Trustee in writing without delay of the relevant Issue Date and the nominal amount of the Covered Bonds to be issued. Upon the issue of the relevant Covered Bonds, such Covered Bonds shall become constituted by the Trust Presents without further formality. Before the first issue of Covered Bonds occurring, after each anniversary of this Bond Trust Deed and on such other occasions as the Bond Trustee so requests (on the basis that the Bond Trustee considers it necessary in view of a change (or proposed change) in English law or New Zealand law materially affecting the Issuer, the Guarantor or the Covered Bond Guarantor (as the case may be), the Trust Presents, the Programme Agreement, the Agency Agreement or the Security Deed of which the Bond Trustee is aware or the Bond Trustee has other reasonable grounds which shall not include the mere lapse of time), the Issuer, the Guarantor or, as the case may be, the Covered Bond Guarantor will procure that further legal opinion(s) (relating, if applicable, to any such change or proposed change) in such form and with such content as the Bond Trustee may reasonably require from the legal advisers specified in the Programme Agreement or such other legal advisors as the Bond Trustee shall approve is/are delivered to the Bond Trustee. Whenever such a request is made with respect to any Covered Bonds to be issued, the receipt of such opinion(s) in a form satisfactory to the Bond Trustee shall be a further condition precedent to the issue of those Covered Bonds.

### **2.2 Covenant to repay principal and to pay interest**

The Issuer covenants with the Bond Trustee that it shall, as and when the Covered Bonds of any Series or any of them or any instalment of principal in respect thereof becomes due to be redeemed, or on such earlier date as the same or any part thereof may become due and repayable thereunder, in accordance with, and subject to, the Conditions, unconditionally pay or procure to be paid to or to the order of the Bond Trustee in the relevant currency in immediately available funds the Principal Amount Outstanding in respect of the Covered Bonds of such Series or the amount of such instalment becoming due for redemption on that date and (except in the case of Zero Coupon Covered Bonds) shall in the meantime and until redemption in full of the Covered Bonds of such Series (both before and after any decree, judgment or other order of a court of competent jurisdiction) unconditionally pay or procure to be paid to or to the order of the Bond Trustee as aforesaid interest (which shall accrue from day to day) on the Principal Amount Outstanding of the Covered Bonds outstanding of such Series at rates and/or in amounts calculated from time to time in accordance with, or specified in, and on the dates provided for in, the Conditions (subject to Clause 2.4 below); PROVIDED THAT:

- (a) Subject to Clause 2.3(a)(ii), except for Excess Proceeds, every payment (whether by the Issuer, the Guarantor or the Covered Bond Guarantor) of principal or interest or other sum due in respect of the Covered Bonds made to or to the order of the relevant Principal Paying Agent in the manner provided in the relevant Agency Agreement shall be in satisfaction *pro tanto* of the relevant covenant by the Issuer contained in this Clause 2 (Amount and Issue of the Covered Bonds) or (as the case may be) by the Guarantor under the Guarantee or the Covered Bond Guarantor under the Covered Bond Guarantee in relation to the Covered Bonds of such Series except to the extent that there is a default in the subsequent payment thereof in accordance with the Conditions to the relevant Covered Bondholders, Receiptholders or Couponholders (as the case may be);
- (b) every payment of Excess Proceeds in accordance with the Conditions and Clause 11.2 (Application of Monies) to or to the order of the Bond Trustee shall be in satisfaction (for the benefit of the Issuer and the Guarantor only and not the Covered Bond Guarantor) *pro tanto* of the relevant covenant by the Issuer in this Clause 2 (Amount and Issue of the Covered Bonds) or, as the case may be, by the Guarantor under the Guarantee in respect of the Excess Proceeds which are due and payable in relation to the Covered Bonds of such Series, subject to restitution of the same if such Excess Proceeds shall be required to be repaid by the Covered Bond Guarantor (but as provided in Clause 11.2 (Application of Monies), shall be deemed not to have done so for the purposes of the subrogation rights of the Covered Bond Guarantor contemplated by Clause 7.10 (Guarantee and Covered Bond Guarantee) and shall not reduce or discharge any obligations of the Covered Bond Guarantor);
- (c) in the case of any payment of principal which is not made to the Bond Trustee or the relevant Principal Paying Agent on or before the due date or which is made on or after accelerated maturity following an Issuer Event of Default or Covered Bond Guarantor Event of Default, interest shall continue to accrue on the Principal Amount Outstanding of the relevant Covered Bonds (except in the case of Zero Coupon Covered Bonds to which the provisions of Condition 6(k) (Redemption and Purchase - Late payment on Zero Coupon Covered Bonds) shall apply) (both before and after any decree, judgment or other order of a court of competent jurisdiction) at the rates aforesaid up to and including the date on which the whole of such principal amount, together with an amount equal to the interest which has accrued and is to accrue pursuant to this proviso up to and including that date, has been received by the Bond Trustee or the relevant Principal Paying Agent) and notice to that effect has been given to the Covered Bondholders except to the extent that there is failure on its subsequent payment to relevant Covered Bondholders under the Conditions;
- (d) in any case where payment of the whole or any part of the principal amount of any Covered Bond is improperly withheld or refused upon due presentation thereof (other than in circumstances contemplated by Clause 2.2(c) (above) interest shall accrue on the Principal Amount Outstanding of such Covered Bond (except in the case of Zero Coupon Covered Bonds to which the provisions of Condition 6(k) (Redemption and Purchase - Late payment on Zero Coupon Covered Bonds) shall apply) payment of which has been so withheld or refused (both before and after any decree, judgment or other order of a court of competent jurisdiction) at the rates aforesaid from the date of such withholding or refusal until the date on which, upon further presentation of the relevant Covered Bond, payment of the full amount (including interest as aforesaid) in the relevant currency payable in respect of such Covered Bond is made or (if earlier) the seventh day after notice is given to the relevant Covered Bondholder(s) (whether individually or in accordance with Condition 13 (Notices)) that the full amount (including interest as aforesaid) in the relevant currency in respect of such Covered Bond is available for payment, PROVIDED THAT, upon further presentation thereof being duly made, such payment is made; and



- (e) if any payments of interest or principal are required to be made by the Covered Bond Guarantor on a date that is also an Interest Payment Date, then the validity of the Issuer's obligation to pay interest or repay principal, as the case may be, shall not be affected by any delay in the distribution by the Covered Bond Guarantor of Available Revenue Receipts under the Pre-Acceleration Revenue Priority of Payments or any delay in the distribution of Available Principal Receipts under the Pre-Acceleration Principal Priority of Payments, respectively.

The Bond Trustee will hold the benefit of this covenant on trust for the Covered Bondholders, the Receiptholders and the Couponholders and itself in accordance with the Trust Presents.

### **2.3 Bond Trustee's requirements regarding Paying Agents etc.**

- (a) At any time after an Issuer Event of Default or Potential Issuer Event of Default shall have occurred or the Bond Trustee shall have received any money from the Issuer, the Guarantor or the Covered Bond Guarantor (save where Clause 2.3(b) below applies) which it proposes to pay under Clause 11 (Application of Monies) to the relevant Covered Bondholders, Receiptholders and/or Couponholders, the Bond Trustee may:
  - (i) by notice in writing to the Issuer, the Guarantor (where relevant), the Covered Bond Guarantor, the Principal Paying Agents, the other Paying Agents, the Registrars, the Exchange Agent and/or the Transfer Agent require the relevant Principal Paying Agent, the other relevant Paying Agents, the relevant Registrar, the Exchange Agent and/or the Transfer Agent pursuant to the relevant Agency Agreements:
    - (A) to act thereafter as Principal Paying Agent, Paying Agent, Registrar, Exchange Agent and/or Transfer Agent respectively of the Bond Trustee in relation to payments of such monies to be made by or on behalf of the Bond Trustee under the terms of the Trust Presents *mutatis mutandis* on the terms provided in the relevant Agency Agreement (save that the Bond Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the relevant Principal Paying Agent, any other Paying Agent, the relevant Registrar, the Exchange Agent and the Transfer Agent shall be limited to the amounts for the time being held by the Bond Trustee on the trusts of the Trust Presents relating to the Covered Bonds of the relevant Series and the related Receipts, Coupons and Talons available for such purpose) and thereafter to hold all Covered Bonds, Receipts, Coupons and Talons and all sums, documents and records held by them in respect of Covered Bonds, Receipts, Coupons and Talons on behalf of the Bond Trustee; or
    - (B) to deliver up all Covered Bonds, Receipts, Coupons and Talons and all sums, documents and records held by them in respect of the Covered Bonds, Receipts and Coupons to the Bond Trustee or as the Bond Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the relevant Principal Paying Agent, any other relevant Paying Agent, the relevant Registrar, the Exchange Agent and/or Transfer Agent is obliged not to release by any law or regulation; and/or
  - (ii) by notice in writing to the Issuer, the Guarantor (where relevant) and the Covered Bond Guarantor require each of them to make all subsequent payments in respect of the Covered Bonds, Receipts and Coupons to or to the order of the Bond Trustee and not to the relevant Principal Paying Agent and with effect from the issue of any such notice to the Issuer, the Guarantor and the Covered Bond Guarantor and until such notice is withdrawn, Clause

2.2(a) (Covenant to repay principal and to pay interest) relating to the Covered Bonds shall cease to have effect in respect of the Issuer, the Guarantor and the Covered Bond Guarantor.

- (b) At any time after a Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default shall have occurred or the Bond Trustee shall have received any money from the Covered Bond Guarantor which it proposes to pay under Clause 11 (Application of Monies) to the relevant Covered Bondholders, Receiptholders and/or Couponholders, the Bond Trustee may:
- (i) by notice in writing to the Issuer, the Guarantor (where relevant), the Covered Bond Guarantor, the Principal Paying Agents, the other Paying Agents, the Registrars, the Exchange Agent and/or the Transfer Agent require the relevant Principal Paying Agent, the other Paying Agents, the relevant Registrar, the Exchange Agent and/or the Transfer Agent pursuant to the relevant Agency Agreements:
    - (A) to act thereafter as Principal Paying Agent, Paying Agent, Registrar, Exchange Agent and/or Transfer Agent respectively of the Bond Trustee under the terms of the Trust Presents *mutatis mutandis* on the terms provided in the relevant Agency Agreements (save that the Bond Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of pocket expenses of the relevant Principal Paying Agent, Paying Agent, relevant Registrar, Exchange Agent and the Transfer Agent shall be limited to the amounts for the time being held by the Bond Trustee on the trusts of the Trust Presents relating to the Covered Bonds of the relevant Series and available for such purpose) and thereafter to hold all Covered Bonds, Receipts and Coupons and all sums, documents and records held by them in respect of Covered Bonds, Receipts and Coupons on behalf of the Bond Trustee; or
    - (B) to deliver up all Covered Bonds, Receipts and Coupons and all sums, documents and records held by them in respect of the Covered Bonds, Receipts and Coupons to the Bond Trustee or as the Bond Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the relevant Principal Paying Agent, any other relevant Paying Agent, the relevant NZ Registrar, the Exchange Agent and/or the Transfer Agent is obliged not to release by any law or regulation; and/or
  - (ii) by notice in writing to the Covered Bond Guarantor require it to make all subsequent payments in respect of the Covered Bonds, Receipts and Coupons to or to the order of the Bond Trustee and not to relevant the Principal Paying Agent and with effect from the issue of any such notice to the Covered Bond Guarantor and until such notice is withdrawn Clause 2.2(a) (Covenant to repay principal and to pay interest) relating to the Covered Bonds shall cease to have effect.

- 2.4 If the Floating Rate Covered Bonds or Index Linked Interest Covered Bonds of any Series become immediately due and repayable following an Issuer Event of Default or a Covered Bond Guarantor Event of Default the rate and/or amount of interest payable in respect of them will be calculated by the Principal Paying Agent at the same intervals as if such Covered Bonds had not become due and repayable, the first of such periods which will commence on the expiry of the Interest Period during which the Covered Bonds of the relevant Series become so due and repayable *mutatis mutandis* in accordance with the provisions of Condition 4 (Interest) except that the rates of interest need not be published.

## **2.5 Currency of payments**

All payments of any amounts due in respect of, under and in connection with the Trust Presents and the Covered Bonds of any Series to the relevant Covered Bondholders, Receiptholders and Couponholders shall be made in the relevant currency all in accordance with the Conditions.

## **2.6 Further Covered Bonds**

The Issuer shall be at liberty from time to time (but subject always to the provisions of the Trust Presents) without the consent of the Covered Bondholders, Receiptholders or Couponholders to create and issue further Covered Bonds (whether in bearer or registered form) having terms and conditions the same as the Covered Bonds of any Series or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same shall be consolidated and form a single Series with the outstanding Covered Bonds of such Series.

## **2.7 Separate Series**

The Covered Bonds of each Series shall form a separate Series of Covered Bonds and accordingly, except in relation to those provisions of the Trust Presents which refer to the Covered Bonds or Covered Bondholders of any Series, the Covered Bonds or Covered Bondholders of the relevant one or more Series or the Covered Bonds or Covered Bondholders of all Series and subject as provided in paragraph 22 of Schedule 4 and unless for any purpose the Bond Trustee in its absolute discretion shall otherwise determine, the provisions of this Bond Trust Deed shall apply *mutatis mutandis* separately and independently to the Covered Bonds of each Series. The expressions Covered Bonds, Covered Bondholders, Receipts, Receiptholders, Coupons, Couponholders and Talons shall be construed accordingly.

## **3. FORMS OF THE COVERED BONDS**

### **3.1 Bearer Global Covered Bonds**

- (a) The Bearer Covered Bonds of each Tranche will initially be represented by a single Temporary Global Covered Bond or a single Permanent Global Covered Bond, as indicated in the applicable Final Terms. Each Temporary Global Covered Bond shall be exchangeable, upon a request as described therein, for either Bearer Definitive Covered Bonds together with, where applicable, Receipts and (except in the case of Zero Coupon Covered Bonds) Coupons and, where applicable, Talons attached, or a Permanent Global Covered Bond in each case in accordance with the provisions of such Temporary Global Covered Bond. Each Permanent Global Covered Bond shall be exchangeable for Definitive Covered Bonds together with, where applicable, Receipts and (except in the case of Zero Coupon Covered Bonds) Coupons and, where applicable, Talons attached, in accordance with the provisions of such Permanent Global Covered Bond. All Bearer Global Covered Bonds shall be prepared, completed and delivered to a common depository (in the case of a CGCB) or a common safekeeper (in the case of a NGCB) for Euroclear and Clearstream, Luxembourg in accordance with the provisions of the Programme Agreement or to another appropriate depository as may be approved by the Bond Trustee in accordance with any other agreement between the Issuer, the Guarantor (if relevant) and the relevant Dealer(s) and, in each case, the relevant Agency Agreement.
- (b) Each Temporary Global Covered Bond shall be printed or typed in the form or substantially in the form set out in Part 1 of Schedule 2 (Form of Temporary Bearer Global Covered Bond) and may be a facsimile. Each Temporary Global Covered Bond shall have annexed thereto a copy of the applicable Final Terms and shall be signed manually or in facsimile by an Authorised Signatory of

the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Principal Paying Agent and shall, in the case of a Eurosystem-eligible NGCB, be effectuated by the common safekeeper acting on the instructions of the Principal Paying Agent. Each Temporary Global Covered Bond so executed and authenticated shall be binding and valid obligations of the Issuer and the Guarantor (where relevant) and the Covered Bond Guarantee in respect thereof shall be binding and valid obligations of the Covered Bond Guarantor and title to such Temporary Global Covered Bond shall pass by delivery.

- (c) Each Permanent Global Covered Bond shall be printed or typed in the form or substantially in the form set out in Part 2 of Schedule 2 (Form of Permanent Bearer Global Covered Bond) and may be a facsimile. Each Permanent Global Covered Bond shall have annexed thereto a copy of the applicable Final Terms and shall be signed manually or in facsimile by an Authorised Signatory of the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Principal Paying Agent and shall, in the case of a Eurosystem-eligible NGCB, be effectuated by the common safekeeper acting on the instructions of the Principal Paying Agent. Each Permanent Global Covered Bond so executed and authenticated shall be binding and valid obligations of the Issuer and the Guarantor (where relevant) and the Covered Bond Guarantee in respect thereof shall be binding and valid obligations of the Covered Bond Guarantor and title to such Permanent Global Covered Bond shall pass by delivery.

### **3.2 Registered Global Covered Bonds**

- (a) Unless otherwise set forth in the applicable Final Terms, Registered Global Covered Bonds of a Series that are initially offered and sold in the United States in reliance on Rule 144A under the Securities Act as provided in the Programme Agreement shall be represented by a Rule 144A Global Covered Bond and Registered Covered Bonds of a Series that are initially offered and sold in offshore transactions in reliance on Regulation S under the Securities Act as provided in the Programme Agreement shall be represented by a Regulation S Global Covered Bond. The Registered Global Covered Bonds shall be (i) deposited with a custodian for, and registered in the name of a nominee of, DTC or (ii) deposited with, and registered in the name of, a common depository for Euroclear and Clearstream, Luxembourg or (iii) registered in the name of New Zealand Central Securities Depository as depository of Austraclear New Zealand. Beneficial interests in the Registered Global Covered Bonds will be shown on, and exchanges and transfers thereof will be effected only through, records maintained by DTC and its participants, Austraclear New Zealand, Euroclear and Clearstream, Luxembourg. Until the expiration of the Distribution Compliance Period beneficial interests in any Regulation S Global Covered Bond may be held only by or through agent members of Euroclear and Clearstream, Luxembourg or Austraclear New Zealand, unless delivery is made in the form of a beneficial interest in a Rule 144A Global Covered Bond of the same Series in accordance with the certification requirements described in the Principal Agency Agreement. Title to the Registered Covered Bonds will pass upon registration of transfers in accordance with the provisions of the relevant Agency Agreement.
- (b) Registered Covered Bonds represented by the Registered Global Covered Bonds shall be exchangeable and transferable only in accordance with, and subject to, the provisions of the Registered Global Covered Bonds and the relevant Agency Agreements and the rules and operating procedures for the time being of DTC, Austraclear New Zealand, Euroclear and Clearstream, Luxembourg, including the requirement that all Registered Definitive Covered Bonds issued in exchange for a Rule 144A Global Covered Bond shall bear a legend in the same form *mutatis mutandis* as that set out on the Rule 144A Global Covered Bond.
- (c) Each Registered Global Covered Bond shall be printed or typed in the form or substantially in the form set out in Part 7 of Schedule 2 (Form of Registered Global Covered Bond) and may be a facsimile. Each Registered Global Covered Bond shall have annexed thereto a copy of the

applicable Final Terms and shall be signed manually or in facsimile by an Authorised Signatory of the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Registrar. Each Registered Global Covered Bond so executed and authenticated shall be binding and valid obligations of the Issuer and the Guarantor (where relevant) and the Covered Bond Guarantee in respect thereof shall be binding and valid obligations of the Covered Bond Guarantor.

### **3.3 Bearer Definitive Covered Bonds and Registered Definitive Covered Bonds**

- (a) The Bearer Definitive Covered Bonds, Receipts, Coupons and Talons shall be to bearer in the respective forms or substantially in the respective forms set out in Part 3, Part 4, Part 5 and Part 6, respectively, of Schedule 2 (Forms of Global and Definitive Covered Bonds, Receipts, Coupons and Talons). The Bearer Definitive Covered Bonds, the Receipts, the Coupons and the Talons shall be serially numbered and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange (if any). The relevant Conditions may be incorporated by reference into such Bearer Definitive Covered Bonds or, if not so permitted by the relevant Stock Exchange (if any), the Bearer Definitive Covered Bonds shall be endorsed with or have attached thereto the relevant Conditions, and, in either such case, the Bearer Definitive Covered Bonds shall have endorsed thereon or attached thereto a copy of the applicable Final Terms (or the relevant provisions thereof). Title to the Bearer Definitive Covered Bonds, the Receipts, the Coupons and the Talons shall pass by delivery.
- (b) The Registered Definitive Covered Bonds shall be in registered form and shall be issued in the form or substantially in the form set out in Part 8 of Schedule 2 (Form of Registered Definitive Covered Bond), shall be serially numbered, shall be endorsed with a legend substantially in the same form *mutatis mutandis* as that set out on the Rule 144A Global Covered Bond (in the case of those issued in exchange for the Rule 144A Global Covered Bond pursuant to section 4(2) of the Securities Act) and a Form of Transfer and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange (if any). The Conditions may be incorporated by reference (where applicable to the Trust Presents) into such Registered Definitive Covered Bonds or, if not so permitted by the relevant Stock Exchange (if any), the Registered Definitive Covered Bonds shall be endorsed with or have attached thereto the relevant Conditions and, in either such case, the Registered Definitive Covered Bonds shall have endorsed thereon or attached thereto a copy of the applicable Final Terms (or the relevant provisions thereof). Title to the Registered Definitive Covered Bonds shall pass upon the registration of transfers in the Register kept by the Registrar in respect thereof in accordance with the provisions of the relevant Agency Agreement and the Trust Presents.
- (c) The Definitive Covered Bonds shall be signed manually or in facsimile by an Authorised Signatory of the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Principal Paying Agent (in the case of the Bearer Definitive Covered Bonds) or the Registrar (in the case of Registered Definitive Covered Bonds). The Definitive Covered Bonds so executed and authenticated, and the Receipts, the Coupons and Talons, upon execution and authentication of the relevant Bearer Definitive Covered Bonds, shall be binding and valid obligations of the Issuer and the Guarantor (where relevant) and the Covered Bond Guarantee in respect thereof shall be binding and valid obligations of the Covered Bond Guarantor. The Receipts, the Coupons and the Talons shall not be signed. No Definitive Covered Bond and none of the Receipts, Coupons or Talons appertaining to a Bearer Definitive Covered Bond shall be binding or valid until the relevant Definitive Covered Bond shall have been executed and authenticated as aforesaid.

### **3.4 Facsimile signatures**

The Issuer may use the facsimile signature of any person who at the date such signature is affixed to a Covered Bond is duly authorised by the Issuer notwithstanding that at the time of issue of any of

the Covered Bonds he may have ceased for any reason to be the holder of such office or be so authorised.

### **3.5 Persons to be treated as Covered Bondholders**

(a) Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Guarantor, the Covered Bond Guarantor, the Bond Trustee, the UK Paying Agent, the other Paying Agents, the NZ Paying Agent, the Luxembourg Registrar, the NZ Registrar, the Exchange Agent and/or the Transfer Agent (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) may:

- (i) for the purpose of making payment thereon or on account thereof deem and treat the bearer of any Bearer Global Covered Bond, Bearer Definitive Covered Bond, Receipt, Coupon or Talon and the registered holder of any Registered Definitive Covered Bond; and
- (ii) for the purpose of making payment thereon or on account thereof and, with respect of a Registered Global Covered Bond held through DTC, voting, giving consents and making requests pursuant to the Trust Presents deem and treat the registered holder of any Registered Global Covered Bond,

as the absolute owner thereof and of all rights thereunder free from all encumbrances, and shall not be required to obtain proof of such ownership or as to the identity of the bearer or, as the case may be, registered holder; and

(b) for all other purposes deem and treat:

- (i) the bearer of any Bearer Definitive Covered Bond, Receipt, Coupon or Talon and the registered holder of any Registered Definitive Covered Bond; and
- (ii) each person for the time being shown in the records of Euroclear or Clearstream, Luxembourg or, as the case may be, DTC (except in the case of a NGCB) or Austraclear New Zealand (except in the case of a NGCB), or such other additional or alternative clearing system approved by the Issuer, the Bond Trustee and the Principal Paying Agent, as having a particular nominal amount of Covered Bonds credited to his securities account,

as the absolute owner thereof free from all encumbrances and shall not be required to obtain either (a) proof of such ownership, other than, in the case of any person for the time being so shown in such records, a certificate or letter of confirmation signed on behalf of Euroclear, Clearstream, Luxembourg or DTC or Austraclear New Zealand or any other form of record (including any certificate or other document which may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Cedcom system) in accordance with its usual procedures and in which the holder of a particular nominal amount of the Covered Bonds is clearly identified together with the amount of such holding) made by any of them or (b) proof of the identity of the bearer of any Bearer Global Covered Bond, Bearer Definitive Covered Bond, Receipt, Coupon or Talon or the registered holder of any Registered Global Covered Bond or Registered Definitive Covered Bond.

### **3.6 Certificates of Euroclear and Clearstream, Luxembourg and DTC and Austraclear New Zealand**

Without prejudice to the provisions of Clause 17(ee) (Supplement to Trustee Acts) the Issuer, the Guarantor, the Covered Bond Guarantor and the Bond Trustee may call for and, in the absence of manifest error, shall be at liberty to accept and place full reliance on as sufficient evidence thereof a

certificate or letter of confirmation issued on behalf of Euroclear, Clearstream, Luxembourg or DTC or Austraclear New Zealand or any form of record (including any certificate or other document which may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Cedcom system) in accordance with its usual procedures and in which the holder of a particular nominal amount of the Covered Bonds is clearly identified together with the amount of such holding) made by any of them or such other form of evidence and/or information and/or certification as it shall, in its absolute discretion, think fit to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as the holder of a particular nominal amount of Covered Bonds represented by a Global Covered Bond and, if it does so rely, such letter of confirmation, form of record, evidence, information or certification shall be conclusive and binding on all concerned.

#### **4. FEES, DUTIES AND TAXES**

The Issuer shall pay all stamp duties and other similar duties or taxes (if any) payable in the United Kingdom or New Zealand or any other jurisdiction on or arising out of or in consequence of (a) the constitution and issue of the Covered Bonds, the Receipts, the Coupons and the Talons and the creation of Security, (b) the initial delivery of the Covered Bonds to the relevant Principal Paying Agent and by the relevant Principal Paying Agent to the persons entitled thereto, (c) any action taken by the Bond Trustee (or any Covered Bondholder or Couponholder where permitted under the Trust Presents so to do) to enforce the provisions of the Covered Bonds, the Coupons or the Trust Presents and (d) the execution of the Trust Presents. If in consequence of an Issuer Event of Default the Bond Trustee (or any Covered Bondholder, the Receiptholder or the Couponholder where permitted under the Trust Presents so to do) shall take any proceedings against the Issuer in any jurisdiction and for the purposes of any such proceedings the Trust Presents or any Covered Bonds, Receipts, Coupons or Talons are taken into any such jurisdiction and any stamp duties or other duties or taxes become payable thereon in any such jurisdiction, the Issuer shall pay (or reimburse the person making payment of) such stamp duties or other duties or taxes (including penalties).

#### **5. COVENANT OF COMPLIANCE**

Each of the Issuer, the Guarantor and the Covered Bond Guarantor covenants with the Bond Trustee that it will comply with and perform and observe all the provisions of the Trust Presents and the other Programme Documents which are expressed to be binding on it. The Conditions shall be binding on the Issuer, the Guarantor, the Covered Bond Guarantor, the Covered Bondholders, the Receiptholders and the Couponholders. The Bond Trustee shall be entitled to enforce the obligations of the Issuer, the Guarantor and the Covered Bond Guarantor under the Covered Bonds, the Receipts and the Coupons as if the same were set out and contained in this Bond Trust Deed, which shall be read and construed as one document with the Covered Bonds, the Receipts and the Coupons. The Bond Trustee shall hold the benefit of this covenant upon trust for itself and the Covered Bondholders, the Receiptholders and the Couponholders according to its and their respective interests.

#### **6. CANCELLATION OF COVERED BONDS AND RECORDS**

- 6.1 The Issuer shall procure that all Covered Bonds issued by it and which are (a) redeemed or (b) purchased by or on behalf of the Issuer, the Guarantor or any of their subsidiaries or the Covered Bond Guarantor and surrendered for cancellation or (c) which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 10 (Replacement of Covered Bonds, Receipts, Coupons and Talons) (d) exchanged as provided in the Trust Presents (together in each case, in the case of Bearer Definitive Covered Bonds, with all unmaturing Receipts and Coupons attached thereto or delivered therewith), and, in the case of Bearer Definitive Covered Bonds, all relative Receipts

and Coupons paid in accordance with the relevant Conditions or which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 10 (Replacement of Covered Bonds, Receipts, Coupons and Talons), shall forthwith be cancelled by or on behalf of the Issuer and a certificate stating:

- (i) the aggregate principal amount of Covered Bonds which have been redeemed and the amounts paid in respect thereof and the aggregate amounts in respect of Receipts and Coupons which have been paid;
- (ii) the serial numbers of such Covered Bonds in definitive form distinguishing between Bearer Covered Bonds and Registered Covered Bonds;
- (iii) the total numbers (where applicable, of each denomination) by maturity date of such Receipts and Coupons;
- (iv) the aggregate amount of interest paid (and the due dates of such payments) on Global Covered Bonds;
- (v) the aggregate nominal amount of Covered Bonds (if any) which have been purchased by or on behalf of the Issuer, the Guarantor or any of their subsidiaries or the Covered Bond Guarantor and cancelled and the serial numbers of such Covered Bonds in definitive form and, in the case of Bearer Definitive Covered Bonds, the total number (where applicable, of each denomination) by maturity date of the Receipts, Coupons and Talons attached thereto or surrendered therewith;
- (vi) the aggregate nominal amounts of Covered Bonds and Receipts and the aggregate amounts in respect of Coupons which have been so exchanged or surrendered and replaced and the serial numbers of such Covered Bonds in definitive form and the total number (where applicable, of each denomination) by maturity date of such Coupons and Receipts;
- (vii) the total number (where applicable, of each denomination) by maturity date of the unmatured Coupons missing from Bearer Definitive Covered Bonds bearing interest at a fixed rate which have been redeemed or exchanged or surrendered and replaced and the serial numbers of the Bearer Definitive Covered Bonds to which such missing unmatured Coupons appertain; and
- (viii) the total number (where applicable, of each denomination) by maturity date of Talons which have been exchanged for further Coupons or Receipts,

shall be given to the Bond Trustee by or on behalf of the Issuer as soon as possible and in any event within four months after the date of such redemption, purchase, payment, exchange or replacement (as the case may be). The Bond Trustee may accept such certificate as conclusive evidence of redemption, purchase or replacement *pro tanto* of the Covered Bonds or payment of principal or interest (as the case may be) thereon or exchange of the relative Talons respectively and of cancellation of the relative Covered Bonds, Receipts and Coupons.

- 6.2 Subject to the paragraph below, the Issuer shall procure (a) that the UK Paying Agent shall keep a full and complete record of all Covered Bonds, Receipts, Coupons and Talons issued by it and of their redemption or purchase by or on behalf of the Issuer, the Guarantor or any of their subsidiaries or the Covered Bond Guarantor, any cancellation or any payment or exchange (as the case may be) and of all replacement covered bonds, receipts, coupons or talons issued in substitution for lost, stolen, mutilated, defaced or destroyed Covered Bonds, Receipts, Coupons or Talons (b) that the Principal Paying Agent shall in respect of the Coupons of each maturity retain (in the case of



Coupons other than Talons) until the expiry of six years from the Relevant Date in respect of such Coupons and (in the case of Talons) indefinitely either all paid or exchanged Coupons of that maturity or a list of the serial numbers of Coupons of that maturity still remaining unpaid or unexchanged and (c) that such records and copies thereof shall be made available to the Bond Trustee at all reasonable times.

Notwithstanding the foregoing, the Issuer shall not be required to procure the keeping of a record of serial numbers and maturity dates of Receipts and Coupons except as regards unmatured Coupons not attached to or surrendered with Bearer Definitive Covered Bonds presented for redemption or purchased and presented for cancellation, matured Coupons that remain unpaid, Receipts and Coupons in place of which replacement Receipts and Coupons have been issued and replacement Receipts and Coupons.

## **7. GUARANTEE AND COVERED BOND GUARANTEE**

7.1 Where the Issuer is BNZ-IF, the provisions of this sub-clause 7.1 (Guarantee and Covered Bond Guarantee) shall apply.

(a) The Guarantor, as principal obligor, and on a joint and several basis (as between itself and the Issuer), guarantees to the Bond Trustee, for the benefit of the Covered Bondholders, the prompt performance by the Issuer of its obligations to pay on the due dates all moneys payable under the Trust Presents, the Covered Bonds, the Receipts and the Coupons.

(b) If on or after the Issue Date the Issuer shall default in the payment on the due date of any moneys payable under or pursuant to the Trust Presents, the Covered Bonds, the Receipts or the Coupons, the Guarantor, as principal obligor shall, following service of a written demand on the Guarantor by the Bond Trustee, pay or procure to be paid to or to the order of the Bond Trustee (for the benefit of the Covered Bondholders (to be applied in accordance with the Programme Documents) or the Bond Trustee (as the case may be)), in the currency and at the place and in a manner specified by the Trust Presents, the amount in respect of which such default has been made or to the extent only of any amounts still then unpaid (the **Guarantee**).

7.2 In consideration of the Term Advances and Demand Loan Advances to be made by BNZ to the Covered Bond Guarantor pursuant to the Intercompany Loan Agreement and the Demand Loan Agreement, BNZ's undertakings in clauses 7.3 to 7.5 of the Intercompany Loan Agreement and clauses 9.3 and 9.4 of the Demand Loan Agreement and the payment of any Excess Proceeds to the Covered Bond Guarantor pursuant to Clause 11.2 (Application of Monies) of this Bond Trust Deed, the Covered Bond Guarantor, as principal obligor irrevocably and unconditionally guarantees to the Bond Trustee, for the benefit of the Covered Bondholders, the prompt performance by the Issuer and the Guarantor of their obligations to pay Guaranteed Amounts as and when the same become Due for Payment.

7.3 The Covered Bond Guarantor shall, as principal obligor:

(a) following the occurrence of an Issuer Event of Default and the service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer and the Guarantor and a Notice to Pay on the Covered Bond Guarantor, pay or procure to be paid on each Scheduled Payment Date (or on such later date provided for in Clause 8.2 (Payments under the Covered Bond Guarantee)) (in the manner described in Clause 8.1 (Payments under the Covered Bond Guarantee)) to or to the order of the Bond Trustee (for the benefit of the Covered Bondholders), an amount equal to those Guaranteed Amounts which shall have become Due for Payment in accordance with the terms of the Trust Presents (or which would have become Due for

Payment but for any variation, release or discharge of the Guaranteed Amounts), but which have not been paid by the Issuer or the Guarantor (in the case of Covered Bonds issued by BNZ-IF) to the relevant Covered Bondholder, Receiptholders and/or Couponholders on the relevant date for payment PROVIDED THAT no Notice to Pay shall be so served until an Issuer Acceleration Notice has been served by the Bond Trustee on the Issuer and the Guarantor; and

- (b) following the occurrence of a Covered Bond Guarantor Event of Default and the service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice on the Issuer and the Guarantor and the Covered Bond Guarantor, in respect of the Covered Bonds of each Series which shall have become immediately due and repayable (or which would have become Due for Payment but for any variation, release or discharge of the Guaranteed Amounts), pay or procure to be paid to or to the order of the Bond Trustee (for the benefit of itself and the Covered Bondholders) in the manner described in Clause 8.1 (Payments under the Covered Bond Guarantee)), the Guaranteed Amounts,

(the **Covered Bond Guarantee**).

7.4 In relation to the Covered Bonds of each Series, each of the Guarantee and the Covered Bond Guarantee:

- (a) is a continuing guarantee;
- (b) extends (in the case of the Guarantor) to the ultimate balance of all sums payable and obligations owed by BNZ-IF under the Trust Presents regardless of any intermediate payment or discharge in whole or in part;
- (c) extends (in the case of the Covered Bond Guarantor) to the ultimate balance of the Guaranteed Amounts due to be paid or which would have been due to be paid by the Issuer and the Guarantor (in the case of Covered Bonds issued by BNZ-IF) on the relevant Scheduled Payment Dates in accordance with the terms of the Trust Presents, the Covered Bonds, the Receipts or the Coupons, regardless of any intermediate payment or discharge in whole or in part of any Guaranteed Amounts due to be paid on the relevant Scheduled Payment Date;
- (d) shall not be discharged except by complete performance of the obligations in the Trust Presents, is additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person (whether from the Guarantor, the Covered Bond Guarantor or otherwise);
- (e) shall remain in force:
  - (i) in the case of the Guarantee, until all monies payable by BNZ-IF under or pursuant to the Trust Presents and the Covered Bonds of such Series and the Receipts and Coupons appertaining thereto shall have been paid; and
  - (ii) in relation to the Covered Bond Guarantee, until all monies payable by the Covered Bond Guarantor pursuant to the terms of the Covered Bond Guarantee shall have been paid; and
- (f) is a guarantee of payment not collection.

7.5 The Guarantor and the Covered Bond Guarantor shall not in respect of any payment due to be made pursuant to the Trust Presents be released from their obligations under or pursuant to the Trust

Presents in any circumstances (notwithstanding anything which but for this provision would release the Guarantor or the Covered Bond Guarantor or would affect their liability under or pursuant to the Trust Presents in respect of such payment) except upon the receipt by or for the account of the Bond Trustee of the full amount of such payment from the Issuer, the Guarantor and the Covered Bond Guarantor, as applicable, in the currency, at the place and in the manner provided for in the Trust Presents PROVIDED THAT (except in the case of Excess Proceeds) every payment of principal, premium or interest in respect of the Covered Bonds, Receipts and/or Coupons made to the relevant Principal Paying Agent in the manner provided in the relevant Agency Agreements shall be in satisfaction *pro tanto* of the liability of the Guarantor and the Covered Bond Guarantor under the Trust Presents and shall be deemed for the purpose of this Clause 7.5 (Guarantee and Covered Bond Guarantee) to have been paid to the order of the Bond Trustee, except to the extent that the subsequent payment thereof to the Covered Bondholders, the Receiptholders or the Couponholders in accordance with the Conditions is not made.

- 7.6 If any discharge (whether in respect of the obligations of the Guarantor under the Guarantee, the Covered Bond Guarantor under the Covered Bond Guarantee or any security for those obligations or otherwise) or arrangement is made in whole or in part on the faith of any payment, security or other disposition received by the Bond Trustee, the relevant Principal Paying Agent or any Covered Bondholder, Receiptholder or Couponholder which is avoided or set aside in whole or in part under any laws relating to the bankruptcy, sequestration, liquidation, insolvency, administration, corporate reorganisation or other such similar event of the Issuer, the Guarantor or the Covered Bond Guarantor, the liability of the Guarantor under the Guarantee and of the Covered Bond Guarantor under the Covered Bond Guarantee in respect thereof shall continue or be reinstated as if the discharge or arrangement had not occurred and the Guarantor and the Covered Bond Guarantor shall indemnify the Bond Trustee and the Covered Bondholders, Receiptholders and/or Couponholders (as the case may be) in respect thereof.
- 7.7 Without prejudice to the generality of the foregoing provisions of this Clause 7 (Guarantee and Covered Bond Guarantee), the Guarantor and the Covered Bond Guarantor each agree that its obligations under the Trust Presents shall be as if it were principal debtor and not merely as surety or guarantor and shall be absolute and (in the case of the Covered Bond Guarantor following service of an Issuer Acceleration Notice and Notice to Pay or a Covered Bond Guarantee Acceleration Notice) unconditional, irrespective of, and unaffected by, any invalidity, irregularity, illegality or unenforceability of, or defect in, any provisions of the Trust Presents or any other Programme Document, or the absence of any action to enforce the same or the waiver, modification or consent by the Bond Trustee, any of the Covered Bondholders, Receiptholders or Couponholders in respect of any provisions of the same or the obtaining of any judgment or decree against the Issuer or the Guarantor or any action to enforce the same or any other circumstances which might otherwise constitute a legal or equitable discharge or defence of a guarantor. Accordingly, the validity of the Guarantee and the Covered Bond Guarantee shall not be affected by any invalidity, irregularity or unenforceability of all or any of the obligations of the Issuer or the Guarantor under the Trust Presents or any other Programme Document and the Guarantee and the Covered Bond Guarantee shall not be discharged nor shall the liability of the Guarantor and the Covered Bond Guarantor under the Trust Presents be affected by any act, thing or omission or means whatsoever whereby its liability would not have been discharged if it had been the principal debtor.
- 7.8 The liability of the Guarantor under the Guarantee shall not be lessened, affected, impaired or discharged by:
- (a) any time, waiver or indulgence granted to the Issuer by the Bond Trustee, any of the Covered Bondholders, the Receiptholders or Couponholders;

- (b) any dealings or transactions between the Issuer and the Bond Trustee, any of the Covered Bondholders, Receiptholders or Couponholders whether or not the Guarantor shall be a party to or cognisant of the same;
- (c) the dissolution of the Issuer or any change in the status, functions, control or ownership of the Issuer or any consolidation, merger, conveyance or transfer by the Issuer;
- (d) any composition or arrangement between the Issuer and its creditors or the release or variation of the obligations of the Issuer pursuant to such composition or arrangement;
- (e) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Issuer or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (f) any incapacity or lack of powers, authority or legal personality of the Issuer or any other person;
- (g) any variation (however fundamental) or replacement of the Trust Presents, the Covered Bonds, the Receipts or the Coupons;
- (h) any other guarantee or security now or subsequently held by any Secured Creditor, and the Guarantee is in addition to any such guarantee or security; or
- (i) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of the Issuer under the Trust Presents or any other Programme Document resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order so that each such obligation shall for the purposes of the Guarantor's obligations under the Guarantee and the Covered Bond Guarantor's obligations under the Covered Bond Guarantee be construed as if there were no such circumstance.

7.9 The liability of the Covered Bond Guarantor under the Covered Bond Guarantee shall not be lessened, affected, impaired or discharged by:

- (a) any time, waiver or indulgence granted to the Issuer or the Guarantor (in the case of Covered Bonds issued by BNZ-IF) by the Bond Trustee, any of the Covered Bondholders, the Receiptholders or Couponholders;
- (b) any dealings or transactions between the Issuer or the Guarantor (in the case of Covered Bonds issued by BNZ-IF) and the Bond Trustee, any of the Covered Bondholders, Receiptholders or Couponholders whether or not the Covered Bond Guarantor shall be a party to or cognisant of the same;
- (c) the dissolution of the Issuer or the Guarantor (in the case of Covered Bonds issued by BNZ-IF) or any change in the status, functions, control or ownership of the Issuer or the Guarantor (in the case of Covered Bonds issued by BNZ-IF) or any consolidation, merger, conveyance or transfer by the Issuer or the Guarantor;
- (d) any composition or arrangement between the Issuer or the Guarantor (in the case of Covered Bonds issued by BNZ-IF) and its creditors or the release or variation of the obligations of the Issuer or the Guarantor pursuant to such composition or arrangement;

- (e) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Issuer or the Guarantor (in the case of Covered Bonds issued by BNZ-IF) or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (f) any incapacity or lack of powers, authority or legal personality of the Issuer or the Guarantor (in the case of Covered Bonds issued by BNZ-IF) or any other person;
- (g) any variation (however fundamental) or replacement of the Trust Presents, the Covered Bonds, the Receipts or the Coupons;
- (h) any other guarantee or security now or subsequently held by any Secured Creditor, and the Covered Bond Guarantee is in addition to any such guarantee or security; or
- (i) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of the Issuer or the Guarantor (in the case of Covered Bonds issued by BNZ-IF) under the Trust Presents or any other Programme Document resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order so that each such obligation shall for the purposes of the Covered Bond Guarantor's obligations under the Covered Bond Guarantee be construed as if there were no such circumstance.

7.10 Subject to its obligation to deliver a Notice to Pay in respect of the Covered Bond Guarantee, the Bond Trustee may determine from time to time whether it will enforce the Guarantee and the Covered Bond Guarantee, which it is entitled to enforce without making any demand (save for a written demand on the Guarantor) or taking any proceedings against the Issuer or the Guarantor. Subject to the provisions of this Clause 7 (Guarantee and Covered Bond Guarantee) with regard to the service of a written demand on the Guarantor or a Notice to Pay on the Covered Bond Guarantor, each of the Guarantor and the Covered Bond Guarantor hereby waives any right to require proceedings first against the Issuer or the Guarantor with respect to the Trust Presents, the Covered Bonds, Receipts or Coupons, diligence, presentment, demand of payment, filing of claims with a court in the event of dissolution, liquidation, merger or bankruptcy of the Issuer or the Guarantor, protest or notice and all demands whatsoever.

7.11 To the extent that the Guarantor makes, or there is made on its behalf, a payment under the Guarantee, BNZ-IF will on such payment being made become indebted to the Guarantor for an amount equal to such payment. Until all amounts which may be or become payable by the Issuer under the Trust Presents, the Covered Bonds, Receipts or Coupons have been irrevocably paid in full, the Guarantor hereby waives irrevocably and unconditionally:

- (a) all rights of subrogation, indemnity, contribution or otherwise (arising under common law, equity, statute or otherwise whatsoever) which it might otherwise have against the Issuer by virtue of any payment made by the Guarantor pursuant to the terms of the Guarantee; and
- (b) all rights to claim, rank, prove or vote as creditor of the Issuer or its estate in competition with the Bond Trustee (on behalf of the Covered Bondholders) or to receive or have the benefit of any payment, distribution or security from or on account of the issuer or to claim or exercise a right of set-off against the Issuer.

If notwithstanding the foregoing, upon the bankruptcy, insolvency, administration or liquidation of the Issuer, any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, shall be received by the Guarantor or if the Guarantor is able to exercise any set-off rights against the Issuer before payment in full of all amounts payable under the Trust

Presents shall have been made to the Covered Bondholders, Receiptholders and the Couponholders, such payment and/or an amount equal to the amount so set-off shall be received by the Guarantor and shall be held by the Guarantor on trust to pay the same over immediately to the Bond Trustee, the Covered Bondholders, the Receiptholders and the Couponholders as the case may be.

7.12 To the extent that the Covered Bond Guarantor makes, or there is made on its behalf, a payment under the Covered Bond Guarantee, BNZ as Issuer and, in the case of Covered Bonds issued by BNZ-IF as Issuer, the Guarantor will on such payment being made become indebted to the Covered Bond Guarantor for an amount equal to such payment in accordance with the Intercompany Loan Agreement and the Demand Loan Agreement. Until all amounts which may be or become payable by the Issuer and, in the case of Covered Bonds issued by BNZ-IF, the Guarantor under the Trust Presents, the Covered Bonds, Receipts or Coupons have been irrevocably paid in full, the Covered Bond Guarantor hereby waives irrevocably and unconditionally:

- (a) all rights of subrogation, indemnity, contribution or otherwise (arising under common law, equity, statute or otherwise whatsoever) which it might otherwise have against the Issuer or the Guarantor by virtue of any payment made by the Covered Bond Guarantor pursuant to the Covered Bond Guarantee; and
- (b) all rights to claim, rank, prove or vote as creditor of the Issuer or the Guarantor or its estate in competition with the Bond Trustee (on behalf of the Covered Bondholders) or to claim a right of set-off,

subject always to the rights of the Covered Bond Guarantor to set-off amounts owing by BNZ as Issuer or, in the case of Covered Bonds issued by BNZ-IF, the Guarantor to the Covered Bond Guarantor in respect of amounts paid by the Covered Bond Guarantor under the Covered Bond Guarantee against any amounts repayable by the Covered Bond Guarantor under the terms of the Intercompany Loan Agreement and the Demand Loan Agreement, which shall remain unaffected.

If notwithstanding the foregoing, upon the bankruptcy, insolvency, administration or liquidation of the Issuer or the Guarantor, any payment or distribution of assets of the Issuer or the Guarantor of any kind or character, whether in cash, property or securities, shall be received by the Covered Bond Guarantor or if the Covered Bond Guarantor is able to exercise any set-off rights against the Issuer or the Guarantor (other than under the Intercompany Loan Agreement or the Demand Loan Agreement) before payment in full of all amounts payable under the Trust Presents shall have been made to the Covered Bondholders, the Receiptholders and the Couponholders, such payment and/or an amount equal to the amount so set-off shall be received by the Covered Bond Guarantor and shall be held by the Covered Bond Guarantor on trust to pay the same over immediately to the Bond Trustee, the Covered Bondholders, the Receiptholders and the Couponholders as the case may be.

7.13 Any amounts from time to time received by the Bond Trustee under the Guarantee or the Covered Bond Guarantee shall be applied by the Bond Trustee in accordance with the provisions of Clause 11.1 (Application of Monies) PROVIDED THAT any Excess Proceeds received by the Bond Trustee shall be applied by the Bond Trustee in accordance with the provisions of Clause 11.2 (Application of Monies).

7.14 As a separate, independent, alternative and primary obligation, the Guarantor unconditionally and irrevocably agrees that (following the service by the Bond Trustee of a written demand on the Guarantor) should any amount which, although expressed to be an amount guaranteed pursuant to the Guarantee, for any reason (including without limitation any provisions of these Trust Presents or the Programme Documents being or becoming void, voidable or unenforceable for any reason and whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, the Bond Trustee or any Covered Bondholder) is not recoverable from the Guarantor on

the basis of a guarantee such amount will nevertheless be recoverable from the Guarantor on the basis of a full indemnity and will be paid by it to the Bond Trustee on demand provided that the Guarantor's obligation hereunder shall in no circumstances exceed all the monies payable by the Issuer under or pursuant to the Trust Presents and the Covered Bonds of such Series and the Receipts and Coupons appertaining thereto.

- 7.15 As a separate, independent, alternative and primary obligation, the Covered Bond Guarantor unconditionally and irrevocably agrees that (following the service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer and the service by the Bond Trustee of a Notice to Pay on the Covered Bond Guarantor) should any amount which, although expressed to be a Guaranteed Amount, for any reason (including without limitation any provisions of these Trust Presents or the Programme Documents being or becoming void, voidable or unenforceable for any reason and whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, the Covered Bond Guarantor, the Bond Trustee or any Covered Bondholder) is not recoverable from the Covered Bond Guarantor on the basis of a guarantee such amount will nevertheless be recoverable from the Covered Bond Guarantor on the basis of a full indemnity and will be paid by it to the Bond Trustee on demand provided that the Covered Bond Guarantor's obligation hereunder shall in no circumstances exceed the relevant Guaranteed Amount.

## **8. PAYMENTS UNDER THE COVERED BOND GUARANTEE**

- 8.1 Where the Issuer and/or the Guarantor (as the case may be) has determined on an Interest Payment Date or such other date in respect of which any principal or interest in relation to the Covered Bonds is due and payable by the Issuer or the Guarantor (in the case of Covered Bonds issued by BNZ-IF) (other than pursuant to Condition 9 (Events of Default and Enforcement)) (the **Due Date**) that it shall not have sufficient funds to meet the amount of such interest and/or principal due and payable on such Interest Payment Date or Due Date (the difference being the **Shortfall**), it shall notify the Bond Trustee in writing (copied to the Covered Bond Guarantor), no later than close of business on the fifth Business Day before such Interest Payment Date or Due Date of the Shortfall amount in relation to the Covered Bonds which is due and payable by the Issuer or the Guarantor (in the case of Covered Bonds issued by BNZ-IF). Following the occurrence of an Issuer Event of Default and service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer and the Guarantor pursuant to Condition 9(a) (Events of Default and Enforcement - Issuer Events of Default), the Bond Trustee shall promptly deliver a Notice to Pay to the Covered Bond Guarantor requiring the Covered Bond Guarantor to pay the Guaranteed Amounts as and when the same are Due for Payment in accordance with the terms of the Covered Bond Guarantee and the Trust Presents.
- 8.2 Following the service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer and the Guarantor and the service by the Bond Trustee of a Notice to Pay on the Covered Bond Guarantor but prior to a Covered Bond Guarantor Event of Default and delivery by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice, payment by the Covered Bond Guarantor of the Guaranteed Amounts pursuant to the Covered Bond Guarantee shall be made in accordance with the Guarantee Priority of Payments by 12 noon (local time in the relevant financial centre of the payment) or, in the case of a payment in euro, London time) on the Original Due for Payment Date or, if applicable, the Extended Due for Payment Date on which the relevant Guaranteed Amount is Due for Payment except that where the Covered Bond Guarantor is required to make a payment of a Guaranteed Amount in respect of the Final Redemption Amount payable on the Final Maturity Date of a Covered Bond, the Covered Bond Guarantor shall make such payment no later than the Extension Determination Date provided always that the Covered Bond Guarantor shall have received a Notice to Pay no later than one Business Day prior to such Extension Determination Date. In addition, where the Covered Bond Guarantor is required to make a payment of a Guaranteed Amount in respect of a Final Redemption Amount payable on the Final Maturity Date of the Covered Bond, to the extent that the Covered Bond Guarantor has insufficient monies available after

payment of higher ranking amounts and taking into account amounts ranking *pari passu* therewith in the Guarantee Priority of Payments to pay such Guaranteed Amounts, it shall make partial payment of such Guaranteed Amounts in accordance with the Guarantee Priority of Payments.

- 8.3 The Bond Trustee shall direct the Covered Bond Guarantor to pay (or to procure the payment of) all sums payable under the Covered Bond Guarantee to the relevant Principal Paying Agent subject always to the provisions of Clause 2.3 (Bond Trustee's requirements regarding Paying Agents etc). For the avoidance of doubt, any discharge of the Issuer or the Guarantor as a result of the payment of Excess Proceeds to the Bond Trustee shall be disregarded for the purposes of determining the amounts to be paid by the Covered Bond Guarantor under the Covered Bond Guarantee.
- 8.4 At least one Business Day before the date on which the Covered Bond Guarantor is obliged to make a payment under the Covered Bond Guarantee, it shall notify or procure the notification of the relevant Principal Paying Agent of the irrevocable instructions to the Account Bank through which payment to the relevant Principal Paying Agent is to be made.
- 8.5 All payments of Guaranteed Amounts by or on behalf of the Covered Bond Guarantor shall be made without withholding or deduction for, or on account of, any present or future tax, duties, assessment or other governmental charges of whatever nature, unless the withholding or deduction is required by law or regulation or administrative practice of any jurisdiction. If any such withholding or deduction is required, the Covered Bond Guarantor shall pay the Guaranteed Amounts net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted. The Covered Bond Guarantor shall not be obliged to pay any additional amount to the Bond Trustee or any holder of Covered Bonds, Receipts and/or Coupons in respect of the amount of such withholding or deduction.
- 8.6 The Issuer and, in the case of Covered Bonds issued by BNZ-IF, the Guarantor shall not be discharged from its obligations under the Covered Bonds, Receipts or Coupons and the Trust Presents by any payment made by the Covered Bond Guarantor under the Covered Bond Guarantee PROVIDED THAT this Clause 8.6 (Payments under the Covered Bond Guarantee) shall operate only for the purpose of the subrogation rights of the Covered Bond Guarantor contemplated by Clause 7.11 (Guarantee and Covered Bond Guarantee).
- 8.7 Except in relation to Excess Proceeds, any payment made by the Covered Bond Guarantor to the Covered Bondholders, Receiptholders or the Couponholders in respect of the Covered Bonds, Receipts or Coupons may be made in accordance with the Conditions and the Agency Agreements, and any payments so made shall be a good discharge *pro tanto* of the relative covenant by the Covered Bond Guarantor contained in Clauses 7 (Guarantee and Covered Bond Guarantee) or 8 (Payments under the Covered Bond Guarantee) (as the case may be) save to the extent that there is default in the subsequent payment thereof in accordance with the Trust Presents to the relevant Covered Bondholders, Receiptholders or Couponholders (as the case may be).

## 9. NON-PAYMENT

- 9.1 Proof that as regards any specified Covered Bond, Receipt or Coupon the Issuer, the Guarantor or, as the case may be, the Covered Bond Guarantor has made default in paying any amount due in respect of such Covered Bond, Receipt or Coupon shall (unless the contrary be proved) be sufficient evidence that the same default has been made as regards all other Covered Bonds, Receipts or Coupons (as the case may be) in respect of which the relevant amount is due and payable.
- 9.2 References in the provisos in Clauses 2.2(c) and 2.2(d) (Covenant to repay principal and to pay interest) and any provisions of any trust deed supplemental to the Trust Presents corresponding to the provisos in Clauses 2.2(c) and 2.2(d) (Covenant to repay principal and to pay interest) to the rates



aforesaid shall, in the event of the Covered Bonds having become due and repayable, with effect from the expiry of the interest period during which such Covered Bonds become due and repayable, be construed as references to rates of interest calculated mutatis mutandis in accordance with the Conditions except that no notices need be published in respect thereof.

## 10. PROCEEDINGS, ACTION AND INDEMNIFICATION

10.1 The Bond Trustee may:

- (a) at any time after the occurrence of an Issuer Event of Default and the service of an Issuer Acceleration Notice (in the case of the Issuer and the Guarantor) or, if earlier, following the occurrence of a Covered Bond Guarantor Event of Default and the service of a Covered Bond Guarantee Acceleration Notice (in the case of the Covered Bond Guarantor), at its discretion and without further notice, take such proceedings or other action or step as it may think fit against or in relation to the Issuer and/or the Guarantor or, as the case may be, the Covered Bond Guarantor and/or any other person as its may think fit to enforce the provisions of the Bond Trust Deed, the Covered Bonds, the Receipts and the Coupons or any other Programme Document; and
- (b) at any time after the service of a Covered Bond Guarantee Acceleration Notice, give a direction to the Security Trustee to take such steps or proceedings against the Covered Bond Guarantor and/or any other person as it may think fit to enforce the provisions of the Security Deed or any other Programme Document and may, at any time after the Security has become enforceable, direct the Security Trustee to take such steps as it may think fit to enforce the Security.

10.2 The Bond Trustee shall not be bound to take, or give any direction to the Security Trustee to take, any such proceedings, steps or actions in relation to this Bond Trust Deed, the Guarantee, the Covered Bonds, the Receipts, the Coupons or any other Programme Document as referred to in Clause 10.1 or give any notice pursuant to Conditions 9(a) or 9(b) (Events of Default and Enforcement) unless (a) directed to do so by an Extraordinary Resolution of the Covered Bondholders of all Series, then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into NZ Dollars at the relevant Swap Rate) or (b) requested to do so in writing by the holders of not less than twenty-five per cent. of the Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into NZ Dollars at the relevant Swap Rate) and in either case then only if it shall be indemnified and/or secured and/or pre-funded to its satisfaction.

10.3 Subject as provided above and in Clause 14.5 of the Security Deed, the Bond Trustee shall not be bound to take, or to give any direction to the Security Trustee to take, any other action under or in connection with the Trust Presents, the Covered Bonds, the Receipt or the Coupons or any other Programme Document unless (a) directed to do so by Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series (as determined in accordance with the provisions of paragraph 22 of Schedule 4) or (b) requested to do so in writing by the holders of not less than twenty-five per cent. of the Principal Amount Outstanding of the Covered Bonds then outstanding of the relevant one or more Series (as determined in accordance with the provisions of paragraph 22 of Schedule 4) and in either case then only if it shall be indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

10.4 Only the Bond Trustee may enforce the provisions of the Trust Presents. No Covered Bondholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer, the Guarantor or the Covered Bond Guarantor to enforce the performance of any of the provisions of the Trust

Presents or to directly enforce the provisions of any other Programme Document unless the Bond Trustee having become bound as aforesaid to so proceed fails to do so within a reasonable time and such failure is continuing, in which event any Covered Bondholder, Receiptholder or Couponholder may, on giving an indemnity and/or security satisfactory to the Bond Trustee, in the name of the Bond Trustee (but not otherwise) himself institute such proceedings and/or prove in the winding up, administration or liquidation of the Issuer and/or the Guarantor or the Covered Bond Guarantor to the same extent and in the same jurisdiction (but not further or otherwise than the Bond Trustee would have been entitled to do so in respect of the Covered Bonds, Receipts and Coupons and/or the Bond Trust Deed).

- 10.5 In exercising any of its powers, trust authorities and discretions the Bond Trustee shall only have regard to the interests of the Covered Bondholders of all Series equally and shall not have regard to the interests of any other Secured Creditor.

## 11. APPLICATION OF MONIES

- 11.1 All monies (other than Excess Proceeds which shall be applied in the manner set out in Clause 11.2 below (Application of Monies)) received by the Bond Trustee under the Trust Presents from the Issuer and/or the Guarantor or, as the case may be, the Covered Bond Guarantor or any administrator, administrative receiver, receiver, liquidator, trustee in sequestration or other similar official appointed in relation to the Issuer and/or the Guarantor and/or the Covered Bond Guarantor (including any monies which represent principal or interest in respect of Covered Bonds, Receipts or Coupons which have become void or in respect of which claims have become prescribed under Condition 8 (Prescription) and including the proceeds of any enforcement of the Security) shall, unless and to the extent attributable, in the opinion of the Bond Trustee, to a particular Series of the Covered Bonds, be apportioned *pari passu* and rateably between each Series of the Covered Bonds, and all monies received by the Bond Trustee under the Trust Presents from the Issuer and/or the Guarantor or, as the case may be, the Covered Bond Guarantor to the extent attributable in the opinion of the Bond Trustee to a particular Series of the Covered Bonds or which are apportioned to such Series as aforesaid, be held by the Bond Trustee upon trust to apply them (subject to Clause 13 (Investment by Trustee)):

- (a) *Firstly:* (except in relation to any such monies received by the Bond Trustee following the occurrence of an Issuer Event of Default and the service by the Bond Trustee of an Issuer Acceleration Notice and a Notice to Pay) in payment or satisfaction of all amounts then due and unpaid under Clause 16 (Remuneration and Indemnification of Bond Trustee) to the Bond Trustee and/or any Appointee;
- (b) *Secondly:* in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Covered Bonds of that Series;
- (c) *Thirdly:* in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Covered Bonds of each other Series; and
- (d) *Fourthly:* in payment of the balance (if any) to the Issuer (to the extent received from the Issuer), the Guarantor (if received from the Guarantor) or the Covered Bond Guarantor (if received from the Covered Bond Guarantor).

Without prejudice to this Clause 11.1 (Application of Monies), if the Bond Trustee holds any monies (other than Excess Proceeds) which represent principal or interest in respect of Covered Bonds which have become void or in respect of which claims have been prescribed under Condition 8 (Prescription), the Bond Trustee shall (subject to no sums being then overdue to the Bond Trustee or to the Covered Bondholders, Receiptholders or Couponholders in respect of any other Covered

Bonds, Receipts or Coupons which have been presented for payment and to paying or providing for the payment or satisfaction of the said costs, charges, expenses and liabilities, including the remuneration of the Bond Trustee) pay the same forthwith to the Issuer.

- 11.2 Following the occurrence of an Issuer Event of Default and the delivery of an Issuer Acceleration Notice, and Notice to Pay any Excess Proceeds which are received by the Bond Trustee from the Issuer, the Guarantor or any receiver, liquidator, administrator, or other similar official appointed in relation to the Issuer or the Guarantor, and are then held by it or under its control shall be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the Covered Bond Guarantor for its own account, as soon as practicable, and shall be held by the Covered Bond Guarantor in the GIC Account and the Excess Proceeds shall thereafter form part of the Security and shall be used by the Covered Bond Guarantor as Available Principal Receipts in the same manner as all other monies from time to time standing to the credit of the GIC Account pursuant to the Security Deed and the Establishment Deed. Any Excess Proceeds received by the Bond Trustee and held by it or under its control shall discharge *pro tanto* the obligations of the Issuer and the Guarantor (in the case of Covered Bonds issued by BNZ-IF) in respect of the Guarantee, the Covered Bonds, Receipts and Coupons (as applicable and to the extent of the amount so received and subject to restitution of the same if such Excess Proceeds shall be required to be repaid by the Covered Bond Guarantor) (but shall be deemed not to have done so for the purposes of subrogation rights of the Covered Bond Guarantor contemplated by Clause 7.12 (Guarantee and Covered Bond Guarantee)). However, the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following service of an Issuer Acceleration Notice and Notice to Pay or if earlier, service of a Covered Bond Guarantee Acceleration Notice) unconditional and irrevocable and the receipt by, or on behalf of, the Bond Trustee of any Excess Proceeds shall not reduce or discharge any such obligations.
- 11.3 By subscribing for Covered Bond(s), each Covered Bondholder shall be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Covered Bond Guarantor in the manner as described above.
- 11.4 For the avoidance of doubt, any payments by the Covered Bond Guarantor to the Covered Bondholders out of the Excess Proceeds, shall reduce the Guaranteed Amounts *pro tanto*.

## 12. NOTICE OF PAYMENTS

The Bond Trustee (at the expense and cost of the Issuer or, in the case of Covered Bonds issued by BNZ-IF, the Guarantor or the Covered Bond Guarantor) shall give notice to the relevant Covered Bondholders in accordance with Condition 13 (Notices) of the day fixed for any payment to them under Clause 11.1 (Application of Monies). Such payment may be made in accordance with Condition 5 (Payments) and any payment so made shall be a good discharge to the Bond Trustee.

## 13. INVESTMENT BY TRUSTEE

- 13.1 Except in relation to any Excess Proceeds, the Bond Trustee may at its absolute discretion and pending payment as provided for in the Trust Presents, invest monies at any time available for the payment of principal and interest on the Covered Bonds of any Series, in some or one of the Authorised Investments for such periods as it may consider expedient with power from time to time at the like discretion to vary such investments and to accumulate such investments and the resulting interest and other income derived therefrom. The accumulated investments shall be applied under Clause 11 (Application of Monies). All interest and other income deriving from such investments shall be applied first in payment or satisfaction of all amounts then due and unpaid under Clause 16 (Remuneration and Indemnification of Bond Trustee) to the Bond Trustee and/or any Appointee and otherwise held for the benefit of and paid to the Covered Bondholders of such Series or the related Receiptholders and/or Couponholders, as the case may be.

13.2 Except in relation to any Excess Proceeds, any monies which under the trusts of the Trust Presents may be invested by the Bond Trustee may be invested in the name or under the control of the Bond Trustee in any investments or other assets in any part of the world whether or not they produce income or by placing the same on deposit in the name or under the control of the Bond Trustee at such bank or other financial institution and in such currency as the Bond Trustee may think fit. If that bank or institution is the Bond Trustee or a Subsidiary, holding or associated company of the Bond Trustee, it need only account for an amount of interest equal to the amount of interest which would, at then current rates, be payable by it on such a deposit to an independent customer. The Bond Trustee may at any time vary any such investments for or into other investments or convert any monies so deposited into any other currency and shall not be responsible for any loss resulting from any such investments or deposits, whether due to depreciation in value, fluctuations in exchange rates or otherwise.

13.3 Notwithstanding anything in this Bond Trust Deed to the contrary, neither the Bond Trustee nor the Security Trustee shall do, or be authorised or required to do, anything which might constitute a regulated activity for the purpose of the FSMA, unless it is authorised under the FSMA to do so.

In respect of any of the duties and/or responsibilities to be performed by the Bond Trustee, the Bond Trustee shall have the discretion at any time (i) to delegate any of the functions which fall to be performed by an authorised person under the FSMA to any agent or person which has the necessary authorisations and licences and (ii) to apply for authorisation under the FSMA and perform any or all such functions itself if, in its absolute discretion, it considers it necessary, desirable or appropriate to do so.

#### **14. PARTIAL PAYMENTS**

Upon any payment under Clause 11.1 (Application of Monies) (other than payment in full against surrender of a Covered Bond, Receipt or Coupon) the Covered Bond, Receipt or Coupon in respect of which such payment is made shall be produced to the Bond Trustee, the relevant Registrar or the relevant Paying Agent by or through whom such payment is made and (except in the case of a NGCB) the Bond Trustee shall or shall cause the relevant Registrar or, as the case may be, the relevant Paying Agent to enface thereon a memorandum of the amount and the date of payment but the Bond Trustee may in any particular case or generally in relation to Registered Covered Bonds dispense with such production and enfacement upon such indemnity being given to the Bond Trustee and the Issuer as such parties shall think sufficient.

#### **15. COVENANTS BY THE ISSUER AND THE GUARANTOR AND THE COVERED BOND GUARANTOR**

(a) Each of the relevant Issuer, the Guarantor (in the case of Covered Bonds issued by BNZ-IF) and the Covered Bond Guarantor hereby covenants with the Bond Trustee that, so long as any of the Covered Bonds remains outstanding, it will:

(i) at all times maintain a UK Paying Agent, Paying Agents (other than the NZ Paying Agent), a Luxembourg Registrar, an Exchange Agent and a Transfer Agent and, so long as any of the NZ Registered Covered Bonds remain outstanding (except in the case of BNZ-IF), maintain a NZ Paying Agent and a NZ Registrar, each with specified offices in accordance with the Conditions and at all times maintain any other agents required by the Conditions;

(ii) give notice in writing to the Bond Trustee of the occurrence of any Issuer Event of Default or Potential Issuer Event of Default or Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default (as applicable) without waiting for the Bond Trustee to take any further action;

- (iii) at all times keep proper books of account, and permit to the extent permitted by applicable law the Bond Trustee and any persons appointed by the Bond Trustee to whom the relevant Issuer, the Guarantor or the Covered Bond Guarantor shall have no reasonable objection free access to such books of account at all reasonable times during normal working hours PROVIDED THAT nothing in this paragraph shall oblige the Issuer, the Guarantor or the Covered Bond Guarantor to disclose confidential information concerning customers of the Issuer, the Guarantor or the Covered Bond Guarantor or regarding any matters for which the Issuer, the Guarantor or the Covered Bond Guarantor would be entitled to claim exemption from disclosure;
- (iv) give or procure to be given to the Bond Trustee (within a time reasonable in the Bond Trustee's opinion) such opinions, certificates, information and evidence as it shall reasonably require for the purpose of the discharge or exercise of the duties, powers, trusts, authorities and discretions vested in it under the Trust Presents or by operation of law provided always that the foregoing shall not oblige the Issuer, the Guarantor or the Covered Bond Guarantor to give any information non-disclosure of which is required by any applicable law;
- (v) (except in the case of BNZ-IF) as soon as practicable after the issue or publication of any document referred to below (where a copy of any such document can be viewed on any relevant website) provide notice to the Bond Trustee of the issue or publication of every balance sheet, profit and loss account, report, circular and notice of general meeting and every other document issued or sent to its shareholders together with any of the foregoing, and every document issued or sent to holders of securities other than its shareholders (including the Covered Bondholders) together with the details of the relevant website where a copy of such document may be viewed and (where a copy of any such document cannot be so viewed) send to the Bond Trustee two copies of such document;
- (vi) so far as permitted by law at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the reasonable opinion of the Bond Trustee to give effect to the terms and conditions of the Trust Presents;
- (vii) procure that the relevant Principal Paying Agent notifies the Bond Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Covered Bonds or any of them or in respect of the Receipts (if any) and/or the Coupons (if any), receive unconditionally in the manner provided by the relevant Agency Agreement the full amount of the monies payable on such due date on all such Covered Bonds, Receipts or, as the case may be, all such Coupons;
- (viii) furnish from time to time any and all documents, instructions, information and undertakings that may be necessary in order to obtain (in the case of Covered Bonds which are to be listed on the Luxembourg Stock Exchange) the admission of the Covered Bonds to listing and trading on the Luxembourg Stock Exchange and use all reasonable endeavours to maintain such listing so long as any of the Covered Bonds remains outstanding PROVIDED ALWAYS that if the Issuer and (where applicable) the Guarantor is unable to maintain such listing and/or trading having used all reasonable endeavours or if the maintenance of such listing and/or trading becomes in the opinion of the Issuer and (where applicable) the Guarantor unduly onerous on the Issuer and (where applicable) the Guarantor, the Issuer and (where applicable) the Guarantor may procure the listing, trading and/or quotation of the Covered Bonds on some listing authority, stock exchange and/or quotation system acceptable to the Bond Trustee and the provisions of this sub-clause 15(a)(viii) shall be deemed to apply to such new listing, trading and/or quotation;

- (ix) observe and comply with its obligations under the Agency Agreements, and use all reasonable endeavours to procure that the Paying Agents, the Registrars, the Exchange Agent and the Transfer Agent observe and comply with and perform all their respective obligations under the Agency Agreements and not modify or amend the same without the previous consent in writing of the Bond Trustee;
- (x) send to the Bond Trustee, not less than 14 days prior to which any such notice is to be given, for the Bond Trustee's prior approval a copy of the form of any notice to be given to the Covered Bondholders in accordance with Condition 13 (Notices) and, upon publication, two copies of such notice, such notice being in the form approved by the Bond Trustee (such approval not to be unreasonably withheld or delayed and, unless so expressed, not to constitute approval for the purposes of section 21 of the FSMA of a communication within the meaning of section 21);
- (xi) send or procure to be sent to the Bond Trustee at the time of delivery to the Bond Trustee of its report and accounts pursuant to sub-clause 15(a)(v) above and within 14 days after any request by the Bond Trustee, a certificate signed by one Authorised Signatory of BNZ-IF as Issuer or two Authorised Signatories of BNZ as Issuer or Guarantor or, as the case may be, of the Covered Bond Guarantor certifying that, to the best of its knowledge, information and belief, (A) during the period between the date as of which the last certificate was given (or, in case of the first such certificate, the date hereof) and the date as of which such certificate is given, the Issuer, the Guarantor or, as the case may be, the Covered Bond Guarantor has complied with its obligations under the Trust Presents and under the Agency Agreements and the other Programme Documents or (if such is not the case) giving details of the circumstances of such non-compliance and (B) without prejudice to the generality of this sub-clause 15(a)(xi) or sub-clause 15(a)(ii) above, there did not exist as at a date not more than 7 days prior to the date of delivery of the certificate, on the part of the Issuer, the Guarantor, or as the case may be, the Covered Bond Guarantor, any Issuer Event of Default or Potential Issuer Event of Default or Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default (as applicable) or, if any Issuer Event of Default or Potential Issuer Event of Default or Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default (as applicable) exists, giving details of the same;
- (xii) give prior notice to the Bond Trustee of any proposed redemption pursuant to Condition 6(b) (Redemption and Purchases – Redemption for Taxation Reasons), 6(c) (Redemption and Purchases – Redemption at the option of the Issuer (Issuer Call) or Condition 6(e) (Redemption due to illegality), and, if it shall have given notice to the relevant Covered Bondholders in accordance with the Conditions of its intention, duly proceed to redeem any relevant Covered Bonds accordingly;
- (xiii) in the event of the unconditional payment to the Principal Paying Agent or the Bond Trustee (in any case) of any sum due in respect of principal, redemption amount, premium (if any) and/or interest on the Covered Bonds of such Series or any of them being made after the due date for payment thereof, forthwith give or procure the Principal Paying Agent to give notice to the Covered Bondholders of such Series in accordance with Condition 13 (Notices) that such payment has been made;
- (xiv) if while any of the Covered Bonds remains outstanding payments by the Issuer, or as the case may be, the Guarantor shall become subject generally to the taxing jurisdiction of any territory or any authority or political sub-division therein or thereof having power to tax other than or in addition to the Tax Jurisdiction or any political sub-division thereof or by any authority therein or thereof having power to tax, unless the Bond Trustee otherwise

agrees, the Issuer or the Guarantor shall give to the Bond Trustee notice immediately upon becoming aware thereof and, as soon as practicable thereafter, an undertaking or covenant in form and substance and manner satisfactory to the Bond Trustee in terms corresponding to the relevant Condition 7 (Taxation) with the substitution for (or, as the case may be, addition to) the references therein to the Tax Jurisdiction or any political sub-division thereof or by any authority therein or thereof having power to tax of references to that other or additional territory or any authority or political sub-division therein or thereof having power to tax to whose taxing jurisdiction the Issuer or the Guarantor shall have become subject as aforesaid and, where such undertaking or covenant is provided, references in Condition 6(b) (Redemption and Purchase - Redemption for Taxation Reasons) to the Tax Jurisdiction or any political sub-division thereof or by any authority therein or thereof having power to tax shall be deemed to be amended accordingly;

- (xv) give or procure that there be given notice to the Covered Bondholders in accordance with the Conditions of any appointment (other than the initial appointment), resignation or removal of any Principal Paying Agent, Luxembourg Registrar, NZ Registrar, Exchange Agent, Transfer Agent or other Paying Agent as shown on the Covered Bonds or so published in accordance with the Conditions as soon as practicable after having obtained the written approval of the Bond Trustee thereto and in any event within 14 days after such event taking effect and within 30 days of notice received from the Principal Paying Agent, Luxembourg Registrar, NZ Registrar, Exchange Agent, Transfer Agent or other Paying Agent of a change in its specified office, give notice to the Bond Trustee and to the Covered Bondholders of such change PROVIDED ALWAYS THAT so long as any of the Covered Bonds remains outstanding in the case of the termination of the appointment of the Calculation Agent, the Exchange Agent or the Registrar or so long as any of the Covered Bonds, Receipts or Coupons remains liable to prescription in the case of the termination of the appointment of the Principal Paying Agent no such termination shall take effect until a new Principal Paying Agent, Exchange Agent, Registrar or Calculation Agent (as the case may be) has been appointed on terms previously approved in writing by the Bond Trustee and notice of such appointment has been given to the Covered Bondholders in accordance with Condition 13 (Notices);
- (xvi) in order to enable the Bond Trustee to ascertain the Principal Amount Outstanding of Covered Bonds of each Series for the time being outstanding (other than for the purpose of ascertaining the amount of Covered Bonds of each Series for the time being outstanding for the purpose of the Programme Limit), deliver to the Bond Trustee forthwith after being so requested in writing by the Bond Trustee a certificate in writing signed by an Authorised Signatory of the Issuer, the Guarantor or, as the case may be, the Covered Bond Guarantor setting out the total numbers and Principal Amount Outstanding of the Covered Bonds of each Series which up to and including the date of such certificate are held by or for the account of or the benefit of the Issuer, the Guarantor or the Covered Bond Guarantor, any Subsidiary or holding company of any of them or any other Subsidiary of any such holding company, in each case held by them as beneficial owner, and the Principal Amount Outstanding of the Covered Bonds of each Series purchased which have been cancelled;
- (xvii) use all reasonable endeavours to procure that Euroclear and/or Clearstream, Luxembourg and/or DTC and/or Austraclear New Zealand (as the case may be) issue(s) any record, certificate or other document requested by the Bond Trustee under Clause 17(ee) (Supplement to Trustee Acts) or otherwise as soon as practicable after such request;
- (xviii) notify or cause the Bond Trustee to be notified promptly upon the occurrence of a breach of the Asset Coverage Test or the Pre-Maturity Test or the Amortisation Test;

- (xix) conduct its affairs in a proper and efficient manner;
  - (xx) without prejudice to the provisions of Clause 2.1 (Amount of the Covered Bonds, Final Terms and Legal Opinions) hereof, procure the delivery of legal opinions addressed to the Bond Trustee dated the date of such delivery, in form and content acceptable to the Bond Trustee from Issuer's, the Guarantor's or the Covered Bond Guarantor's counsel on the date of any amendment to this Bond Trust Deed; and
  - (xxi) notify the Bond Trustee promptly of any change in the ratings assigned by the Rating Agencies to the Covered Bonds or any Series of Covered Bonds.
- (b) BNZ-IF hereby covenants with the Bond Trustee that, so long as any of the Covered Bonds issued by it remains outstanding, it will loan the proceeds from any issue of Covered Bonds to the Guarantor in accordance with the terms of its constitution.
- (c) The validity of the obligations set out in this Clause 15 shall not be affected by the timing of any distribution of Available Revenue Receipts under the Pre-Acceleration Revenue Priority of Payments.

## **16. REMUNERATION AND INDEMNIFICATION OF BOND TRUSTEE**

- 16.1 The Issuers (failing whom the Guarantor and, (i) if the Issuers or the Guarantor fails to pay any sum payable by them to the Bond Trustee or (ii) following an Issuer Event of Default and service of a Notice to Pay on the Covered Bond Guarantor or, if earlier, following a Covered Bond Guarantor Event of Default, the Covered Bond Guarantor), shall pay to the Bond Trustee, by way of remuneration for its services as Bond Trustee of the Trust Presents, such amount as shall be agreed from time to time by the Issuers, the Guarantor and the Bond Trustee. Such remuneration shall accrue from day to day and be payable (in priority to payments to Covered Bondholders, Receiptholders and Couponholders and any other Secured Creditors) up to and including the date when, all the Covered Bonds having become due for redemption, the redemption monies and interest thereon to the date of redemption have been paid to the relevant Principal Paying Agent or the Bond Trustee PROVIDED THAT if upon due presentation of any Covered Bond, Receipt or Coupon or any cheque payment of the monies due in respect thereof is improperly withheld or refused, remuneration will be deemed not to have ceased to accrue and will continue to accrue until payment to such Covered Bondholder, Receiptholder or Couponholder is duly made.
- 16.2 In the event of the occurrence of an Issuer Event of Default, Covered Bond Guarantor Event of Default, Potential Issuer Event of Default or Potential Covered Bond Guarantor Event of Default, the Bond Trustee considering it expedient or necessary or being requested by the Issuer, the Guarantor or the Covered Bond Guarantor (as the case may be) to undertake duties which the Bond Trustee and the Issuer, the Guarantor (in the case of Covered Bonds issued by BNZ-IF) or the Covered Bond Guarantor agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Bond Trustee under the Trust Presents, the Issuer (failing whom, the Guarantor (in the case of Covered Bonds issued by BNZ-IF)) or the Covered Bond Guarantor shall pay to the Bond Trustee such additional remuneration as shall be agreed between them.
- 16.3 The Issuers (failing whom the Guarantor (in the case of Covered Bonds issued by BNZ-IF) and, (i) if the Issuer or the Guarantor fails to pay any sum payable by them to the Bond Trustee or (ii) following an Issuer Event of Default and service of a Notice to Pay on the Covered Bond Guarantor or, if earlier, following a Covered Bond Guarantor Event of Default, the Covered Bond Guarantor) shall in addition pay to the Bond Trustee an amount equal to the amount of any value added tax or other similar tax chargeable in respect of its remuneration under the Trust Presents subject to receipt of a proper value added tax (or other similar tax) invoice.



- 16.4 In the event of the Bond Trustee, the relevant Issuer(s) and (where applicable) the Guarantor and the Covered Bond Guarantor failing to agree:
- (a) (in a case to which Clause 16.1 above (Remuneration and Indemnification of Bond Trustee) applies) upon the amount of the remuneration; or
  - (b) (in a case to which Clause 16.2 above (Remuneration and Indemnification of Bond Trustee) applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Bond Trustee under the Trust Presents, or upon such additional remuneration,

such matters shall be determined by a financial institution or person (acting as an expert and not as an arbitrator) selected by the Bond Trustee and approved by the relevant Issuer(s), (or as the case may be, the Guarantor or the Covered Bond Guarantor) or, failing such approval, nominated (on the application of the Bond Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such financial institution or person being payable by the relevant Issuer(s), (or as the case may be, the Guarantor or the Covered Bond Guarantor) and the determination of any such financial institution or person shall be final and binding upon the Bond Trustee and the Issuers, or the Guarantor and the Covered Bond Guarantor.

- 16.5 The relevant Issuer (failing whom the Guarantor (where the relevant Issuer is BNZ-IF), and (i) if the Issuer or the Guarantor fails to pay any sum payable by them to the Bond Trustee or (ii) following any Issuer Event of Default and service of a Notice to Pay on the Covered Bond Guarantor or, if earlier, following an Covered Bond Guarantor Event of Default, the Covered Bond Guarantor) shall also on written request, pay or discharge all Liabilities properly incurred by the Bond Trustee in relation to the negotiation, preparation and execution of the Trust Presents and the exercise of its powers and the performance of its duties under, and in any other manner in relation to, these Trust Presents, including but not limited to travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Bond Trustee in connection with any action taken or contemplated by or on behalf of the Bond Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, these Trust Presents.
- 16.6 Without prejudice to the right of indemnity by law given to trustees, each of the relevant Issuer, the Guarantor and the Covered Bond Guarantor shall indemnify the Trustee and every Appointee and keep it or him indemnified against all Liabilities to which it or he may be or become subject or which may be incurred by it or him in the preparation and execution or purported execution of any of its or his trusts, powers, authorities and discretions under these presents or its or his functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to these presents or any such appointment (including all Liabilities incurred in disputing or defending any of the foregoing).
- 16.7 All amounts payable pursuant to Clause 16.5 above (Remuneration and Indemnification of Bond Trustee) shall be payable on the date specified (which shall be a Business Day in London) in a demand by the Bond Trustee and in the case of payments actually made by the Bond Trustee prior to such demand shall carry interest at the rate of three per cent. per annum above the base rate (on the date on which payment was made by the Bond Trustee) of National Westminster Bank plc from the date such demand is made and in all other cases shall (if not paid within 30 days after the date of such demand, or if such demand specifies that payment is to be made on an earlier date, on such earlier date) carry interest at such rate from such thirtieth day or such other date specified in such demand. All remuneration payable to the Bond Trustee shall carry interest at such rate from the due date therefor.

- 16.8 Each of the Issuers and (where applicable) the Guarantor and the Covered Bond Guarantor hereby further undertakes to the Bond Trustee that all monies payable by an Issuer or, as the case may be, the Guarantor or the Covered Bond Guarantor to the Bond Trustee under this Clause 16 shall be made without set-off, counterclaim, deduction or withholding unless compelled by law in which event such Issuer or, as the case may be, the Guarantor or the Covered Bond Guarantor will pay such additional amounts as will result in the receipt by the Bond Trustee of the amounts which would otherwise have been payable by such Issuer or, as the case may be, the Guarantor or the Covered Bond Guarantor to the Bond Trustee under this Clause in the absence of any such set-off, counterclaim, deduction or withholding.
- 16.9 Unless otherwise specifically stated in any discharge of the Trust Presents the provisions of this Clause 16 (Remuneration and Indemnification of Bond Trustee) shall continue in full force and effect notwithstanding such discharge.
- 16.10 The Bond Trustee shall be entitled in its absolute discretion to determine in respect of which Series of Covered Bonds any Liabilities incurred under the Trust Presents have been incurred or to allocate any such Liabilities between the Covered Bonds of any Series.
- 16.11 Notwithstanding any other provision of the Trust Presents, the parties hereto acknowledge and agree that all such remuneration and any other amount or sum payable to the Bond Trustee by the Covered Bond Guarantor hereunder (unless otherwise paid to the Bond Trustee) shall be payable in accordance with the applicable Priorities of Payments.

## 17. SUPPLEMENT TO TRUSTEE ACTS

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Bond Trustee in relation to the trusts constituted by the Trust Presents. Where there are any inconsistencies between the Trustee Acts and the provisions of the Trust Presents, the provisions of the Trust Presents shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of the Trust Presents shall constitute a restriction or exclusion for the purposes of that Act. The Bond Trustee shall have all the powers conferred upon trustees by the Trustee Acts and by way of supplement thereto it is expressly declared as follows:

- (a) The Bond Trustee may in relation to the Trust Presents and the other Programme Documents rely and/or act on the advice or report or opinion of or any information obtained from any auditor, lawyer, valuer, accountant, surveyor, banker, professional adviser, broker, financial adviser, auctioneer or other expert whether obtained by an Issuer, the Guarantor, the Covered Bond Guarantor, a Paying Agent, the Security Trustee, the Bond Trustee or otherwise and whether or not addressed to the Bond Trustee notwithstanding that such advice, report, opinion, information, or any engagement letter or any other document entered into by the Bond Trustee and the relevant person in connection therewith, contains any monetary or other limit on the liability of the relevant person and the Bond Trustee shall not be responsible for any Liability occasioned by so acting or relying.
- (b) Any such advice, opinion or information may be sent or obtained by letter, telex, telegram, email, facsimile transmission or cable and the Bond Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telex, telegram, email, facsimile transmission or cable although the same shall contain some error or shall not be authentic.
- (c) The Bond Trustee may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing a certificate signed by an Authorised Signatory of the Issuer or, as the case may be, of the Guarantor or of the Covered

Bond Guarantor and the Bond Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by it or any other person acting on such certificate.

- (d) The Bond Trustee shall be at liberty to hold the Trust Presents and any other documents relating thereto or to deposit them in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Bond Trustee to be of good repute and the Bond Trustee shall not be responsible for or required to insure against any Liability incurred in connection with any such holding or deposit and may pay all sums required to be paid on account of or in respect of any such deposit.
- (e) The Bond Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Covered Bonds by the relevant Issuer, the exchange of any Global Covered Bond for another Global Covered Bond or Definitive Covered Bonds or the delivery of any Global Covered Bond or Definitive Covered Bonds to the person(s) entitled to it or them.
- (f) The Bond Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to in the Trust Presents or to take any steps to ascertain whether any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default or any breach of the Asset Coverage Test, Pre-Maturity Test or Amortisation Test has occurred and, until it shall have actual knowledge or express notice pursuant to the Trust Presents to the contrary, the Bond Trustee shall be entitled to assume that no Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default, Potential Covered Bond Guarantor Event of Default, breach of the Asset Coverage Test, Pre-Maturity Test or Amortisation Test has occurred and that any of the relevant Issuers, the Guarantor and the Covered Bond Guarantor and each of the other parties to the Programme Documents (other than the Bond Trustee) is observing and performing all its obligations under the Trust Presents and the other Programme Documents.
- (g) Save as expressly otherwise provided in the Trust Presents, the Bond Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions under the Trust Presents (the exercise or non-exercise of which as between the Bond Trustee and the Covered Bondholders, the Receiptholders and the Couponholders shall be conclusive and binding on the Covered Bondholders, the Receiptholders and the Couponholders) and shall not be responsible for any Liability which may result from their exercise or non-exercise and in particular the Bond Trustee shall not be bound to act at the request or direction of the Covered Bondholders or otherwise under any provision of the Trust Presents or to take at such request or direction or otherwise any other action under any provision of the Trust Presents, without prejudice to the generality of Clause 10 (Proceedings, Action and Indemnification), unless it shall first be indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing.
- (h) The Bond Trustee shall not be liable to any person by reason of having acted upon any Extraordinary Resolution in writing or any Extraordinary Resolution or other resolution purporting to have been passed at any meeting of Covered Bondholders of all or any Series in respect whereof minutes have been made and signed or any direction or request of the Covered Bondholders of all or any Series even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution, (in the case of an Extraordinary Resolution in writing) that not all such Covered

Bondholders had signed the Extraordinary Resolution or (in the case of a direction or request) it was not signed by the requisite number of Covered Bondholders or that for any reason the resolution, direction or request was not valid or binding upon such Covered Bondholders and the relative Receiptholders and Couponholders.

- (i) The Bond Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Covered Bond, Receipt or Coupon purporting to be such and subsequently found to be forged or not authentic.
- (j) Any consent or approval given by the Bond Trustee for the purposes of the Trust Presents may be given on such terms and subject to such conditions (if any) as the Bond Trustee thinks fit and notwithstanding anything to the contrary in the Trust Presents may be given retrospectively.
- (k) The Bond Trustee shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be required to disclose to any Covered Bondholder, Receiptholder, Couponholder or any other Secured Creditor any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Bond Trustee by the Issuer, the Guarantor, the Covered Bond Guarantor or any other person in connection with the Trust Presents and no Covered Bondholder, Receiptholder, Couponholder or other Secured Creditor shall be entitled to take any action to obtain from the Bond Trustee any such information.
- (l) Where it is necessary or desirable for any purpose in connection with the Trust Presents to convert any sum from one currency to another it shall (unless otherwise provided by the Trust Presents or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Bond Trustee in consultation with the relevant Issuer, the Guarantor or the Covered Bond Guarantor (as the case may be) and any rate, method and date so agreed shall be binding on the relevant Issuer, the Guarantor, the Covered Bond Guarantor, the Covered Bondholders, the Receiptholders, the Couponholders.
- (m) The Bond Trustee may certify whether or not any of the conditions, events and acts set out in Condition 9(a)(iii), (iv), (v), (vi), (vii), (ix) or (x) inclusive (Events of Default and Enforcement - Issuer Events of Default) and Condition 9(b)(ii) (Events of Default and Enforcement - Covered Bond Guarantor Events of Default) (each of which conditions, events and acts shall, unless in any case the Bond Trustee in its absolute discretion shall otherwise determine, for all the purposes of the Trust Presents be deemed to include the circumstances resulting therein and the consequences resulting there from) is in its opinion materially prejudicial to the interests of the Covered Bondholders of any Series and any such certificate shall be conclusive and binding upon the relevant Issuer, the Guarantor, the Covered Bond Guarantor, the Covered Bondholders, the Receiptholders and the Couponholders.
- (n) The Bond Trustee as between itself and the Covered Bondholders, the Receiptholders and the Couponholders may determine all questions and doubts arising in relation to any of the provisions of the Trust Presents. Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Bond Trustee, shall be conclusive and shall bind the Bond Trustee and the Covered Bondholders, the Receiptholders, the Couponholders.
- (o) In connection with the exercise by it of any of its trusts, powers, authorities or discretions under the Trust Presents (including, without limitation, any modification, waiver, authorisation or determination), the Bond Trustee shall have regard to the interests of the

Covered Bondholders of each Series as a class (but shall not have regard to any interests arising from circumstances particular to individual Covered Bondholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Covered Bondholders, Receiptholders and Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Bond Trustee shall not be entitled to require, nor shall any Covered Bondholder, Receiptholder or Couponholder be entitled to claim, from the relevant Issuer, the Guarantor, the Covered Bond Guarantor, the Bond Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Covered Bondholders, Receiptholders and/or Couponholders, except to the extent already provided for in Condition 7 (Taxation) and/or in any undertaking or covenant given in addition thereto or in substitution therefor under the Trust Presents.

- (p) Any trustee of the Trust Presents being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual and proper professional and other charges for business transacted and acts done by him or his firm in connection with the trusts of the Trust Presents or any other of the Programme Documents to which the Bond Trustee is a party and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with the Trust Presents including without limitation any matters which might or should have been attended to in person by a trustee not being a lawyer, accountant, banker or other professional person.
- (q) The Bond Trustee may whenever it thinks fit delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of the Trust Presents or not) all or any of its trusts, powers, authorities and discretions under the Trust Presents. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Bond Trustee may in the interests of the Covered Bondholders think fit. Provided the Bond Trustee has exercised reasonable care in the selection of any such delegate, the Bond Trustee shall not be under any obligation to supervise the proceedings or acts of any such delegate or sub-delegate or be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate. The Bond Trustee shall within a reasonable time after any such delegation or any renewal, extension or termination thereof give notice thereof to the Issuers and the Guarantor.
- (r) The Bond Trustee may in the conduct of the trusts of the Trust Presents instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with the Trust Presents (including the receipt and payment of money). The Bond Trustee shall not be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent.
- (s) The Bond Trustee shall not be responsible to any person for failing to request, require or receive any legal opinion relating to the Covered Bonds or for checking or commenting upon the content of any such legal opinion and shall not be responsible for any Liability incurred thereby.
- (t) The Bond Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of the Trust

Presents and the Programme Documents or any other document relating or expressed to be supplemental thereto and shall not be liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of the Trust Presents and the Programme Documents or any other document relating or expressed to be supplemental thereto.

- (u) The Bond Trustee shall not be bound to take any action in connection with the Trust Presents or any obligations arising pursuant thereto, including, without prejudice to the generality of the foregoing, forming any opinion or employing any financial adviser, where it is not reasonably satisfied that the relevant Issuer and/or (if applicable) the Guarantor and/or the Covered Bond Guarantor will be able to indemnify it against all Liabilities which may be incurred in connection with such action and may demand prior to taking any such action that there be paid to it in advance such sums as it reasonably considers (without prejudice to any further demand) shall be sufficient so to indemnify it and on such demand being made the relevant Issuer (failing whom the Guarantor, and following an Issuer Event of Default and the service of an Issuer Acceleration Notice and a Notice to Pay on the Covered Bond Guarantor or, if earlier, following a Covered Bond Guarantor Event of Default and the service of a Covered Bond Guarantee Acceleration Notice, the Covered Bond Guarantor) shall be obliged to make payment of all such sums in full.
- (v) No provision of the Trust Presents shall require the Bond Trustee to do anything which may (i) be illegal or contrary to applicable law or regulation; or (ii) cause it to expend or risk its own funds or otherwise incur any Liability in the performance of any of its duties or in the exercise of any of its rights, powers or discretions, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or Liability is not assured to it.
- (w) The Bond Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trusts constituted by the Trust Presents as the Bond Trustee may determine, including for the purpose of depositing with a custodian the Trust Presents or any document relating to the trusts constituted by the Trust Presents and the Bond Trustee shall not be responsible for any Liability incurred by reason of the misconduct, omission or default on the part of any such person appointed by it hereunder or be bound to supervise the proceedings or acts of such person. The Bond Trustee is not obliged to appoint a custodian if the Bond Trustee invests in securities payable to bearer.
- (x) Any corporation into which the Bond Trustee shall be merged or with which it shall be consolidated or any company resulting from any such merger or consolidation and any corporation to which the Bond Trustee shall sell or otherwise transfer all or substantially all of its assets or any corporation to which the Bond Trustee shall sell or otherwise transfer all or substantially all of its corporate trust business shall be a party hereto and shall be the Bond Trustee under these presents without executing or filing any paper or document or any further act on the part of the parties thereto.
- (y) Unless notified to the contrary, the Bond Trustee shall be entitled to assume without enquiry (other than requesting a certificate pursuant to sub-clause 15(a)(xvi) (Covenants by the Issuer, the Guarantor and the Covered Bond Guarantor)) that no Covered Bonds are held by, for the benefit of, or on behalf of, the relevant Issuer, the Guarantor, the Covered Bond Guarantor, any Subsidiary of any of them or any holding company of any of them or any other Subsidiary of any such holding company, in each case as beneficial owner.

- (z) The Bond Trustee shall have no responsibility whatsoever to the relevant Issuer, the Guarantor, the Covered Bond Guarantor, any Covered Bondholder, Receiptholder or Couponholder or any other person for the maintenance of or failure to maintain any rating of any of the Covered Bonds by any Rating Agency.
- (aa) The Bond Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in the Trust Presents, or any other agreement or document relating to the transactions contemplated in the Trust Presents or under such other agreement or document.
- (bb) The Bond Trustee shall not be liable or responsible for any Liabilities or inconvenience which may result from anything done or omitted to be done by it in accordance with the provisions of the Trust Presents.
- (cc) The Bond Trustee will not be responsible for any loss, expense or liability, which may be suffered as a result of any Mortgage Loans or Related Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Bond Trustee. The Bond Trustee will not be responsible for: (i) supervising the performance by the Issuers, the Guarantor or any other party to the Programme Documents of their respective obligations under the Programme Documents and the Bond Trustee will be entitled to assume, until they each have received written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Programme Documents under the Programme Documents; (iii) monitoring the Mortgage Loan Portfolio, including, without limitation, whether the Mortgage Loan Portfolio is in compliance with the Asset Coverage Test, the Pre-Maturity Test or the Amortisation Test; or (iv) monitoring whether Mortgage Loans and Related Security satisfy the Eligibility Criteria. The Bond Trustee will not be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent chargee in relation to the Security and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Programme Documents.
- (dd) Where under the Trust Presents, the Bond Trustee or the Security Trustee is required to consider whether any event or the exercise by it of any of its powers, authorities or discretions is or will be materially prejudicial to the interests of the Covered Bondholders of one or more Series, the Bond Trustee or the Security Trustee shall be entitled to call for and rely and act upon the advice or opinion of any reputable financial or other adviser (whether or not such financial adviser shall be a Secured Creditor or otherwise party to any Programme Document) and if relied upon by the Bond Trustee or the Security Trustee shall be binding on the Covered Bondholders, Couponholders and Receiptholders of all Series and neither the Bond Trustee nor the Security Trustee shall incur any Liability by reason of so acting or relying.
- (ee) The Bond Trustee may call for and shall rely on any records, certificate or other document of or to be issued by Euroclear or Clearstream, Luxembourg in relation to any determination of the principal amount of Covered Bonds represented by a NGCB. Any such records, certificate or other document shall be conclusive and binding for all purposes. The Bond Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any such records, certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic.

- (ff) The Bond Trustee shall not be bound to take any step or action in connection with this Bond Trust Deed or the Covered Bonds or obligations arising pursuant thereto, including, without prejudice to the generality of the foregoing, forming an opinion or employing any financial adviser, where it is not reasonably satisfied that it is indemnified and/or secured against all its liabilities and costs incurred in connection with such step or action and may demand prior to taking any such step or action that there be paid to it in advance such sums as it reasonably considers (without prejudice to any further demand) shall be sufficient so to indemnify it.
- (gg) In exercising or performing any of its discretions, rights, powers, trusts or duties under or in relation to these presents or any other Programme Document (including, without limitation, any consent, approval, modification, waiver, authorisation or determination referred to in Clauses 20 (Waiver, Authorisation and Determination) and 21 (Modification)), the Bond Trustee may have regard to and rely, without liability on any Rating Affirmation Notice and whether or not any such notice is addressed to, or provides that it may be relied on by, the Bond Trustee and irrespective of the method by which such confirmation is conveyed.

In the event that the Bond Trustee is required to instruct the Security Trustee, the Bond Trustee shall do so (save where expressly provided otherwise) in its absolute discretion subject to and in accordance with these presents or if so requested in writing by the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series and, if the nominal amount of the Covered Bonds is not denominated in NZ Dollars, converted into NZ Dollars at the relevant Swap Rate) or directed by an Extraordinary Resolution of the holders of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series and, if the nominal amount of the Covered Bonds is not denominated in NZ dollars, converted into NZ dollars at the relevant Swap Rate) subject in each case to the Bond Trustee being indemnified and/or secured and/or prefunded to its satisfaction following any instructions given to the Security Trustee from the Bond Trustee, the Bond Trustee shall have no obligation to monitor the performance of the Security Trustee and shall have no liability to any person for the performance or non-performance of the Security Trustee.

If, in connection with the exercise of its powers, trusts, authorities or discretions the Bond Trustee is of the opinion that the interests of the Covered Bondholders of any one or more series would be materially prejudiced thereby, the Bond Trustee shall not exercise such power, trust, authority or discretion without the approval of such Covered Bondholders of the relevant Series by Extraordinary Resolution or by a discretion in writing of such Covered Bondholders of at least 25 per cent. of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding or as otherwise required under the Programme Documents.

- (hh) Notwithstanding any provision of these presents or any other Programme Document, the Bond Trustee shall have no responsibility for the adequacy or sufficiency of, or any deterioration in the value, of the Mortgage Loan Portfolio or the Mortgage Loans and their Related Security comprised in the Mortgage Loan Portfolio, neither shall it be obliged to monitor the performance of the Mortgage Loans and their Related Security or be responsible for monitoring whether or not the best price has been achieved for the sale of Mortgage Loans (including Selected Mortgage Loans) and their Related Security (and any other related rights under the same) by or on behalf of the Covered Bond Guarantor or otherwise pursuant to the Programme Documents or whether or not any such sale has been effected on terms commercially available in the market or effected in a timely manner. The Bond



Trustee shall not be liable to any Transaction Party or Secured Creditor, including the Covered Bondholders, or any other person for any loss occasioned thereby.

- (ii) The Bond Trustee shall be entitled to rely on any certificate as to any matter certified therein given by a person reasonably believed by the Bond Trustee to have the requisite knowledge to give the same.

## **18. BOND TRUSTEE'S LIABILITY**

Nothing in the Trust Presents shall in any case in which the Bond Trustee has failed to show the degree of care and diligence required of it as trustee having regard to the provisions of the Trust Presents conferring on it any trusts, powers, authorities or discretions relieve or indemnify the Bond Trustee against any liabilities which by virtue of any rule of law would otherwise attach to it in respect of any gross negligence, wilful default or breach of trust which it may have committed in relation to its duties under the Trust Presents.

## **19. BOND TRUSTEE CONTRACTING WITH THE ISSUER, THE GUARANTOR AND THE COVERED BOND GUARANTOR**

Neither the Bond Trustee nor any director or officer or holding company, Subsidiary or associated company of a corporation acting as a trustee under the Trust Presents shall by reason of its or his fiduciary position be in any way precluded from:

- (a) entering into or being interested in any contract or financial or other transaction or arrangement with any Issuer, the Guarantor or the Covered Bond Guarantor or any of their respective Subsidiaries and affiliates (including without limitation any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Covered Bonds or any other covered bonds, bonds, stocks, shares, debenture stock, debentures or other securities of, the Issuer, the Guarantor, the Covered Bond Guarantor or any of their respective Subsidiaries or affiliates); or
- (b) accepting or holding the trusteeship of any other trust deed constituting or securing any other securities issued by or guaranteed by, or relating to the relevant Issuer, the Guarantor or the Covered Bond Guarantor or any of their respective Subsidiaries or affiliates, or any other office of profit under the Issuer, the Guarantor or the Covered Bond Guarantor or any of their respective Subsidiaries or affiliates,

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in Clause 19(a) above or, as the case may be, any such trusteeship or office of profit as is referred to in this Clause 19(b) above without regard to the interests of, or consequences for the Covered Bondholders, Receiptholders or Couponholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Covered Bondholders and shall not be responsible for any Liability occasioned to the Covered Bondholders, Receiptholders or Couponholders or any other person thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

Where any holding company, Subsidiary or associated company of the Bond Trustee or any director or officer of the Bond Trustee acting other than in his capacity as such a director or officer has any

information, the Bond Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have actual knowledge of such information, shall not be responsible for any loss suffered by Covered Bondholders resulting from the Bond Trustee's failing to take such information into account in acting or refraining from acting under or in relation to the Trust Presents.

## **20. WAIVER, AUTHORISATION AND DETERMINATION**

- 20.1 The Bond Trustee may without the consent of any of the Covered Bondholders of any Series, the related Receiptholders and/or Couponholders or any other Secured Creditor and without prejudice to its rights in respect of any subsequent breach, Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default from time to time and at any time but only if and insofar as in its opinion the interests of the Covered Bondholders of any Series shall not be materially prejudiced thereby, waive or authorise or direct the Security Trustee to waive or authorise any breach or proposed breach by an Issuer, the Guarantor and/or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in the Trust Presents or the other Programme Documents or the Conditions or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default shall not be treated as such for the purposes of the Trust Presents PROVIDED ALWAYS THAT the Bond Trustee shall not exercise any powers conferred on it by this Clause 20 (Waiver, Authorisation and Determination) in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 9 (Events of Default and Enforcement) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, shall be binding on the Covered Bondholders, the related Receiptholders and/or the Couponholders and, if, but only if, the Bond Trustee shall so require, shall be notified by an Issuer, the Guarantor or the Covered Bond Guarantor to the Covered Bondholders in accordance with Condition 13 (Notices) as soon as practicable thereafter.
- 20.2 Subject as provided below, the Bond Trustee shall be bound to waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by an Issuer, the Guarantor or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in the Trust Presents or the other Programme Documents or the Conditions or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default shall not be treated as such for the purposes of the Trust Presents if it is: (i) in the case of any such waiver or authorisation, (a) so directed by Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series with the Covered Bonds of all such Series taken together as a single Series (as determined in accordance with the provisions of paragraph 22 of Schedule 4 and, if applicable, converted into NZ Dollars at the relevant Swap Rate) or (b) requested to do so in writing by the holders of not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series as determined in accordance with paragraph 22 of Schedule 4 and, if applicable, converted into NZ Dollars at the relevant Swap Rate) or (ii), in the case of any such determination, (a) so directed by an Extraordinary Resolution (of the Covered Bondholders of all Series then outstanding with the Covered Bonds of all Series as a single Series and, if applicable, converted into NZ Dollars at the relevant Swap Rate) or (b) requested to do so in writing by the holders of not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series and, if applicable, converted into NZ Dollars as aforesaid), and at all times then only if it shall be indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

- 20.3 Prior to the Bond Trustee and/or the Security Trustee making or granting any waiver, authorisation or determination pursuant to this Clause 20, or any modification pursuant to Clause 21 the Guarantor must send written confirmation to the Bond Trustee and Security Trustee that:
- (a) any such waiver, authorisation or determination would not require the RBNZ to be notified; or
  - (b) if such waiver, authorisation or determination would require the RBNZ to be notified, the Guarantor has provided all information required to be provided to the RBNZ and, if consent or confirmation of non-objection is required, the RBNZ has given its consent or confirmed its non-objection to the proposed waiver, authorisation or determination

## 21. MODIFICATION

- 21.1 Subject to Clause 21.2 (Modification) the Bond Trustee may, without the consent or sanction of any of the Covered Bondholders of any Series, the related Receiptholders and/or the Couponholders and without the consent of the other Secured Creditors (other than any Secured Creditors who is party to the relevant document) at any time and from time to time concur with the relevant Issuer, the Guarantor (in the case of Covered Bonds issued by BNZ-IF), the Covered Bond Guarantor (or the Trust Manager on its behalf) and any other party, and/or direct the Security Trustee to concur with the Issuers, the Guarantor, the Covered Bond Guarantor or any other party in making (a) any modification (other than in relation to a Series Reserved Matter) to the Covered Bonds of one or more Series, the related Receipts and/or Coupons or any Programme Document provided that in the opinion of the Bond Trustee such modification is not materially prejudicial to the interests of the Covered Bondholders of any Series; or (b) any modification to the Covered Bonds of any one or more Series, the related Receipts and/or Coupons or any Programme Document which is, in the opinion of the Bond Trustee, of a formal, minor or technical nature or is in the opinion of the Bond Trustee made to correct a manifest error or to comply with mandatory provisions of law (and for this purpose the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter). Any such modification may be made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, shall be binding upon the Covered Bondholders, the related Receiptholders and/or the Couponholders and, unless the Bond Trustee otherwise agrees, shall be notified by the relevant Issuer, the Guarantor or the Covered Bond Guarantor (or the Trust Manager on its behalf) (as the case may be) to the Covered Bondholders in accordance with Condition 13 (Notices) and to the Rating Agencies as soon as practicable thereafter.
- 21.2 Subject to Clause 21.3 (Modification), the Bond Trustee shall be bound to concur with the Issuer and the Guarantor (in the case of Covered Bonds issued by BNZ-IF) and the Covered Bond Guarantor (or the Trust Manager on its behalf) and any other party in making any of the above-mentioned modifications and/or direct the Security Trustee to make any of the above mentioned modifications if it is (a) so directed by an Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series with the Covered Bonds of all such Series taken together as a single Series (as determined in accordance with the provisions of paragraph 22 of Schedule 4 and, if applicable, converted into NZ Dollars at the relevant Swap Rate) or (b) requested to do so in writing by Covered Bondholders holding not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series as determined in accordance with the provisions of paragraph 22 of Schedule 4 and, if applicable, converted into NZ Dollars at the relevant Swap Rate) then outstanding and at all times then only if it shall first be indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.
- 21.3 The Bond Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Bond Trustee would have the effect of (a) exposing the Bond Trustee to any liability against which it

has not been indemnified and/or secured and/or pre-funded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, of the Bond Trustee in the Programme Documents and/or the Conditions.

- 21.4 Subject to Clause 20.3, the Bond Trustee shall be obliged to concur in and to effect any modifications to the Programme Documents that are requested by the Covered Bond Guarantor or the Trust Manager to accommodate the accession of a new Servicer, new Swap Provider or new Agent to the Programme provided that:
- (a) each of the Swap Providers provide written confirmation to the Bond Trustee consenting to such modification of those documents to which they are a party (such consent not to be unreasonably withheld);
  - (b) the Covered Bond Guarantor or the Trust Manager, as the case may be, has certified to the Bond Trustee and Security Trustee in writing that such modifications are required in order to accommodate the addition of the new Servicer, new Swap Provider or new Agent to the Programme; and
  - (c) all other conditions precedent to the accession of the new Servicer, new Swap Provider or new Agent to the Programme set out in the Programme Documents have been satisfied at the time of the accession.

## 22. SUBSTITUTION

22.1 The Bond Trustee may without the consent of the Covered Bondholders, Receiptholders or Couponholders at any time agree with the relevant Issuer and (in the case of Covered Bonds issued by BNZ-IF) the Guarantor to the substitution in place of the relevant Issuer (or of the previous substitute under this Clause 22.1 (Substitution)) as the principal debtor under the Covered Bonds, Receipts, Coupons and the Trust Presents of any Subsidiary of the relevant Issuer or (in the case of Covered Bonds issued by BNZ-IF) the Guarantor (such substituted company being hereinafter called the **New Company**) provided that a trust deed is executed or some other form of undertaking is given by the New Company in form and manner satisfactory to the Bond Trustee, agreeing to be bound by the provisions of the Trust Presents with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the New Company had been named in the Trust Presents as the principal debtor in place of the relevant Issuer (or of the previous substitute under this Clause 22.1 (Substitution)) and provided further that (where the relevant Issuer is BNZ-IF but save where the New Company is the Guarantor) all amounts payable under the Trust Presents remain or are unconditionally and irrevocably guaranteed by the Guarantor, in each case to the satisfaction of the Bond Trustee.

22.2 The following further conditions shall apply to Clause 22.1 (Substitution) above:

- (a) the relevant Issuer, (in the case of Covered Bonds issued by BNZ-IF) the Guarantor and the New Company shall comply with such other requirements as the Bond Trustee may direct in the interests of the Covered Bondholders;
- (b) where the New Company is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to any tax jurisdiction, undertakings or covenants shall be given by the New Company in terms corresponding to the provisions of Condition 7 (Taxation) with the substitution for (or, as the case may be, the addition to) the references to the tax jurisdiction of references to that other or additional territory in which the New Company is incorporated, domiciled or resident or to whose

taxing jurisdiction it is subject and (where applicable) Condition 6(b) (Redemption and Purchase - Redemption for Taxation Reasons) shall be modified accordingly;

- (c) without prejudice to the rights of reliance of the Bond Trustee under the immediately following paragraph (d), the Bond Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Covered Bondholders;
- (d) if two directors of the New Company (or other officers acceptable to the Bond Trustee) shall certify that the New Company is solvent both at the time at which the relevant transaction is proposed to be effected and immediately thereafter (which certificate the Bond Trustee may rely upon absolutely without liability to any person) the Bond Trustee shall not be under any duty to have regard to the financial condition, profits or prospects of the New Company or to compare the same with those of the relevant Issuer or the previous substitute under this Clause 22.1 (Substitution) as applicable.

Any such trust deed or undertaking shall, if so expressed, operate to release the relevant Issuer or the previous substitute as aforesaid from all of its obligations as principal debtor under the Trust Presents. Not later than 14 days after the execution of such documents and compliance with such requirements, the New Company shall give notice thereof in a form previously approved by the Bond Trustee to the Covered bondholders in the manner provided in Condition 13 (Notices). Upon the execution of such documents and compliance with such requirements, the New Company shall be deemed to be named in the Trust Presents as the principal debtor in place of the relevant Issuer (or in place of the previous substitute under this Clause 22.1 (Substitution)) under the Trust Presents and the Trust Presents shall be deemed to be modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in the Trust Presents to the relevant Issuer shall, unless the context otherwise requires, be deemed to be or include references to the New Company.

22.3 In connection with any scheme of amalgamation or reconstruction of the relevant Issuer, or, as the case may be, the Guarantor not involving the bankruptcy or insolvency of the relevant Issuer or, as the case may be, the Guarantor and (a) where the relevant Issuer or, as the case may be, the Guarantor does not survive the amalgamation or reconstruction or (b) where all or substantially all of the assets and business of the relevant Issuer or the Guarantor, as the case may be, will be disposed of to, or succeeded to, by another entity (whether by operation of law or otherwise), the Bond Trustee shall, if requested by the relevant Issuer and (where applicable) the Guarantor, be obliged, without the consent of the Covered Bondholders, the Receiptholders or the Couponholders, at any time to agree with the relevant Issuer and (in the case of Covered Bonds issued by BNZ-IF) the Guarantor to the substitution in place of the relevant Issuer (or of the previous substitute under this Clause 22.3 (Substitution)) as the principal debtor under the Trust Presents or the Guarantor (in the case of Covered Bonds issued by BNZ-IF) as guarantor of Covered Bonds issued by BNZ-IF (or of the previous substitute under this Clause 22.3 (Substitution)) of any other company (the **Substituted Debtor**) being the entity with and into which the relevant Issuer or the Guarantor, as the case may be, amalgamates or the entity to which all or substantially all of the business and assets of the relevant Issuer or the Guarantor, as the case may be, is transferred or succeeded to pursuant to such scheme of amalgamation or reconstruction (whether by operation of law or otherwise) provided that:

- (a) a supplemental trust deed is executed or some other form of undertaking is given by the Substituted Debtor in form and manner satisfactory to the Bond Trustee, agreeing to be bound by the provisions of the Trust Presents with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the Substituted Debtor had been named in the Trust Presents as the principal debtor in place of the relevant Issuer (or of the previous substitute under this Clause 22.3 (Substitution)) or (in the case of Covered Bonds issued by

BNZ-IF) of the guarantor in place of the Guarantor (or any previous substitute under this Clause 22.3 (Substitution));

- (b) the Substituted Debtor acquires or succeeds to pursuant to such scheme of amalgamation or reconstruction all or substantially all of the assets and business of the relevant Issuer or the Guarantor, as the case may be;
- (c) where the Substituted Debtor is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to any tax jurisdiction, undertakings or covenants are given by the Substituted Debtor in terms corresponding to the provisions of Condition 7 (Taxation) with the substitution for (or, as the case may be, the addition to) the references to the tax jurisdiction of references to that other or additional territory in which the Substituted Debtor is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and (where applicable) Condition 6(b) (Redemption and Purchase - Redemption for Taxation Reasons) shall be modified accordingly;
- (d) two directors of the Substituted Debtor (or other officers acceptable to the Bond Trustee) certify that the Substituted Debtor is solvent both at the time at which the relevant transaction is proposed to be effected and immediately thereafter;
- (e) the Covered Bond Guarantee shall remain in place or be modified to apply *mutatis mutandis* and shall constitute in full force and effect in relation to the obligations of any Substituted Debtor;
- (f) confirmations are received by the Bond Trustee from each of the Rating Agencies confirming that the substitution will not adversely affect the rating of the Covered Bonds;
- (g) (in the case of the substitution of BNZ-IF) the obligations of the Substituted Debtor are or remain guaranteed by the Guarantor on the terms set out in the Trust Presents;
- (h) The Issuer, Guarantor and the Covered Bond Guarantor, shall deliver to the Bond Trustee legal opinions obtained from lawyers of international repute in (a) England and Wales and (b) the jurisdiction of incorporation of the Substituted Debtor in form and substance satisfactory to the Bond Trustee.

Any such trust deed or undertaking shall, if so expressed, operate to release the relevant Issuer or the Guarantor, as the case may be, or in either case the previous substitute as aforesaid from all of its obligations as principal debtor or guarantor, as the case may be, under the Trust Presents. Not later than 14 days after the execution of such documents and compliance with such requirements, the Substituted Debtor shall give notice thereof in a form previously approved by the Bond Trustee to the Covered Bondholders in the manner provided in Condition 13 (Notices). Upon the execution of such documents and compliance with such requirements, the Substituted Debtor shall be deemed to be named in the Trust Presents as the principal debtor in place of the relevant Issuer or, as the case may be, as the guarantor in place of the Guarantor (or in either case in place of the previous substitute under this Clause 22.3 (Substitution)) under the Trust Presents and the Trust Presents shall be deemed to be modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in the Trust Presents to the relevant Issuer or, as the case may be, the Guarantor shall, unless the context otherwise requires, be deemed to be or include references to the Substituted Debtor.

**23. BREACH**

Any breach of or failure to comply by an Issuer, the Guarantor and/or the Covered Bond Guarantor with any such terms and conditions as are referred to in Clauses 20 (Waiver, Authorisation and Determination) or 21 (Modification) or 22 (Substitution) shall constitute a default by the Issuer, the Guarantor or the Covered Bond Guarantor in the performance or observance of a covenant or provision binding on it under or pursuant to the Trust Presents.

**24. HOLDER OF BEARER DEFINITIVE COVERED BOND ASSUMED TO BE RECEIPTHOLDER AND COUPONHOLDER**

Wherever in the Trust Presents the Bond Trustee is required or entitled to exercise a power, trust, authority or discretion under the Trust Presents, except as ordered by a court of competent jurisdiction or as required by applicable law, the Bond Trustee shall, notwithstanding that it may have express notice to the contrary, assume that each holder of a Bearer Definitive Covered Bond is the holder of all Receipts and Coupons appertaining to such Bearer Definitive Covered Bond.

**25. NO NOTICE TO RECEIPTHOLDERS OR COUPONHOLDERS**

Neither the Bond Trustee, the relevant Issuer nor the Guarantor shall be required to give any notice to the Receiptholders or Couponholders for any purpose under the Trust Presents and the Receiptholders or Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Covered Bonds in accordance with Condition 13 (Notices).

**26. EXCHANGE RATE INDEMNITY**

26.1 If a judgment or order is rendered by a court of any particular jurisdiction for the payment of any amounts owing to the Bond Trustee or the Covered Bondholders, Receiptholders or Couponholders under the Trust Presents, the Covered Bonds, the Receipts or the Coupons, or under a judgment or order of a court of any other jurisdiction in respect thereof or for the payment of damages in respect of either thereof, and any such judgment or order is expressed in a currency (the **Judgment Currency**) other than the currency of the relevant Covered Bonds (the **Contractual Currency**), the Issuer, the Guarantor and the Covered Bond Guarantor shall indemnify and hold the Bond Trustee and the Covered Bondholders and Couponholders harmless against any deficiency arising or resulting from any variation in rates of exchange between the Judgment Currency and the Contractual Currency occurring between: (a) the date on which any amount expressed in the Contractual Currency is converted, for the purposes of making or filing any claim resulting in any such judgment or order, into an equivalent amount in the Judgment Currency; and (b) the date or dates of payment of such amount (or part thereof), or of discharge of such first-mentioned judgment or order (or part thereof), as appropriate.

26.2 The above indemnities shall constitute separate and independent obligations of the Issuer, the Guarantor and the Covered Bond Guarantor from their other obligations under the Trust Presents, shall give rise to separate and independent causes of action, shall apply irrespective of any indulgence granted by the Bond Trustee or the Covered Bondholders, Receiptholders or Couponholders from time to time and shall continue in full force and effect notwithstanding any judgment. Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Bond Trustee and the Covered Bondholders, Receiptholders and Couponholders, and no proof or evidence of any actual loss shall be required by the Issuer, the Guarantor, the Covered Bond Guarantor or its or their liquidator(s).

26.3 In the case of Clause 26.1 above, if (upon such payment or discharge as is therein referred to) the Covered Bondholders, Receiptholders or Couponholders would on conversion to the Contractual

Currency receive an amount in excess of the sum due in the Contractual Currency, the Covered Bondholders or, as the case may be, the Receiptholders or Couponholders shall hold such excess to the order of the Issuer, the Guarantor or the Covered Bond Guarantor, as the case may be.

## **27. NEW BOND TRUSTEE**

The power to appoint a new bond trustee of the Trust Presents shall, subject to Clause 29 (Bond Trustee's Retirement and Removal), be vested solely in the Issuer, the Guarantor and the Covered Bond Guarantor jointly but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution of the Covered Bondholders of all Series taken together as a single Series. One or more persons may hold office as bond trustee or bond trustees of the Trust Presents but such bond trustee or bond trustees shall be or include a Trust Corporation. Whenever there shall be more than two bond trustees of the Trust Presents the majority of such bond trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Bond Trustee by the Trust Presents PROVIDED THAT a Trust Corporation shall be included in such majority. Any appointment of a new bond trustee of the Trust Presents shall as soon as practicable thereafter be notified by the Issuer to the Rating Agencies, the Principal Paying Agent, the Luxembourg Registrar, the NZ Registrar, the Security Trustee and the Covered Bondholders.

## **28. SEPARATE AND CO-TRUSTEES**

Notwithstanding the provisions of Clause 27 (New Bond Trustee) above, the Bond Trustee may, upon giving reasonable prior notice to the Issuer, the Guarantor and the Covered Bond Guarantor (but without the consent of the Issuer, the Guarantor, the Covered Bond Guarantor, the Covered Bondholders, Receiptholders or Couponholders), appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate bond trustee or as a co-bond trustee jointly with the Bond Trustee:

- (a) if the Bond Trustee considers such appointment to be in the interests of the Covered Bondholders;
- (b) for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or
- (c) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of the Trust Presents against the Issuer, the Guarantor or the Covered Bond Guarantor.

Each of the Issuer, the Guarantor and the Covered Bond Guarantor irrevocably appoints the Bond Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of the Trust Presents) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Bond Trustee by the Trust Presents) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Bond Trustee shall have power in like manner to remove any such person. Such remuneration as the Bond Trustee may pay to any such person, together with any attributable Liabilities incurred by it in performing its function as such separate bond trustee or co-bond trustee, shall for the purposes of the Trust Presents be treated as Liabilities incurred by the Bond Trustee.

## **29. BOND TRUSTEE'S RETIREMENT AND REMOVAL**

A bond trustee of the Trust Presents may retire at any time on giving not less than three months' prior written notice to the Issuers, the Guarantor, the Covered Bond Guarantor and the Security Trustee



without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. The Covered Bondholders may by Extraordinary Resolution of the Covered Bondholders of all Series taken together as a single Series remove any bond trustee or bond trustees for the time being of the Trust Presents. Each of the Issuer, the Guarantor and the Covered Bond Guarantor undertakes that in the event of the only bond trustee of the Trust Presents which is a Trust Corporation giving notice under this Clause 29 (Bond Trustee's Retirement and Removal) or being removed by Extraordinary Resolution it will use all reasonable endeavours to procure that a new bond trustee of the Trust Presents being a Trust Corporation is appointed as soon as reasonably practicable thereafter. The retirement or removal of any such bond trustee shall not become effective until a successor bond trustee being a Trust Corporation is appointed. If, in such circumstances, no appointment of such new bond trustee has become effective within 60 days of the date of such notice or Extraordinary Resolution, the Bond Trustee shall be entitled to appoint a Trust Corporation as bond trustee of the Trust Presents, but no such appointment shall take effect unless previously approved by an Extraordinary Resolution.

### 30. BOND TRUSTEE'S POWERS TO BE ADDITIONAL

The powers conferred upon the Bond Trustee by the Trust Presents shall be in addition to any powers which may from time to time be vested in the Bond Trustee by the general law or as a holder of any of the Covered Bonds, Receipts or Coupons.

### 31. NOTICES

Any notice or demand to the Issuer, the Guarantor, the Covered Bond Guarantor or the Bond Trustee to be given, made or served for any purposes under the Trust Presents shall be given, made or served by sending the same by pre-paid post (first class if inland, first class airmail if overseas) or facsimile transmission or by delivering it by hand as follows:

to <b>BNZ:</b>	Bank of New Zealand
	Level 5, 60 Waterloo Quay, Wellington, New Zealand
Attention:	Head of Balance Sheet Management
Facsimile No.:	+(64) 4 474 6701
to <b>BNZ-IF</b>	BNZ International Funding Limited
	88 Wood Street, London, EC2V 7QQ
Attention:	Manager, Funding
Facsimile No.:	+(44) (0)20 7710 1339
to the <b>Covered Bond Guarantor:</b>	CBG Trustee Company Limited
	Level 10, 141 Willis Street, Wellington, New Zealand
Attention:	General Manager, Corporate Trustee Services
Facsimile No.:	+(64) 9 302 3696
to the <b>Bond Trustee:</b>	Deutsche Trustee Company Limited
	Winchester House, 1 Great Winchester Street, London, EC2N 2DB
Attention:	Managing Director
Facsimile No.:	+(44) (0)20 7547 6149

or to such other address or facsimile number as shall have been notified (in accordance with this Clause 31 (Notices)) to the other parties hereto and any notice or demand sent by post as aforesaid shall be deemed to have been given, made or served three days in the case of inland post or seven days in the case of overseas post after despatch and any notice or demand sent by facsimile transmission as aforesaid shall be deemed to have been given, made or served 24 hours after the time of despatch PROVIDED THAT in the case of a notice or demand given by facsimile transmission such notice or demand shall forthwith be confirmed by post. The failure of the addressee to receive such confirmation shall not invalidate the relevant notice or demand given by facsimile transmission.

## **32. NON-PETITION AND LIMITED RECOURSE**

### **32.1 Non-petition**

Only the Security Trustee may pursue the remedies available under the general law or under the Security Deed to enforce the Security and no Transaction Party shall be entitled to proceed directly against the Covered Bond Guarantor to enforce the Security. In particular, each Transaction Party (other than the Covered Bond Guarantor and the Security Trustee) agrees with and acknowledges to each of the Covered Bond Guarantor and the Security Trustee, and the Security Trustee agrees with and acknowledges to the Covered Bond Guarantor, that:

- (a) none of the Transaction Parties (nor any person on their behalf, other than the Security Trustee where appropriate) is entitled, otherwise than as permitted by the Programme Documents, to direct the Security Trustee to enforce the Security or take any proceedings against the Covered Bond Guarantor to enforce the Security;
- (b) none of the Transaction Parties (other than the Security Trustee) shall have the right to take or join any person in taking any steps against the Covered Bond Guarantor for the purpose of obtaining payment of any amount due from the Covered Bond Guarantor to any of such Transaction Parties;
- (c) until the date falling two years after the Vesting Date none of the Transaction Parties nor any person on their behalf shall initiate or join any person in initiating an Insolvency Event in relation to the Trust other than a Receiver appointed under clause 15 of the Security Deed; and
- (d) none of the Transaction Parties shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priorities of Payments not being complied with.

### **32.2 Limited recourse to the Covered Bond Guarantor**

Each party to this Bond Trust Deed (other than the Covered Bond Guarantor and the Security Trustee) agrees with and acknowledges to each of the Covered Bond Guarantor and the Security Trustee, and the Security Trustee agrees with and acknowledges to the Covered Bond Guarantor, that notwithstanding any other provision of any Programme Document, all obligations of the Covered Bond Guarantor to such party including, without limitation, the Secured Obligations, are limited in recourse to the Covered Bond Guarantor as set out below:

- (a) each party to this Bond Trust Deed agrees that it will have a claim only in respect of the Charged Property and will not have any claim, by operation of law or otherwise, against, or recourse to, any of the Covered Bond Guarantor's other assets;
- (b) sums payable to each party hereto in terms of the Covered Bond Guarantor's obligations to such party shall be limited to the lesser of (a) the aggregate amount of all sums due and

payable to such party and (b) the aggregate amounts received, realised or otherwise recovered and immediately available for payment by or for the account of the Covered Bond Guarantor in respect of the Charged Property whether pursuant to enforcement of the Security or otherwise, net of any sums which are payable by the Covered Bond Guarantor in accordance with the Priorities of Payments in priority to or *pari passu* with sums payable to such party; and

- (c) upon the Security Trustee giving written notice to the relevant party that it has determined in its opinion, and the Servicer having certified to the Security Trustee, that there is no reasonable likelihood of there being any further realisations in respect of the Charged Property (whether arising from an enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the relevant Programme Document, the relevant party shall have no further claim against the Covered Bond Guarantor in respect of any such unpaid amounts and the obligations to pay such unpaid amounts shall be discharged in full.

### **32.3 Limited recourse to the Security Trustee**

Each party to this Bond Trust Deed (other than the Security Trustee) agrees with and acknowledges to the Security Trustee that the Security Trustee enters into each Programme Document to which it is a party only in its capacity as trustee of the Security Trust and in no other capacity and that the Security Trustee will have no liability under or in connection with this deed or any other Programme Document (whether to the Secured Creditors, the Covered Bond Guarantor or any other person) other than to the extent to which the liability is able to be satisfied out of the property of the Security Trust from which the Security Trustee is actually indemnified for the liability. This limitation will not apply to a liability of the Security Trustee to the extent it results from the Security Trustee's fraud, negligence, wilful default or breach of trust.

### **32.4 Corporate obligation only**

To the extent permitted by law, no recourse under any obligation, covenant, or agreement of any person contained in this Bond Trust Deed shall be had against any shareholder, officer, agent or director of such person as such, by the enforcement of any assessment or by any legal proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Bond Trust Deed is a corporate obligation of each person expressed to be a party hereto and no personal liability shall attach to or be incurred by the shareholders, officers, agents or directors of such person as such, or any of them, under or by reason of any of the obligations, covenants or agreements of such person contained in this Bond Trust Deed, or implied therefrom, and that any and all personal liability for breaches by such person of any of such obligations, covenants or agreements, either under any applicable law or by statute or constitution, of every such shareholder, officer, agent or director is hereby expressly waived by each person expressed to be a party hereto as a condition of and consideration for the execution of this Bond Trust Deed.

## **33. GOVERNING LAW**

The Trust Presents and any non-contractual obligations arising out of or in connection with them shall be governed by, and shall be construed in accordance with, English law.

## **34. SUBMISSION TO JURISDICTION**

Each party to this Bond Trust Deed hereby irrevocably submits to the exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to this Bond Trust Deed (including a dispute relating to any non-contractual obligations arising out of or in connection with

this Bond Trust Deed), and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party to this Bond Trust Deed hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English courts are an inconvenient forum for the maintenance or hearing of such action or proceeding. The Bond Trustee, the Covered Bondholders, the Receiptholders and the Couponholders may take any suit, action or proceeding arising out of or in connection with this Bond Trust Deed (including any proceedings relating to any non-contractual obligations arising out of or in connection with this Bond Trust Deed) against any of the Issuers or the Guarantor in any other court of competent jurisdiction and concurrent proceedings in any number of jurisdictions.

Each of BNZ-IF and the Guarantor irrevocably and unconditionally appoints BNZ International Funding Limited, acting through its London branch at its registered office at 88 Wood Street, London EC2V 7QQ for the time being and in the event of its ceasing so to act will appoint such other person as the Bond Trustee may approve and as each of BNZ-IF and the Guarantor may nominate in writing to the Bond Trustee for the purpose to accept service of process on its behalf in England in respect of any proceedings. Each of the Issuers and the Guarantor:

- (a) agrees to procure that, so long as any of the Covered Bonds issued or guaranteed by it (as the case may be) remains liable to prescription, there shall be in force an appointment of such a person approved by the Bond Trustee with an office in London with authority to accept service as aforesaid;
- (b) agrees that a failure by any such person to give notice of such service or process to an Issuer or the Guarantor shall not impair the validity of such service or of any judgment based thereon;
- (c) consents to the service of process in respect of any proceedings in accordance with Clause 32 (Notices); and
- (d) agrees that nothing in these presents shall affect the right to serve process in any other manner permitted by law.

### **35. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to the Trust Presents has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Trust Presents.

### **36. COUNTERPARTS**

This Bond Trust Deed and any trust deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this Bond Trust Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart.

**IN WITNESS** whereof this Bond Trust Deed has been executed as a deed by each of the parties hereto and delivered on the date first stated on page 1.

## SCHEDULE 1

### TERMS AND CONDITIONS OF THE COVERED BONDS

*The following are the Terms and Conditions of the Covered Bonds which will be incorporated by reference into each Global Covered Bond (as defined below) and each Definitive Covered Bond, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such Definitive Covered Bond will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Covered Bonds may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Covered Bonds. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Covered Bond and Definitive Covered Bond.*

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Bank of New Zealand (BNZ and an Issuer and, in its capacity as guarantor of Covered Bonds issued by BNZ-IF (as defined below), the Guarantor) or BNZ International Funding Limited, acting through its London Branch (BNZ-IF and an Issuer and together with BNZ, the Issuers and references in these Terms and Conditions to the Issuer shall mean the Issuer named as such in the applicable Final Terms) constituted by a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 2 June 2010 (the **Programme Date**) made between the Issuers, the Guarantor, CBG Trustee Company Limited as covered bond guarantor (the **Covered Bond Guarantor**) and Deutsche Trustee Company Limited as bond trustee (in such capacity, the **Bond Trustee**, which expression shall include any successor as Bond Trustee).

Save as provided for in Conditions 9 (Events of Default and Enforcement) and 14 (Meetings of Covered Bondholders, Modification, Waiver and Substitution), references herein to the **Covered Bonds** shall be references to the Covered Bonds of this Series and shall mean:

- (i) in relation to any Covered Bonds represented by a global covered bond (a **Global Covered Bond**), units of the lowest Specified Denomination in the Specified Currency;
- (ii) any Global Covered Bond;
- (iii) any Definitive Covered Bonds in bearer form (**Bearer Definitive Covered Bonds**) issued in exchange for a Global Covered Bond in bearer form; and
- (iv) any Definitive Covered Bonds in registered form (**Registered Definitive Covered Bonds**) (whether or not issued in exchange for a Global Covered Bond in registered form).

The Covered Bonds, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of a principal agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time the **Principal Agency Agreement**) dated the Programme Date and made between the Issuers, the Covered Bond Guarantor, the Guarantor, the Bond Trustee and Deutsche Bank, London Branch as issuing and UK paying agent and agent bank (in such capacity, the **UK Paying Agent**, which expression shall include any successor UK paying agent) and the other paying agents named therein (together with the UK Paying Agent and the NZ Paying Agent (as defined below), the **Paying Agents**, which expression shall include any additional or successor paying agents), Deutsche Bank, London Branch as UK exchange agent (in such capacity, the **UK Exchange Agent**, which expression shall include any additional or successor exchange agent) and as UK transfer agent (in such capacity, a **UK Transfer Agent**), Deutsche Bank, Luxembourg, S.A. as Luxembourg registrar (in such capacity, the **Luxembourg Registrar**, which

expression shall include any successor registrar and together with the UK Transfer Agent, the **UK Transfer Agents**, which expression shall include any additional or successor transfer agents).

NZ Registered Covered Bonds (and related Receipts and Coupons) also have the benefit of a NZ registry and agency agreement (such registry and agency agreement as amended and/or supplemented and/or restated from time to time, the **NZ Registry Agreement** and, together with the Principal Agency Agreement, the **Agency Agreements**) dated the Programme Date and made between BNZ as Issuer, the Covered Bond Guarantor, the Security Trustee, the Trust Manager and Computershare Investor Services Limited as NZ registrar (the **NZ Registrar**). Prior to service of a Notice to Pay, BNZ shall act as NZ paying agent (in respect of NZ Registered Covered Bonds recorded in Austraclear New Zealand) and following service of a Notice to Pay, the NZ Registrar shall act as NZ Paying Agent (in respect of NZ Registered Covered Bonds) (**NZ Paying Agent**).

The Final Terms may specify any other agency agreement that applies to Covered Bonds, Receipts and Coupons issued by the Issuers.

As used herein, **Agents** shall mean each Paying Agent and each Exchange Agent, each Transfer Agent and each Registrar, **Principal Paying Agent** shall mean, in relation to a Tranche or Series of Covered Bonds, the UK Paying Agent or, in the case of NZ Registered Covered Bonds, the NZ Paying Agent, or such other paying agent as the Final Terms for that Tranche or Series may specify, **Registrar** shall mean, in relation to a Tranche or Series of Covered Bonds (other than NZ Registered Covered Bonds), the Luxembourg Registrar or, in the case of NZ Registered Covered Bonds, the NZ Registrar, or such other registrar as the Final Terms for that Tranche or Series may specify, **Transfer Agent** shall mean, in relation to a Tranche or Series of Covered Bonds, the UK Transfer Agent or such other transfer agent as the Final Terms for that Tranche or Series may specify and **Exchange Agent** shall mean, in relation to a Tranche or Series of Covered Bonds, the UK Exchange Agent or such other exchange agent as the Final Terms for that Tranche or Series may specify.

Interest-bearing Bearer Definitive Covered Bonds have (unless otherwise indicated in the applicable Final Terms) interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Bearer Definitive Covered Bonds repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Covered Bonds (which include Registered Global Covered Bonds and/or Registered Definitive Covered Bonds as the case may be) and Global Covered Bonds do not have Receipts, Coupons or Talons attached on issue.

The Final Terms for this Covered Bond (or the relevant provisions thereof) are attached to or endorsed on this Covered Bond and supplement these terms and conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Covered Bond. References to the "applicable Final Terms" are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Covered Bond.

The Bond Trustee acts as trustee for the holders for the time being of the Covered Bonds (the **Covered Bondholders**, which expression shall, in relation to any Covered Bonds represented by a Global Covered Bond, be construed as provided below), the holders of the Receipts (the **Receiptholders**) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), and for holders of each other Series of Covered Bonds in accordance with the provisions of the Bond Trust Deed.

As used herein, **Tranche** means Covered Bonds which are identical in all respects (including as to listing or admission to trading) and **Series** means a Tranche of Covered Bonds together with any further Tranche or

Tranches of Covered Bonds which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing or admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Guarantor has (in respect of Covered Bonds issued by BNZ-IF), in the Bond Trust Deed, unconditionally guaranteed the due and punctual payment of all amounts (including default interest) due from BNZ-IF under or in respect of such Covered Bonds and the Bond Trust Deed, as and when the same shall become due and payable.

The Covered Bond Guarantor has, in the Bond Trust Deed, irrevocably and unconditionally guaranteed the due and punctual payment of Guaranteed Amounts in respect of the Covered Bonds as and when the same shall become due for payment on certain dates in accordance with the Bond Trust Deed (**Due for Payment**), but only after service of a Notice to Pay on the Covered Bond Guarantor following an Issuer Event of Default and service by the Bond Trustee of an Issuer Acceleration Notice on the relevant Issuer and the Guarantor or the occurrence of Covered Bond Guarantor Event of Default and service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor.

The security for the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee and the other Programme Documents to which it is a party has been created in and pursuant to, and on the terms set out in, a security agreement governed by New Zealand law (such security as amended and/or supplemented and/or restated from time to time, the **Security Deed**) dated the Programme Date and made between the Covered Bond Guarantor, the Issuers, the Guarantor, the Bond Trustee, New Zealand Permanent Trustees Limited (the **Security Trustee**) and certain other Secured Creditors.

These Conditions include summaries of, and are subject to, the provisions of the Bond Trust Deed, the Security Deed and the Agency Agreements (as applicable).

Copies of the Bond Trust Deed, the Security Deed, the Definitions Schedule (as defined below), the Agency Agreements and each of the other Programme Documents are available for inspection free of charge during normal business hours at the registered office for the time being of the Bond Trustee being at the Programme Date at Winchester House, 1 Great Winchester Street, London EC2N 2DB and at the specified office of each of the UK Paying Agent and the NZ Paying Agent. Copies of the applicable Final Terms for all Covered Bonds of each Series (including in relation to unlisted Covered Bonds of any Series) are obtainable during normal business hours at the specified office of the UK Paying Agent and any Covered Bondholder must produce evidence satisfactory to the relevant Issuer and the Bond Trustee or, as the case may be, the relevant Paying Agent as to its holding of Covered Bonds and identity. The Covered Bondholders, the Receiptholders and the Couponholders are deemed to have notice of, are bound by, and are entitled to the benefit of, all the provisions of, and definitions contained in, the Bond Trust Deed, the Security Deed, the BNZ Covered Bond Trust Definitions Schedule, the relevant Agency Agreements, each of the other Programme Documents and the applicable Final Terms which are applicable to them and to have notice of each set of Final Terms relating to each other Series.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Conditions shall bear the meanings given to them in the Bond Trust Deed, the applicable Final Terms and/or the BNZ covered bond trust definitions schedule made between the parties to the Programme Documents on or about the Programme Date (the **Definitions Schedule**) (as the same may be amended and/or supplemented and/or restated from time to time), a copy of each of which may be obtained as described above. In the event of inconsistency between the Bond Trust Deed and the Definitions Schedule, the Bond Trust Deed will prevail and in the event of inconsistency between the Bond Trust Deed and the applicable Final Terms, the applicable Final Terms will prevail.

## 1. Form, Denomination and Title

The Covered Bonds are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of Definitive Covered Bonds (being Bearer Definitive Covered Bond(s) and/or, as the context may require, Registered Definitive Covered Bond(s)), serially numbered, in the Specified Currency and the Specified Denomination(s). Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination and Bearer Covered Bonds may not be exchanged for Registered Covered Bonds and vice versa.

This Covered Bond may be a Fixed Rate Covered Bond, a Floating Rate Covered Bond, a Zero Coupon Covered Bond, an Index Linked Interest Covered Bond, a Dual Currency Interest Covered Bond or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms, and subject, in each case, to confirmation from the Rating Agencies that the then current ratings of any outstanding Series of Covered Bonds will not be adversely affected by the issuance of this Covered Bond.

This Covered Bond may be an Index Linked Redemption Covered Bond, an Instalment Covered Bond, a Dual Currency Redemption Covered Bond, a Partly Paid Covered Bond or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms and subject, in each case, to confirmation from the Rating Agencies that the then current rating of any outstanding Series of Covered Bonds will not be adversely affected by the issuance of this Covered Bond.

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

Bearer Definitive Covered Bonds are issued with Receipts, unless they are not Instalment Covered Bonds in which case references to Receipts and Receiptholders in these Conditions are not applicable.

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

For so long as any of the Covered Bonds is represented by a Global Covered Bond held on behalf of, or, as the case may be, registered in the name of a common depository (in the case of a CGCB) or common safekeeper (in the case of a NGCB) for Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) or The Depository Trust Company (**DTC**) or registered in the name of New Zealand Central Securities Depository Limited (**NZCSD**) as depository of the Austraclear New Zealand System maintained by the Reserve Bank of New Zealand in accordance with the Austraclear New Zealand Regulations (**Austraclear New Zealand**) (in the case of NZ Registered Covered Bonds) each person (other than Euroclear or Clearstream, Luxembourg DTC or Austraclear New Zealand) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg, DTC or Austraclear New Zealand as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg, DTC or Austraclear New Zealand as to



the nominal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error and any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including, without limitation, Euroclear's EUCLID or Clearstream's Cedcom system) in accordance with its usual procedures and in which the holder of a particular nominal amount of the Covered Bonds is clearly identified with the amount of such holding) shall be treated by the Issuer, the Guarantor (in the case of Covered Bonds issued by BNZ-IF), the Covered Bond Guarantor, the Paying Agents, the Security Trustee and the Bond Trustee as the holder of such nominal amount of such Covered Bonds for all purposes other than with respect to the payment of principal or interest or other amounts on such nominal amount of such Covered Bonds, and, in the case of DTC or its nominee, voting, giving consents and making requests, for which purpose the bearer of the relevant Global Covered Bond or the registered holder of the relevant Registered Global Covered Bond shall be treated by the Issuer, the Guarantor (in the case of Covered Bonds issued by BNZ-IF), the Covered Bond Guarantor, any Paying Agent, the Security Trustee and the Bond Trustee as the holder of such nominal amount of such Covered Bonds in accordance with and subject to the terms of the relevant Global Covered Bond and the expression **Covered Bondholder** and related expressions shall be construed accordingly.

Covered Bonds which are represented by a Global Covered Bond will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, or Austraclear New Zealand as the case may be.

References to DTC, Austraclear New Zealand, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits (but not in the case of any NGCB), be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Guarantor (in the case of Covered Bonds issued by BNZ-IF), the relevant Principal Paying Agent and the Bond Trustee.

## **2. Transfers of Registered Covered Bonds**

### ***(a) Transfers of interests in Registered Global Covered Bonds***

Transfers of beneficial interests in Rule 144A Global Covered Bonds (as defined below) and Regulation S Global Covered Bonds (as defined below) (together, the **Registered Global Covered Bonds**) will be effected by DTC, Austraclear New Zealand, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Covered Bond will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Covered Bonds in definitive form or for a beneficial interest in another Registered Global Covered Bond only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Austraclear New Zealand, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the relevant Agency Agreement. Transfers of a Registered Global Covered Bond registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Covered Bond, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

### ***(b) Transfers of Registered Covered Bonds in definitive form***

Subject as provided in Conditions 2(e), 2(f) and 2(g) below, upon the terms and subject to the conditions set forth in the relevant Agency Agreement, a Registered Covered Bond in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable

Final Terms). In order to effect any such transfer: (i) the holder or holders must: (A) surrender the Registered Covered Bond for registration of the transfer of the Registered Covered Bond (or the relevant part of the Registered Covered Bond) at the specified office of the relevant Registrar or the relevant Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and (B) complete and deposit such other certifications as may be required by the relevant Registrar or, as the case may be, the relevant Transfer Agent; and (ii) the relevant Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the relevant Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 5 to the Principal Agency Agreement). Subject as provided above, the relevant Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Covered Bond in definitive form of a like aggregate nominal amount to the Registered Covered Bond (or the relevant part of the Registered Covered Bond) transferred. In the case of the transfer of part only of a Registered Covered Bond in definitive form, a new Registered Covered Bond in definitive form in respect of the balance of the Registered Covered Bond not transferred will be so authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to the address specified by the transferor.

**(c) *Registration of transfer upon partial redemption***

In the event of a partial redemption of Covered Bonds under Condition 6, the Issuer shall not be required to register the transfer of any Registered Covered Bond, or part of a Registered Covered Bond, called for partial redemption.

**(d) *Costs of registration***

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

**(e) *Transfers of interests in Regulation S Global Covered Bonds***

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Covered Bond to a transferee in the United States or who is a U.S. person will only be made upon receipt by the Registrar of a written certification substantially in the form set out in the Principal Agency Agreement, amended as appropriate (a **Transfer Certificate**), copies of which are available from the specified office of the Luxembourg Registrar or any UK Transfer Agent, from the transferor of the Covered Bond or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the circumstances set out in this Condition 2(e), such transferee may take delivery through a Legended Covered Bond in global or definitive form. Prior to the end of the applicable Distribution Compliance Period beneficial interests in Regulation S Covered Bonds registered in the name of a nominee for DTC may only be held through the accounts of Euroclear and Clearstream,

Luxembourg. After expiry of the applicable Distribution Compliance Period: (i) beneficial interests in Regulation S Global Covered Bonds registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC or indirectly through a participant in DTC; and (ii) such certification requirements will no longer apply to such transfers.

*(f) Transfers of interests in Legended Covered Bonds*

Transfers of Legended Covered Bonds or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Regulation S Global Covered Bond, upon receipt by the Luxembourg Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, in the case of a Regulation S Global Covered Bond registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Covered Bonds being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (ii) to a transferee who takes delivery of such interest through a Legended Covered Bond where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Covered Bonds, or upon specific request for removal of the Legend therein, the Luxembourg Registrar shall deliver only Legended Covered Bonds or refuse to remove the Legend therein, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

*(g) Exchanges and transfers of Registered Covered Bonds generally*

Holders of Registered Covered Bonds in definitive form may exchange such Covered Bonds for interests in a Registered Global Covered Bond of the same type at any time.

*(h) Definitions*

In the Conditions, the following expressions shall have the following meanings:

**CGCB** means a Temporary Global Covered Bond or a Permanent Global Covered Bond, in either case in respect of which the applicable Final Terms specify that it is not a NGCB;

**Distribution Compliance Period** means the period that ends 40 days after the later of the commencement of the offering and the Issue Date;

**Legended Covered Bonds** means Registered Covered Bonds (whether in definitive form or represented by a Registered Global Covered Bond) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

**NGCB** means a Temporary Global Covered Bond or a Permanent Global Covered Bond, in either case in respect of which the applicable Final Terms specify that it is a new global covered bond;

**QIB** means a "qualified institutional buyer" within the meaning of Rule 144A;

**Regulation S** means Regulation S under the Securities Act;

**Regulation S Global Covered Bond** means a Registered Global Covered Bond representing Covered Bonds sold outside the United States in reliance on Regulation S;

**Rule 144A** means Rule 144A under the Securities Act;

**Rule 144A Global Covered Bond** means a Registered Global Covered Bond representing Covered Bonds sold in the United States to QIBs in reliance on Rule 144A; and

**Securities Act** means the United States Securities Act of 1933, as amended.

### 3. **Status of the Covered Bonds and the Covered Bond Guarantee**

#### (a) ***Status of the Covered Bonds***

The Covered Bonds and any relative Receipts and Coupons constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (other than any obligation preferred by mandatory provisions of applicable law).

#### (b) ***Status of the Guarantee***

The due and punctual payment of principal and interest in respect of the Covered Bonds issued by BNZ-IF and all other monies (including default interest) payable by BNZ-IF under or pursuant to the Bond Trust Deed has been unconditionally and irrevocably guaranteed by the Guarantor pursuant to a guarantee (the **Guarantee**) as set out in the Bond Trust Deed. The obligations of the Guarantor under the Guarantee constitute its direct, unconditional, unsubordinated and unsecured obligations and rank at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Guarantor, other than any obligations preferred by mandatory provisions of applicable law.

#### (c) ***Status of the Covered Bond Guarantee***

The payment of Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment has been unconditionally and irrevocably guaranteed by the Covered Bond Guarantor (the **Covered Bond Guarantee**) as set out in the Bond Trust Deed. However, the Covered Bond Guarantor shall have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amounts until the occurrence of an Issuer Event of Default, service by the Bond Trustee on the Issuer and the Guarantor of an Issuer Acceleration Notice and service by the Bond Trustee on the Covered Bond Guarantor of a Notice to Pay or, if earlier, following the occurrence of a Covered Bond Guarantor Event of Default and service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following an Issuer Event of Default, service of an Issuer Acceleration Notice and service of a Notice to Pay or a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice), direct, unconditional (subject as provided in Condition 17 (Limited Recourse and non-petition)) and unsubordinated obligations of the Covered Bond Guarantor, which are secured as provided in the Security Deed.

Any payment made by the Covered Bond Guarantor under the Covered Bond Guarantee shall (unless such obligation shall have been discharged as a result of the payment of Excess Proceeds to the Bond Trustee pursuant to Condition 9) discharge *pro tanto* the obligations of the Issuer and the Guarantor (in the case of Covered Bonds issued by BNZ-IF) in respect of such payment under the Covered Bonds, Receipts and Coupons and the Guarantee except where such payment has been declared void, voidable or otherwise recoverable in whole or in part and recovered from the Bond Trustee or the Covered Bondholders.

#### 4. Interest

##### (a) *Interest on Fixed Rate Covered Bonds*

Each Fixed Rate Covered Bond bears interest on its Principal Amount Outstanding from (and including) the **Interest Commencement Date** at the rate(s) per annum equal to the Rate(s) of Interest payable, subject as provided in these Conditions, in arrear on the Interest Payment Date(s) in each year up to (and including) the Final Maturity Date. If a Notice to Pay is served on the Covered Bond Guarantor, the Covered Bond Guarantor shall pay Guaranteed Amounts in equivalent amounts to those described in the preceding sentence under the Covered Bond Guarantee in respect of the Covered Bonds on the Original Due for Payment Dates or, if applicable, the Extended Due for Payment Date.

If the Covered Bonds are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the fixed coupon amount specified in the Final Terms (the **Fixed Coupon Amount**). Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the broken amount specified in the relevant Final Terms (the **Broken Amount**) so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Covered Bonds in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Covered Bonds which are represented by a Global Covered Bond, the aggregate outstanding nominal amount of the Fixed Rate Covered Bonds represented by such Global Covered Bond; or
- (ii) in the case of Fixed Rate Covered Bonds in definitive form, the Calculation Amount;

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

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (i) if **Actual/Actual (ICMA)** is specified in the applicable Final Terms:
  - (A) in the case of Covered Bonds where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (B) in the case of Covered Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (ii) if **30/360** is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and
- (iii) if **NZ Government Bond Basis** is specified in the applicable Final Terms:
  - (A) for amounts paid and/or calculated in respect of Interest Payment Dates, one divided by the number of Interest Payment Dates in a year; and
  - (B) for amounts paid and/or calculated in respect of dates other than Interest Payment Dates, **Actual/Actual (ICMA)**.

In these Conditions:

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

**Original Due for Payment Date** means, in respect of the payment of Guaranteed Amounts, prior to the occurrence of a Covered Bond Guarantor Event of Default and following the delivery of a Notice to Pay on the Covered Bond Guarantor, the date on which the Scheduled Payment Date in respect of such Guaranteed Amounts is reached, or, if later, the day which is two Business Days following service of a Notice to Pay on the Covered Bond Guarantor in respect of such Guaranteed Amounts, or if the applicable Final Terms specify that an Extended Due for Payment Date is applicable to the relevant Series of Covered Bonds, the Scheduled Payment Date that would have applied if the Final Maturity Date of such Series of Covered Bonds had been the Extended Due for Payment Date.

**Principal Amount Outstanding** means in respect of a Covered Bond on any day the principal amount of that Covered Bond on the relevant Issue Date thereof less principal amounts received by the relevant Covered Bondholder in respect thereof on or prior to that day.

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, euro 0.01.

**(b) Interest on Floating Rate Covered Bonds and Index Linked Interest Covered Bonds**

**(i) Interest Payment Dates**

Each Floating Rate Covered Bond and Index Linked Interest Covered Bond bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

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

Such interest will be payable in respect of each Interest Period. In these Conditions, the expression **Interest Period** shall mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

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

- (3) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(2) above, the **Floating Rate Convention**, such Interest Payment Date: (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis*; or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (4) the **Following Business Day Convention**, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (5) the **Modified Following Business Day Convention**, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

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

In these Conditions, **Business Day** means a day which is:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Auckland and Wellington and, if the Covered Bonds are not NZ Registered Covered Bonds, in London and any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre) and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively or (2) in relation to any Covered Bonds denominated or payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (**TARGET2**) System or any successor thereto (the **TARGET2 System**) is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Covered Bonds and Index Linked Interest Covered Bonds will be determined in the manner specified in the applicable Final Terms.

(A) *ISDA Determination for Floating Rate Covered Bonds*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the relevant Principal Paying Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the relevant Principal Paying Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Covered Bonds (the **ISDA Definitions**) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is the period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either: (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (**LIBOR**) or the Euro-zone inter-bank offered rate (**EURIBOR**) for a currency, the first day of that Interest Period; or (ii) in any other case, as specified in the applicable Final Terms.

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



For the purposes of this Sub-Paragraph (A) Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity and Reset Date have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate Determination for Floating Rate Covered Bonds*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards or, in the case of NZ Registered Covered Bonds only, rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which either (i) in the case of NZ Registered Covered Bonds, appears or appear, as the case may be, on the Relevant Screen Page as at 10.45 a.m. (Auckland time) on the Interest Determination Date in question plus or minus the Margin (if any), all as determined by the NZ Paying Agent, or (ii) otherwise, appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus the Margin (if any), all as determined by the UK Paying 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 relevant Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Principal Agency Agreement contains provisions for determining the Rate of Interest pursuant to this subparagraph (B) in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Covered Bonds is specified in the applicable Final Terms as being other than NZD-BBR-FRA, LIBOR or EURIBOR, the Rate of Interest in respect of such Covered Bonds will be determined as provided in the applicable Final Terms.

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

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

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate

of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

The relevant Principal Paying Agent, in the case of Floating Rate Covered Bonds, and the Calculation Agent, in the case of Index Linked Interest Covered Bonds, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Covered Bonds, the Calculation Agent will notify the relevant Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The relevant Principal Paying Agent will calculate the amount of interest payable on the Floating Rate Covered Bonds or Index Linked Interest Covered Bonds in respect of each Specified Denomination (each an **Interest Amount**) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to:

- (A) In the case of Floating Rate Covered Bonds or Index Linked Interest Covered Bonds which are represented by a Global Covered Bond, the aggregate outstanding nominal amount of the Covered Bonds represented by such Global Covered Bond (or, if they are Partly Paid Covered Bonds, the aggregate amount paid up); or
- (B) In the case of Floating Rate Covered Bonds or Index Linked Interest Covered Bonds in definitive form, the Calculation Amount;

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

If "Interest Amounts Non-Adjusted" is specified in the applicable Final Terms then notwithstanding the bringing forward or postponement (as applicable) of an Interest Payment Date as a result of the application of the Business Day Convention set out in the applicable Final Terms, the Interest Amount in respect of the relevant Interest Period and each subsequent Interest Period shall be calculated as aforesaid on the basis of the original Interest Payment Dates without adjustment in accordance with the applicable Business Day Convention.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for any Interest Period:

- (A) if **Actual/Actual** or **Actual/Actual (ISDA)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and
- (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (B) if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (C) if **Actual/365 (Sterling)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (D) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (E) if **30/360, 360/360** or **Bond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1) + [30 \times (M2 - M1)] + (D2 - D1)]}{360}$$

where:

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

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

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

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

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

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

- (F) if **30E/360** or **Eurobond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1) + [30 \times (M2 - M1)] + (D2 - D1)]}{360}$$

where:

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

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

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

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

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

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

- (G) if **30E/360 (ISDA)** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{360 \times (Y2 - Y1) + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

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

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

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

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

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

"D2" is the calendar day, expressed as a number, immediately following the last day of the Interest Period, unless (i) that day is the last day of February but not the Final Maturity Date (or, as the case may be, the Extended Due for Payment Date) or (ii) such number would be 31, in which case D2 will be 30.

- (v) *Notification of Rate of Interest and Interest Amounts*

The relevant Principal Paying Agent (in the case of Floating Rate Covered Bonds) and the Calculation Agent (in the case of Index Linked Interest Covered Bonds) will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Bond Trustee and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Covered Bonds or Index Linked Interest Covered Bonds are for the time being listed, quoted and/or traded or by which they have been admitted to listing and to be published in accordance with Condition 13 (Notices) as soon as possible after their determination but in no event later than the fourth Business Day (as defined in Condition 4(b)(i)) thereafter by the relevant Principal Paying Agent. Each Interest Amount and Interest Payment Date so notified may

subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Bond Trustee and each stock exchange or other relevant authority on which the relevant Floating Rate Covered Bonds or Index Linked Interest Covered Bonds are for the time being listed or by which they have been admitted to listing and to the Covered Bondholders in accordance with Condition 13 (Notices).

(vi) *Determination or Calculation by Bond Trustee*

If for any reason at any relevant time after the Issue Date, the relevant Principal Paying Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the relevant Principal Paying Agent defaults in its obligation to calculate any Interest Amount in accordance with subparagraph (ii)(A) or (B) above or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (iv) above, the Bond Trustee may determine (or appoint an agent to determine) the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Bond Trustee may calculate (or appoint an agent to calculate) the Interest Amount(s) in such manner as it shall deem fair and reasonable. In making any such determination or calculation, the Bond Trustee may appoint and rely on a determination or calculation by a calculation agent (which shall be an investment bank or other suitable entity of international repute). Each such determination or calculation shall be deemed to have been made by the relevant Principal Paying Agent or the Calculation Agent, as the case may be.

(vii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), whether by the relevant Principal Paying Agent or the Calculation Agent or the Bond Trustee shall (in the absence of wilful default, bad faith or manifest error or proven error) be binding on the Issuer, the Guarantor (in the case of Covered Bonds issued by BNZ-IF), the Covered Bond Guarantor, the relevant Principal Paying Agent, the Calculation Agent, the other Paying Agents, the Bond Trustee and all the Covered Bondholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith or proven error) no liability to the Issuer, the Guarantor, the Covered Bond Guarantor, the Covered Bondholders, the Receiptholders or the Couponholders shall attach to the relevant Principal Paying Agent or the Calculation Agent or the Bond Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Interest Covered Bonds*

In the case of Dual Currency Interest Covered Bonds where the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest shall be determined in the manner specified in the applicable Final Terms.

**(d) Interest on Partly Paid Covered Bonds**

In the case of Partly Paid Covered Bonds (other than Partly Paid Covered Bonds which are Zero Coupon Covered Bonds), interest will accrue on the paid up nominal amount of such Covered Bonds or as otherwise specified in the applicable Final Terms.

**(e) Accrual of interest**

Interest (if any) will cease to accrue on each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused or default is otherwise made in the payment thereof, in which event interest will continue to accrue as provided in the Bond Trust Deed.

**5. Payments**

**(a) Method of payment**

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or electronic transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be (i) Sydney or (ii) Auckland or Wellington, respectively); and
- (ii) payments in euro will be made by credit or electronic transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment but without prejudice to the provisions of Condition 7 (Taxation). References to Specified Currency will include any successor currency under applicable law.

**(b) Presentation of Bearer Definitive Covered Bonds, Receipts and Coupons**

Payments of principal and interest (if any) in respect of Bearer Definitive Covered Bonds will (subject as provided below) be made in the manner provided in Condition 5(a) above only against presentation and surrender of Bearer Definitive Covered Bonds or Coupons, as the case may be, at any specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments (if any) of principal in respect of Bearer Definitive Covered Bonds other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 5(a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 5(a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Covered Bond in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Bearer Definitive Covered Bond to which it appertains. If any Bearer Definitive Covered Bond is redeemed or becomes repayable prior to the stated maturity thereof, principal will be payable only on surrender of such

Bearer Definitive Covered Bond together with all unmatured Receipts appertaining thereto. Receipts presented without the Bearer Definitive Covered Bond to which they appertain and unmatured Receipts do not constitute valid obligations of the Issuer, the Guarantor or the Covered Bond Guarantor. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

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

Upon amounts in respect of any Fixed Rate Covered Bond in definitive bearer form becoming due and repayable by the Issuer (in the absence of a Notice to Pay) or the Covered Bond Guarantor under the Covered Bond Guarantee prior to its Final Maturity Date (or, as the case may be, Extended Due for Payment Date), all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the due date for redemption of any Floating Rate Covered Bond, Dual Currency Covered Bond, Index Linked Covered Bond or Long Maturity Covered Bond in definitive bearer form, all unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Covered Bond** is a Fixed Rate Covered Bond (other than a Fixed Rate Covered Bond which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Covered Bond shall cease to be a Long Maturity Covered Bond on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the Principal Amount Outstanding of such Covered Bond. If the date for redemption of any Bearer Definitive Covered Bond is not an Interest Payment Date, interest (if any) accrued in respect of such Covered Bond from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Bearer Definitive Covered Bond.

(c) ***Payments in respect of Bearer Global Covered Bonds***

Payments of principal and interest (if any) in respect of Covered Bonds represented by any Bearer Global Covered Bond will (subject as provided below) be made in the manner specified above in relation to Bearer Definitive Covered Bonds and otherwise in the manner specified in the relevant Global Covered Bond (against presentation or surrender, as the case may be, of such Global Covered Bond if the Bearer Global Covered Bond is not intended to be issued in NGCB form at the specified office of any Paying Agent outside the United States). On the occasion of each payment, (i) in the case of any Bearer Global Covered Bond which is not issued in NGCB form, a record of such payment made on such Bearer Global Covered Bond, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Covered Bond by the Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made and (ii) in the case of any Global Covered Bond which is issued in NGCB form, the Paying

Agent shall instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such payment.

*(d) Payments in respect of Registered Covered Bonds*

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Covered Bond (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Covered Bond at the specified office of the relevant Registrar or, in the case of NZ Registered Covered Bonds, the NZ Paying Agent, or in any other case any of the Paying Agents (other than the NZ Paying Agent). Such payments will be made by electronic transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the register of holders of the Registered Covered Bonds maintained by the relevant Registrar (the **Register**) either (i) in the case of NZ Registered Covered Bonds, at the close of business on the tenth calendar day (being for this purpose a day on which banks are open for business in the city where the specified office of the NZ Registrar is located) before the relevant due date, or (ii) in any other case, at the close of business on the third Business Day (being for this purpose a day on which banks are open for business in the city where the specified office of the Luxembourg Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Covered Bonds held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland and Wellington, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Covered Bond (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the Business Day in the city where the specified office of the relevant Registrar is located on the relevant due date to the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the Register either (i) in the case of NZ Registered Covered Bonds, at the close of business on the tenth calendar day (being for this purpose a day on which banks are open for business in the city where the specified office of the NZ Registrar is located) before the relevant due date, or (ii) in any other case, at the close of business on the 15th day (whether or not such 15th day is a Business Day) before the relevant due date (in either case, the **Record Date**) at the holder's address shown in the Register on the Record Date and at the holder's risk. Upon application of the holder to the specified office of the relevant Registrar not less than three Business Days in the city where the specified office of the relevant Registrar is located before the due date for any payment of interest in respect of a Registered Covered Bond, the payment may be made by electronic transfer on the due date in the manner provided in the preceding paragraph. Any such application for electronic transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Covered Bonds which become payable to the holder who has made the initial application until such time as the relevant Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Covered Bond on redemption and the final instalment of principal will be made in the same manner as payment of the principal in respect of such Registered Covered Bond.



Holders of Registered Covered Bonds will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Covered Bond as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the relevant Registrar in respect of any payments of principal or interest in respect of the Registered Covered Bonds.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Covered Bond in respect of Covered Bonds denominated in a Specified Currency other than U.S. dollars shall be paid by electronic transfer by the Luxembourg Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Principal Agency Agreement.

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

*(e) General provisions applicable to payments*

The holder of a Global Covered Bond (or, as provided in the Bond Trust Deed, the Bond Trustee) shall be the only person entitled to receive payments in respect of Covered Bonds represented by such Global Covered Bond and the Issuer, the Guarantor (in the case of Covered Bonds issued by BNZ-IF) or, as the case may be, the Covered Bond Guarantor will be discharged by payment to, or to the order of, the holder of such Global Covered Bond (or the Bond Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of DTC, Austraclear New Zealand, Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Covered Bonds represented by such Global Covered Bond must look solely to DTC, Austraclear New Zealand, Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer, the Guarantor (in the case of Covered Bonds issued by BNZ-IF) or the Covered Bond Guarantor to, or to the order of, the holder of such Global Covered Bond (or the Bond Trustee, as the case may be). No person other than the holder of the relevant Global Covered Bond (or, as provided in the Bond Trust Deed, the Bond Trustee) shall have any claim against the Issuer, the Guarantor or the Covered Bond Guarantor in respect of any payments due on that Global Covered Bond.

Notwithstanding the foregoing provisions of this Condition, payments of principal and/or interest in U.S. Dollars in respect of the Bearer Covered Bonds will only be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer and (if applicable) the Guarantor has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. Dollars at such specified offices outside the United States of the full amount of interest on the Bearer Covered Bonds in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, the Guarantor and the Covered Bond Guarantor, adverse tax consequences to the Issuer, the Guarantor or the Covered Bond Guarantor.

**(f) *Payment Day***

If the date for payment of any amount in respect of any Covered Bond, Receipt or Coupon is not a Payment Day (as defined below), the holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Day and shall not be entitled to any interest or other sum in respect of any such delay. In this Condition (unless otherwise specified in the applicable Final Terms), **Payment Day** means any day which (subject to Condition 8 (Prescription)) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) the relevant place of presentation;
  - (B) Auckland and Wellington and, in the case of Covered Bonds that are not NZ Registered Covered Bonds, London; and
  - (C) any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the places specified in Condition 5(f)(i) and which if the Specified Currency is Australian dollars shall be Sydney) or (2) in relation to any sum payable in euro, a day on which the TARGET 2 System is open; and
- (iii) in the case of any payment in respect of a Registered Global Covered Bond denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Covered Bond) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

**(g) *Interpretation of principal and interest***

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

- (i) any additional amounts which may be payable with respect to principal under Condition 7 (Taxation) or under any undertakings or covenants given in addition thereto, or in substitution therefor, pursuant to the Bond Trust Deed;
- (ii) the Final Redemption Amount of the Covered Bonds;
- (iii) the Early Redemption Amount of the Covered Bonds;
- (iv) the Optional Redemption Amount(s) (if any) of the Covered Bonds;
- (v) in relation to Covered Bonds redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 6(f));

- (vii) any premium and any other amounts (other than interest) which may be payable under or in respect of the Covered Bonds;
- (viii) in relation to Dual Currency Covered Bonds, the principal payable in any relevant Specified Currency; and
- (ix) any Excess Proceeds which may be payable by the Bond Trustee under or in respect of the Covered Bonds.

Any reference in these Conditions to interest in respect of the Covered Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (Taxation) or under any undertakings given in addition thereto, or in substitution therefor, pursuant to the Bond Trust Deed.

**(h) Redenomination**

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Covered Bondholders, the Receiptholders and the Couponholders, on giving prior written notice to the Bond Trustee, the Security Trustee, the Principal Paying Agent, the Luxembourg Registrar (in the case of Registered Covered Bonds), Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Covered Bondholders in accordance with Condition 13 (Notices), elect that, with effect from the Redenomination Date specified in the notice, the Covered Bonds shall be redenominated in euro. In relation to any Covered Bonds where the applicable Final Terms provides for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 50,000 and which are admitted to trading on a regulated market in the European Economic Area, it shall be a term of any such redenomination that the holder of any Covered Bonds held through Euroclear and/or Clearstream, Luxembourg and/or DTC must have credited to its securities account with the relevant clearing system a minimum balance of Covered Bonds of at least euro 50,000.

The election will have effect as follows:

- (i) the Covered Bonds and any Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Covered Bond and Receipt equal to the nominal amount of that Covered Bond or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, in consultation with the Principal Paying Agent and the Bond Trustee, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Covered Bondholders, the competent listing authority, stock exchange and/or market (if any) on or by which the Covered Bonds may be listed and/or admitted to trading and the Paying Agents of such deemed amendments;
- (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Covered Bonds will be calculated by reference to the aggregate nominal amount of Covered Bonds presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (iii) if Definitive Covered Bonds are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 50,000 and/or such higher amounts as the Principal Paying Agent may determine and notify to the Covered

Bondholders and any remaining amounts less than euro 50,000 shall be redeemed by the Issuer and paid to the Covered Bondholders in euro in accordance with Condition 6;

- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Covered Bonds) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated Covered Bonds, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Covered Bonds, Receipts and Coupons so issued will also become void on that date although those Covered Bonds, Receipts and Coupons will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Covered Bonds, Receipts and Coupons will be issued in exchange for Covered Bonds, Receipts and Coupons denominated in the Specified Currency in such manner as the Principal Paying Agent may specify and as shall be notified to the Covered Bondholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Covered Bonds;
- (v) after the Redenomination Date, all payments in respect of the Covered Bonds, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Covered Bonds to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (vi) if the Covered Bonds are Fixed Rate Covered Bonds and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated
  - (a) in the case of Covered Bonds represented by a Global Covered Bond, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Covered Bonds represented by such Global Covered Bonds; and
  - (b) in the case of Definitive Covered Bonds, by applying the Rate of Interest to the Calculation Amount;

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

- (vii) if the Covered Bonds are Floating Rate Covered Bonds or Variable Interest Covered Bonds, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and
- (viii) such other changes shall be made to this Condition (and the Programme Documents) as the Issuer may decide, after consultation with the Principal Paying Agent and the Bond Trustee, and as may be specified in the notice, to conform it to conventions then applicable to instruments denominated in euro.

(i) **Definitions**

In these Conditions, the following expressions have the following meanings:

**Established Rate** means the rate for the conversion of the relevant Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty.

**euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty.

**Rate of Interest** means the rate of interest payable from time to time in respect of a Series of Covered Bonds, as determined in, or as determined in the manner specified in, the applicable Final Terms.

**Redenomination Date** means (in the case of interest bearing Covered Bonds) any date for payment of interest under the Covered Bonds or (in the case of Zero Coupon Covered Bonds) any date, in each case specified by the Issuer in the notice given to the Covered Bondholders pursuant to Condition 5(h)(i) and which falls on or after the date on which the country of the relevant Specified Currency first participates in the third stage of European economic and monetary union.

**Treaty** means the Treaty establishing the European Community, as amended.

6. **Redemption and Purchase**

(a) **Final redemption**

Unless previously redeemed in full or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Final Maturity Date.

Without prejudice to Condition 9 (Events of Default and Enforcement), if an Extended Due for Payment Date is specified as applicable in the Final Terms for a Series of Covered Bonds and the Issuer and the Guarantor (in the case of Covered Bonds issued by BNZ-IF) have failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Final Terms (or after expiry of the grace period set out in Condition 9(a)9(a)(i) and, following the service of a Notice to Pay on the Covered Bond Guarantor by no later than the date falling one Business Day prior to the Extension Determination Date, the Covered Bond Guarantor has insufficient monies available under the Guarantee Priority of Payments to pay the Guaranteed Amounts corresponding to the Final Redemption Amount in full in respect of the relevant Series of Covered Bonds on the date falling on the earlier of (a) the date which falls two Business Days after service of such Notice to Pay on the Covered Bond Guarantor or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9(b)(i)) under the terms of the Covered Bond Guarantee and (b) the Extension Determination Date, then (subject as provided below) payment of the unpaid amount by the Covered Bond Guarantor under the Covered Bond Guarantee shall be deferred until the Extended Due for Payment Date, provided that the Covered Bond Guarantor may pay any amount representing the Final Redemption Amount on the relevant Final Maturity Date and any amount representing the Final Redemption Amount due and remaining unpaid on the earlier of (a) and (b) above may also be paid by the Covered Bond Guarantor on any Interest Payment Date thereafter up to (and including) the Extended Due for Payment Date. The Issuer shall confirm to the relevant Principal Paying Agent as soon as reasonably practicable and in any event at least four Business Days prior to the Final

Maturity Date of a Series of Covered Bonds whether (x) payment will be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date or (y) payment will not be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date. Any failure by the Issuer to notify the relevant Principal Paying Agent shall not affect the validity or effectiveness of the extension.

The Covered Bond Guarantor shall notify the relevant Covered Bondholders (in accordance with Condition 13 (Notices)), the Rating Agencies, the Bond Trustee, the Security Trustee, the relevant Principal Paying Agent and the relevant Registrar (in the case of Registered Covered Bonds) as soon as reasonably practicable and in any event at least one Business Day prior to the dates specified in (a) and (b) of the preceding paragraph of any inability of the Covered Bond Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of a Series of Covered Bonds pursuant to the Covered Bond Guarantee. Any failure by the Covered Bond Guarantor to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party. In such circumstances, the Covered Bond Guarantor shall on the earlier of (a) the date falling two Business Days after the service of a Notice to Pay on the Covered Bond Guarantor or if later the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9(b)(i)) and (b) the Extension Determination Date, under the Covered Bond Guarantee, apply the monies (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) *pro rata* in part payment of an amount equal to the Final Redemption Amount of each Covered Bond of the relevant Series of Covered Bonds and shall pay Guaranteed Amounts constituting the Scheduled Interest in respect of each such Covered Bond on such date. The obligation of the Covered Bond Guarantor to pay any amounts in respect of the balance of the Final Redemption Amount not so paid shall be deferred as described above. Such failure to pay by the Covered Bond Guarantor shall not constitute an Covered Bond Guarantor Event of Default.

Any discharge of the obligations of the Issuer and the Guarantor as the result of the payment of Excess Proceeds to the Bond Trustee shall be disregarded for the purposes of determining the amounts to be paid by the Covered Bond Guarantor under the Covered Bond Guarantee in connection with this Condition 6(a).

For the purposes of these Conditions:

**Extended Due for Payment Date** means, in relation to any Series of Covered Bonds, the date, if any, specified as such in the applicable Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Final Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Extension Determination Date; and

**Extension Determination Date** means, in respect of a Series of Covered Bonds, the date falling two Business Days after the expiry of seven days starting on (and including) the Final Maturity Date of such Series of Covered Bonds.

**Guarantee Priority of Payments** means the guarantee priority of payments relating to the allocation and distribution of all Available Revenue Receipts and Available Principal Receipts following service of a Notice to Pay on the Covered Bond Guarantor, but prior to service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor in accordance with clause 12.5 of the Establishment Deed.

**Rating Agency** means any one of Moody's Investors Service Pty Limited and Fitch Australia Pty Limited (together, the **Rating Agencies**) or their successors, to the extent they provide ratings in respect of the Covered Bonds.

*(b) Redemption for taxation reasons*

The Covered Bonds may be redeemed at the option of the Issuer in whole, or in part, at any time (if this Covered Bond is not a Floating Rate Covered Bond, an Index Linked Interest Covered Bond nor a Dual Currency Interest Covered Bond) or on any Interest Payment Date (if this Covered Bond is a Floating Rate Covered Bond, an Index Linked Interest Covered Bond or a Dual Currency Interest Covered Bond), on giving not less than 30 nor more than 60 days' notice to the Bond Trustee and, in accordance with Condition 13 (Notices), the Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that, on the occasion of the next Interest Payment Date, the Issuer is or will be required to pay additional amounts as provided or referred to in Condition 7 (Taxation) or (in the case of Covered Bonds issued by BNZ-IF) the Guarantor would be or would become so obliged, if demand was made under the Guarantee. Covered Bonds redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in Condition 6(f) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

*(c) Redemption at the option of the Issuer (Issuer Call)*

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having (unless otherwise specified, in the applicable Final Terms) given not less than 30 nor more than 60 days' notice to the Bond Trustee, the relevant Principal Paying Agent, (in the case of the redemption of Registered Covered Bonds) the relevant Registrar and, in accordance with Condition 13 (Notices), the Covered Bondholders (which notice shall be irrevocable) redeem all or some only (as specified in the applicable Final Terms) of the Covered Bonds then outstanding on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date(s). Upon expiry of such notice, the Issuer shall be bound to redeem the Covered Bonds accordingly. In the event of a redemption of some only of the Covered Bonds, such redemption must be for an amount being the Minimum Redemption Amount or a Higher Redemption Amount. In the case of a partial redemption of Covered Bonds, the Covered Bonds to be redeemed (the **Redeemed Covered Bonds**) will be selected individually by lot, in the case of Redeemed Covered Bonds represented by Definitive Covered Bonds, and in accordance with the rules of DTC, Austraclear New Zealand, Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of DTC, Austraclear New Zealand, Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) (or any alternative or additional clearing system as may be specified in the Final Terms), in the case of Redeemed Covered Bonds represented by a Global Covered Bond, in each case, not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Covered Bonds represented by Definitive Covered Bonds, a list of the serial numbers of such Redeemed Covered Bonds will be published in accordance with Condition 13 (Notices) not less than 30 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Covered Bonds represented by Definitive Covered Bonds shall bear the same proportion to the aggregate nominal amount of all Redeemed Covered Bonds as the aggregate nominal amount of Definitive Covered Bonds outstanding bears to the aggregate nominal amount of the Covered Bonds outstanding, in each case on the Selection Dates, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Covered Bonds represented by a Global Covered Bond shall be equal to the balance of the Redeemed Covered Bonds. No exchange of the relevant Global Covered Bond will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6(c) and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 13 (Notices) at least 30 days prior to the Selection Date.

**(d) *Redemption at the option of the Covered Bondholders***

If Investor Put is specified in the applicable Final Terms, upon the holder of any Covered Bond giving the Issuer not less than 30 nor more than 60 days' written notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Covered Bond on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of a Covered Bond the holder thereof must, if the Covered Bond is in definitive form and held outside Euroclear and Clearstream, Luxembourg, Austraclear New Zealand or DTC, deliver, at the specified office of either (i) in the case of NZ Registered Covered Bonds, the NZ Paying Agent, or (ii) in any other case, any Paying Agent other than the NZ Paying Agent, at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 6(d) accompanied by this Covered Bond. If this Covered Bond is represented by a Global Covered Bond held through Euroclear or Clearstream, Luxembourg, or Austraclear New Zealand or DTC to exercise the right to require redemption of this Covered Bond the holder of this Covered Bond must, within the notice period, give notice to the relevant Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg, Austraclear New Zealand or DTC, (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg, Austraclear New Zealand or DTC, or any common depository or common safekeeper, as the case may be, for them to the relevant Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg, Austraclear New Zealand or DTC from time to time and, if this Covered Bond is represented by a Global Covered Bond, at the same time present or procure the presentation of the relevant Global Covered Bond to the Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg, Austraclear New Zealand or DTC, given by a holder of any Covered Bond pursuant to this Condition 6(d) shall be irrevocable except where, prior to the due date of redemption, an Issuer Event of Default or a Covered Bond Guarantor Event of Default has occurred and is continuing and the Bond Trustee has declared the Covered Bonds to be due and payable pursuant to Condition 9 (Events of Default and Enforcement), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6(d) and instead request or direct the Bond Trustee to declare such Covered Bond forthwith due and payable pursuant to Condition 9 (Events of Default and Enforcement).

**(e) *Redemption due to illegality***

The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bond Trustee, the Principal Paying Agents, the Registrars and, in accordance with Condition 13 (Notices), all the Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that it has, or will before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Intercompany Loan Provider and/or the Demand Loan Provider to make, fund or allow to remain outstanding any Term Advance and/or the Demand Loan (or, in either case, any part thereof) made by the Intercompany Loan Provider or the Demand Loan Provider, as the case may be to the Covered Bond Guarantor pursuant



to the Intercompany Loan Agreement or the Demand Loan Agreement, as the case may be, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.

Covered Bonds redeemed pursuant to this Condition 6(e) will be redeemed at their Early Redemption Amount referred to in Condition 6(f) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

**(f) *Early Redemption Amounts***

For the purpose of Conditions 6(b) and 6(e) above and 6(k) below and Condition 9 (Events of Default and Enforcement), each Covered Bond will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Covered Bond with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Covered Bond (other than a Zero Coupon Covered Bond but including an Instalment Covered Bond or a Partly Paid Covered Bond) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Covered Bond is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Covered Bond, at an amount (the **Amortised Face Amount**) equal to the sum of:
  - (a) the Reference Price; and
  - (b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date of the first Tranche of the Covered Bonds to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Covered Bond becomes due and repayable,

or such other calculation basis as may be provided for in the applicable Final Terms.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (i) in the case of a Zero Coupon Covered Bond payable in a Specified Currency other than euro, on the basis of a 360-day year consisting of 12 months of 30 days each or (ii) in the case of a Zero Coupon Covered Bond payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (x) the number of those days falling in a leap year divided by 366 and (y) the number of those days falling in a non leap year divided by 365) or (iii) on such other calculation basis as may be specified in the applicable Final Terms.

**(g) *Instalments***

Instalment Covered Bonds will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 6(f) above.

**(h) *Partly Paid Covered Bonds***

Partly Paid Covered Bonds will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 6 and the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 6(f) above.

**(i) *Purchases***

The Issuer, the Guarantor or any of their respective subsidiaries or the Covered Bond Guarantor may at any time purchase or otherwise acquire Covered Bonds (provided that, in the case of Bearer Definitive Covered Bonds, all unmatured Receipts, Coupons and Talons appertaining thereto are attached thereto or surrendered therewith) at any price and in any manner. If purchases are made by tender, tenders must be available to all the Covered Bondholders alike. Such Covered Bonds may be held, reissued, resold or, at the option of the Issuer or the Guarantor or the relevant subsidiary, surrendered to the relevant Registrar and/or either: (i) in the case of NZ Registered Covered Bonds, to the NZ Paying Agent, or (ii) in any other case to any Paying Agent other than the NZ Paying Agent, for cancellation (except that any Covered Bonds purchased or otherwise acquired by the Covered Bond Guarantor must immediately be surrendered to the relevant Registrar and/or either: (i) in the case of NZ Registered Covered Bonds, to the NZ Paying Agent, or (ii) in any other case to any Paying Agent other than the NZ Paying Agent for cancellation).

**(j) *Cancellation***

All Covered Bonds which are redeemed in full will forthwith be cancelled (together with, in the case of Bearer Definitive Covered Bonds, all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Covered Bonds so cancelled and any Covered Bonds purchased and surrendered for cancellation pursuant to Condition 6(i) above and cancelled (together with, in the case of Bearer Definitive Covered Bonds, all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the relevant Principal Paying Agent and cannot be held, reissued or resold.

**(k) *Late payment on Zero Coupon Covered Bonds***

If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to Condition 6(a), (b), (c), (d) or (e) above or upon its becoming due and repayable as provided in Condition 9 (Events of Default and Enforcement) is improperly withheld or refused or default is otherwise made in the payment thereof, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated as provided in Condition 6(f)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Covered Bond becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and
- (ii) the date on which the full amount of the monies payable in respect of such Zero Coupon Covered Bonds has been received by the relevant Principal Paying Agent or the Bond Trustee or the relevant Registrar and notice to that effect has been given to the Covered Bondholders either in accordance with Condition 13 (Notices) or individually.

*(l) Certification on redemption under Condition 6(b) and 6(e)*

Prior to the publication of any notice of redemption pursuant to Condition 6(b) or (e), the Issuer shall deliver to the Bond Trustee a certificate signed by two Authorised Signatories (as defined in the Definitions Schedule) of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Bond Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all holders of the Covered Bonds, Receiptholders and Couponholders.

**7. Taxation**

All payments of principal and interest (if any) in respect of the Covered Bonds, Receipts and Coupons by or on behalf of the Issuer, the Guarantor (in the case of Covered Bonds issued by BNZ-IF) or the Covered Bond Guarantor, as the case may be, will be made 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 the United Kingdom or New Zealand or any political sub-division thereof or by any authority therein or thereof having power to tax unless such withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In the event of a withholding or deduction being made by the Issuer or the Guarantor (as the case may be) in respect of a payment made by it, the Issuer or the Guarantor (as the case may be) will pay such additional amounts as shall be necessary in order that the net amounts received by the Covered Bondholders, Receiptholders or Couponholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Covered Bonds, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that the foregoing obligation to pay additional amounts shall apply only in the case of Covered Bonds issued by BNZ-IF and shall not apply to any such tax, assessment, governmental charge or duty:

- (a) which is payable otherwise than by deduction or withholding from payments of principal of and interest on such Covered Bond, Receipt or Coupon;
- (b) which is payable (other than in respect of New Zealand resident withholding tax) by reason of the Covered Bondholder, Receiptholder or Couponholder or beneficial owner (or any one of them in case of principal or interest derived by two or more persons jointly) having, or having had, some personal or business connection with New Zealand or a Tax Jurisdiction (other than mere ownership of or receipt of payment under the Covered Bonds, Receipts or Coupon or the fact that payments are, or for the purposes of taxation are deemed to be, from sources in, or secured in New Zealand or a Tax Jurisdiction);
- (c) which is payable solely by reason of the Covered Bondholder's, Receiptholder's or Couponholder's or beneficial owner's failure to comply with any certification, identification or other reporting requirement concerning nationality, residence, identity, connection with taxing jurisdiction of the Covered Bondholder, Receiptholder or Couponholder or other beneficial owner of such Covered Bond;
- (d) which is payable by reason of a change in law that becomes effective more than thirty days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5(f) (Payments)); or

- (e) which is an estate, inheritance, gift, sales, transfer, personal property or similar tax, assessment or other charge;
- (f) which is payable by reason of the Covered Bondholder, Receiptholder or Couponholder or beneficial owner of such Covered Bond, Receipt or Coupon being associated with the Issuer or the Guarantor or the Covered Bond Guarantor for the purposes of the approved issuer levy and non-resident withholding tax rules in the Income Tax Act 2007 of New Zealand or any modification or equivalent thereof;
- (g) which, if the Issuer is BNZ-IF, is payable solely by reason of the relevant Covered Bond, Receipt or Coupon being presented for payment in New Zealand;
- (h) which is imposed or withheld as a consequence of the New Zealand Inland Revenue Department applying section BG1 of the Income Tax Act 2007 of New Zealand (or any modification or equivalent thereof) with the consequence that withholding tax is payable in respect of a payment in circumstances where the payment would not have been subject to withholding tax in the absence of the application of such provision;
- (i) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (j) where such withholding or deduction is for or on account of New Zealand resident withholding tax;
- (k) which is payable on the Covered Bonds, Receipts and Coupons presented for payment by or on behalf of a Covered Bondholder, Receiptholder or Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Covered Bond, Receipt or Coupon to another Paying Agent in a member state of the European Union;
- (l) with respect to any payment of principal of or interest (including original issue discount) on the Covered Bonds, Receipts and Coupons by the Issuer (or the Guarantor, as the case may be) to any Covered Bondholder, Receiptholder or Couponholder who is a fiduciary or partnership or other than the sole beneficial owner of any such payment to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or any other beneficial owner would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of such Covered Bonds, Receipts and Coupons; or
- (m) any combination of (a) through (l) above.

If any payments made by the Covered Bond Guarantor under the Covered Bond Guarantee are or become subject to any withholding or deduction, on account of any taxes, duties or other charges of whatever nature, imposed or levied by or on behalf of New Zealand or by any other authority having power to tax, the Covered Bond Guarantor will not be obliged to pay any additional amount as a consequence and for the avoidance of doubt will not be required to pay any amount of approved issuer levy (under Part VI B of the Stamp and Cheque Duties Act 1971) in respect of such payments.

As used herein:

- (i) **Tax Jurisdiction** means (a) in relation to any Series or Tranche of Covered Bonds issued by BNZ-IF, the United Kingdom; and (b) in relation to any Series or Tranche of Covered Bonds

issued by BNZ, the jurisdiction, if any, named in the applicable Final Terms as being the jurisdiction wherein BNZ's borrowing office is located for such Tranche of Covered Bonds if such borrowing office is not located in New Zealand; and

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

Where used in the remaining provisions of this Condition 7, interest means interest (as defined under the Income Tax Act 2007 of New Zealand or any modification or equivalent thereof) for withholding tax purposes, which includes the excess of the redemption amount over the issue price of any Covered Bond, as well as interest paid on such Covered Bond. The Issuer is, and the Guarantor and the Covered Bond Guarantor (where applicable) may be required by law to deduct New Zealand resident withholding tax from the payment of interest to a Covered Bondholder, Receiptholder or Couponholder, if:

- (a) the Covered Bondholder, Receiptholder or Couponholder, as the case may be, is a resident of New Zealand for income tax purposes or is otherwise subject to the New Zealand resident withholding tax rules (a **New Zealand Covered Bondholder**); and
- (b) at the time of such payment, the New Zealand Covered Bondholder does not hold a valid certificate of exemption for New Zealand resident withholding tax purposes.

Prior to any date on which interest is payable or the Final Maturity Date, any New Zealand Covered Bondholder:

- (A) must notify the Issuer or, as the case may be, the Guarantor or the Covered Bond Guarantor or any Paying Agent, that the New Zealand Covered Bondholder is the holder of a Covered Bond, Receipt or Coupon; and
- (B) must notify the Issuer or, as the case may be, the Guarantor, or the Covered Bond Guarantor or a Paying Agent, of any circumstances, and provide the Issuer or, as the case may be, the Guarantor, or the Covered Bond Guarantor or the relevant Paying Agent, with any information that may enable the Issuer or, as the case may be, the Guarantor or the Covered Bond Guarantor, to make payment of interest to the New Zealand Covered Bondholder without deduction on account of New Zealand resident withholding tax.

The New Zealand Covered Bondholder must notify the Issuer or, as the case may be, the Guarantor or the Covered Bond Guarantor, prior to any date on which interest is payable, of any change in the New Zealand Covered Bondholder's circumstances from those previously notified that could affect the payment or withholding obligations of the Issuer or, as the case may be, the Guarantor or the Covered Bond Guarantor, in respect of this Covered Bond, Receipt or Coupon. By accepting payment of the full face amount of a Covered Bond, Receipt or Coupon, as the case may be or any interest thereon, the New Zealand Covered Bondholder indemnifies the Issuer or, as the case may be, the Guarantor or the Covered Bond Guarantor, for all purposes in respect of any liability the Issuer or, as the case may be, the Guarantor or the Covered Bond Guarantor may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax.

Only a New Zealand Covered Bondholder will be obliged to make the notification referred to above and no other holder will be required to make any certification that is not a New Zealand Covered Bondholder.

## 8. Prescription

The Covered Bonds (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within 10 years (in the case of principal) and five years (in the case of interest) in each case from the Relevant Date (as defined in Condition 7 (Taxation)) therefor, subject in each case to the provisions of Condition 5 (Payments).

There shall not be included in any Coupon sheet issued on exchange of a Talon, any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5 or any Talon which would be void pursuant to Condition 5.

## 9. Events of Default and Enforcement

### (a) *Issuer Events of Default*

The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose or the purpose of any Extraordinary Resolution referred to in this Condition 9(a) means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Bond Trust Deed) then outstanding, as if they were a single Series (with the Principal Amount Outstanding of Covered Bonds not denominated in NZ Dollars converted into NZ Dollars at the relevant Swap Rate) or if so directed by an Extraordinary Resolution of the Covered Bondholders shall, (but in the case of the happening of any of the events mentioned in subparagraph (iii), (iv) (v), (vi), (vii), (ix) or (x) inclusive below, only if the Bond Trustee shall have certified in writing to the Issuer and the Guarantor (in the case of Covered Bonds issued by BNZ-IF) that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series) (subject in each case to being indemnified and/or secured and or prefunded to its satisfaction) give notice (an **Issuer Acceleration Notice**) in writing to the Issuer and the Guarantor that as against the Issuer and the Guarantor (but not, for the avoidance of doubt, as against the Covered Bond Guarantor under the Covered Bond Guarantee) each Covered Bond of each Series is, and each such Covered Bond shall, unless such event shall have been cured by the Issuer or the Guarantor (in the case of Covered Bonds issued by BNZ-IF) prior to the Issuer's or the Guarantor's (as the case may be) receipt of the notice in writing from the Bond Trustee, thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Bond Trust Deed if any of the following events (each an **Issuer Event of Default**) shall occur:

- (i) default by the Issuer and, in respect of the Covered Bonds issued by BNZ-IF, the Guarantor, in any payment when due of principal on the Covered Bonds or any of them and the default continues for a period of seven days;
- (ii) default by the Issuer and, in respect of the Covered Bonds issued by BNZ-IF, the Guarantor, in payment when due of any instalment of interest on the Covered Bonds or any of them and the default continues for a period of 30 days;
- (iii) a failure by the Issuer or, in respect of the Covered Bonds issued by BNZ-IF, the Guarantor, to perform or observe any of its other obligations under the Conditions or the Bond Trust Deed and the failure continues for the period of 30 days next following the service by the Bond Trustee on the Issuer or the Guarantor, as the case may be, of notice requiring the same to be remedied;
- (iv) (a) any other present or future indebtedness of the Issuer or the Guarantor (in respect of the Covered Bonds issued by BNZ-IF) for or in respect of moneys borrowed or raised (other than in the ordinary course of its businesses) becomes due and payable prior to its maturity

as a result of a default by the Issuer or the Guarantor (as the case may be); or (b) such indebtedness is not paid when due or (as the case may be) within any applicable grace period therefor; or (c) the Issuer or the Guarantor (in respect of the Covered Bonds issued by BNZ-IF) fails to pay when due or expressed to be due any amount payable or expressed to be payable by it under any present or future guarantee or indemnity for any monies borrowed (other than such a guarantee or indemnity given in the ordinary course of their respective businesses); or (d) any mortgage, charge, pledge, lien or other encumbrance, present or future, and created or assumed by the Issuer or (in respect of the Covered Bonds issued by BNZ-IF) the Guarantor securing indebtedness (other than in respect of monies borrowed or raised on a non-recourse basis) becomes enforceable and the holder thereof takes any steps to enforce the same, provided, however, that no Event of Default will occur under this Condition 9(a)(iv) unless and until the aggregate amount in respect of which one or more of the events referred to above in subparagraphs (a), (b), (c) and (d) has/have occurred equals or exceeds U.S.\$10,000,000 or its equivalent in any other currency;

- (v) a distress or execution or other legal process is levied or enforced upon or sued out or put in force against any part of the property, assets or revenues of the Issuer or the Guarantor (in respect of the Covered Bonds issued by BNZ-IF) and such distress or execution or other legal process, as the case may be, is not discharged or stayed within 14 days of having been so levied, enforced or sued out;
- (vi) an encumbrancer takes possession or a receiver or administrator is appointed of the whole or any part of the undertaking, property, assets or revenues of the Issuer or the Guarantor (in respect of the Covered Bonds issued by BNZ-IF) (other than in respect of monies borrowed or raised on a non-recourse basis);
- (vii) the Issuer or the Guarantor (in respect of the Covered Bonds issued by BNZ-IF) (a) becomes insolvent or is unable to pay its debts as they mature; or (b) applies for or consents to or suffers the appointment of a liquidator or receiver or administrator of the Issuer or the Guarantor (in respect of the Covered Bonds issued by BNZ-IF) or of the whole or any part of the undertaking, property, assets or revenues of the Issuer or the Guarantor (in respect of the Covered Bonds issued by BNZ-IF) (other than in respect of monies borrowed or raised on a non-recourse basis); or (c) takes any proceeding under any law for a readjustment or deferment of its obligations or any part thereof or makes or enters into a general assignment or any arrangement or composition with or for the benefit of creditors;
- (viii) other than under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency either (a) a court order is made for the appointment of a liquidator of BNZ-IF or the Guarantor (in the case of Covered Bonds issued by BNZ-IF) (as applicable); or (b) the board of BNZ-IF or the Guarantor (in the case of Covered Bonds issued by BNZ-IF) (as applicable), on the occurrence of an event specified in BNZ-IF's or the Guarantor's (in the case of Covered Bonds issued by BNZ-IF) (as applicable) constitution appoints a liquidator; or (c) an effective resolution is passed by shareholders or members for the appointment of a liquidator of the Issuer or the Guarantor (in the case of Covered Bonds issued by BNZ-IF) (as applicable);
- (ix) a moratorium shall be agreed or declared in respect of any indebtedness of the Issuer or the Guarantor (in respect of the Covered Bonds issued by BNZ-IF), or any governmental authority or agency shall have condemned, seized or compulsorily purchased or expropriated all or in the opinion of the Bond Trustee a substantial part of the assets of or capital of the Issuer or the Guarantor (in respect of the Covered Bonds issued by BNZ-IF); or

- (x) (a) BNZ ceases to carry on general banking business in New Zealand; or (b) BNZ ceases to be registered as a bank in New Zealand; or (c) the Issuer or the Guarantor (in respect of the Covered Bonds issued by BNZ-IF) enters into any arrangement or agreement for any sale or disposal of the whole of its respective business by amalgamation or otherwise other than, in the case of (c) only, (A) under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency which, in respect of the Issuers results in a substitution of the principal debtor under the Covered Bonds, Receipts and Coupons or, in the case of the Guarantor (in respect of the Covered Bonds issued by BNZ-IF), results in a substitution of the Guarantor under the Bond Trust Deed, in each case pursuant to Condition 14 (Meetings of Covered Bondholders, Modification, Waiver and Substitution); or (B) with the consent of the Covered Bondholders by Extraordinary Resolution;
- (xi) (where the Issuer is BNZ-IF) the Guarantee is terminated or shall cease to be in full force and effect;
- (xii) if an Asset Coverage Test Breach Notice has been served and remains outstanding (in accordance with the terms of the Programme Documents) on the next Calculation Date after service of such Asset Coverage Test Breach Notice on the Covered Bond Guarantor; or
- (xiii) if the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds is breached during the Pre-Maturity Test Period and the Covered Bond Guarantor has not taken the required actions set out in clause 9.4 of the Establishment Deed following that breach by the earlier to occur of:
  - (a) ten NZ Business Days from the date that the Seller is notified of that breach; and
  - (b) the Final Maturity Date of that Series of Hard Bullet Covered Bonds.

Upon the Covered Bonds becoming immediately due and repayable against the Issuer and the Guarantor pursuant to this Condition 9(a), the Bond Trustee shall forthwith serve a notice to pay (the **Notice to Pay**) on the Covered Bond Guarantor pursuant to the Covered Bond Guarantee and the Covered Bond Guarantor shall be required to make payments of Guaranteed Amounts when the same shall become Due for Payment in accordance with the terms of the Covered Bond Guarantee.

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may or shall take such proceedings or other action or step against the Issuer and the Guarantor in accordance with Condition 9(c).

The Bond Trust Deed provides that all monies received by the Bond Trustee following the occurrence of an Issuer Event of Default and the delivery of an Issuer Acceleration Notice and Notice to Pay, from the Issuer, the Guarantor or any receiver, liquidator, administrator or other similar official appointed in relation to the Issuer or the Guarantor following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice and a Notice to Pay (the **Excess Proceeds**), shall be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the Covered Bond Guarantor for its own account, as soon as practicable, and shall be held by the Covered Bond Guarantor in the GIC Account and the Excess Proceeds shall thereafter form part of the Security and shall be used by the Covered Bond Guarantor as Available Principal Receipts in the same manner as all other monies from time to time standing to the credit of the GIC Account pursuant to the Security Deed and the Establishment Deed. Any Excess Proceeds received by the Bond Trustee shall discharge *pro tanto* the obligations of the Issuer and the Guarantor (in respect of Covered Bonds issued by BNZ-IF) in respect of the payment of the amount of such Excess Proceeds under the Guarantee, Covered Bonds, Receipts and Coupons (as applicable and to the



extent of the amount so received and subject to restitution of the same if such Excess Proceeds shall be required to be repaid by the Covered Bond Guarantor) (but shall be deemed not to have done so for the purposes of subrogation rights of the Covered Bond Guarantor contemplated by the Bond Trust Deed). However, the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following service of an Issuer Acceleration Notice and a Notice to Pay or if earlier, Service of a Covered Bond Guarantee Acceleration Notice) unconditional and irrevocable and the receipt by the Bond Trustee of any Excess Proceeds and payment to the Covered Bond Guarantor of such Excess Proceeds shall not reduce or discharge any of such obligations.

By subscribing for Covered Bond(s), each Covered Bondholder shall be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Covered Bond Guarantor in the manner as described above.

**(b) Covered Bond Guarantor Events of Default**

The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose and the purpose of any Extraordinary Resolution referred to in this Condition 9(b) means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Bond Trust Deed) then outstanding as if they were a single Series (with the Principal Amount Outstanding of Covered Bonds not denominated in NZ Dollars converted into NZ Dollars at the relevant Swap Rate) or if so directed by an Extraordinary Resolution of all the Covered Bondholders shall, (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), but in the case of the happening of any of the events described in paragraph (ii) below, only if the Bond Trustee shall have certified in writing to the Issuer, the Guarantor and the Covered Bond Guarantor that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series, give notice (the **Covered Bond Guarantee Acceleration Notice**) in writing to the Issuer, the Guarantor and to the Covered Bond Guarantor, that (x) each Covered Bond of each Series is, and each Covered Bond of each Series shall as against the Issuer and the Guarantor (if not already due and repayable against it following an Issuer Event of Default), thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest and (y) all amounts payable by the Covered Bond Guarantor under the Covered Bond Guarantee shall thereupon immediately become due and payable at the Guaranteed Amount corresponding to the Early Redemption Amount for each Covered Bond of each Series together with accrued interest, in each case as provided in the Bond Trust Deed and thereafter the Security shall become enforceable if any of the following events (each a **Covered Bond Guarantor Event of Default**) shall occur and be continuing:

- (i) default is made by the Covered Bond Guarantor for a period of 14 days or more in the payment of any Guaranteed Amounts when Due for Payment in respect of the Covered Bonds of any Series except in the case of the payments of a Guaranteed Amount when Due for Payment under Condition 6(a) where the Covered Bond Guarantor shall be required to make payments of Guaranteed Amounts which are Due for Payment on the dates specified therein; or
- (ii) if default is made by the Covered Bond Guarantor in the performance or observance of any other obligation, condition or provision binding on it (other than any obligation for the payment of Guaranteed Amounts in respect of the Covered Bonds of any Series) under the Bond Trust Deed, the Security Deed or any other Programme Document to which the Covered Bond Guarantor is a party (other than the Programme Agreement or any Subscription Agreement) and, except where such default is or the effects of such default are, in the opinion of the Bond Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required, such default continues for 30 days (or

such longer period as the Bond Trustee may permit) after written notice thereof has been given by the Bond Trustee to the Covered Bond Guarantor requiring the same to be remedied; or

- (iii) if the Covered Bond Guarantor ceases or threatens to cease to carry on its business or substantially the whole of its business; or
- (iv) the Covered Bond Guarantor shall stop payment or shall be unable, or shall admit inability, to pay its debts generally as they fall due or shall be adjudicated or found bankrupt or insolvent; or
- (v) proceedings are initiated against the Covered Bond Guarantor under any applicable liquidation, winding up, insolvency, bankruptcy, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition or the filing of documents with a court or any registrar for its winding-up, administration or dissolution or the giving notice of the intention to appoint an administrator (whether out of court or otherwise)); or a receiver and/or manager, administrative receiver, administrator, trustee or other similar official shall be appointed (whether out of court or otherwise) in relation to the Covered Bond Guarantor or in relation to the whole or any part of its assets, or a distress, diligence or execution or other process shall be levied or enforced upon or sued out against the whole or any part of its assets, or if the Covered Bond Guarantor shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation, winding up, insolvency, bankruptcy, composition, reorganisation or other similar laws or shall make a conveyance, assignment or assignation for the benefit of, or shall enter into any composition with, its creditors generally; or
- (vi) a failure to satisfy the Amortisation Test (as set out in the Establishment Deed) on any Calculation Date following an Issuer Event of Default; or
- (vii) the Covered Bond Guarantee is not, or is claimed by the Covered Bond Guarantor not to be, in full force and effect.

Following the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor each of the Bond Trustee and the Security Trustee may or shall take such proceedings or steps in accordance with the first and third paragraphs, respectively, of Condition 9(c) and the Covered Bondholders shall have a claim against the Covered Bond Guarantor, under the Covered Bond Guarantee, for an amount equal to the Early Redemption Amount for each Covered Bond of each Series together with accrued interest and any other amount due under the Covered Bonds (other than additional amounts payable under Condition 7 (Taxation)) as provided in the Bond Trust Deed in respect of each Covered Bond.

**(c) Enforcement**

The Bond Trustee may at any time, at its discretion and without further notice, following service of an Issuer Acceleration Notice (in the case of the Issuer and the Guarantor) or, if earlier, following service of a Covered Bond Guarantee Acceleration Notice (in the case of the Covered Bond Guarantor) take such proceedings or other action or step as it may think fit against or in relation to the Issuer and/or the Guarantor (in the case of Covered Bonds issued by BNZ-IF) and/or the Covered Bond Guarantor, as the case may be, and/or any other person as it may think fit to enforce the provisions of the Bond Trust Deed, the Covered Bonds, the Receipts and the Coupons or any other Programme Document, but it shall not be bound to take any such enforcement proceedings or other action or step in relation to the Bond Trust Deed, the Covered Bonds, the Receipts or the Coupons or any other Programme Document unless (i) it shall have been so directed by an Extraordinary

Resolution of the Covered Bondholders of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into NZ Dollars at the relevant Swap Rate as aforesaid) or so requested in writing by the holders of not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into NZ Dollars at the relevant Swap Rate as aforesaid) and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

In exercising any of its powers, trusts, authorities and discretions the Bond Trustee shall only have regard to the interests of the Covered Bondholders of all Series equally and shall not have regard to the interests of any other Secured Creditors.

The Bond Trustee may at any time, following service of a Covered Bond Guarantee Acceleration Notice at its discretion and without further notice, direct the Security Trustee to take such steps or proceedings against the Covered Bond Guarantor and/or any other person as it may think fit to enforce the provisions of the Security Deed or any other Programme Document and may, at any time after the Security has become enforceable, direct the Security Trustee to take such steps as it may think fit to enforce the Security, but it shall not be bound to give any such direction and the Security Trustee shall not be bound to take any such steps or proceedings unless (i) the Bond Trustee shall have been so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into NZ Dollars at the relevant Swap Rate as aforesaid) or so requested in writing by the holders of not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into NZ Dollars at the relevant Swap Rate as aforesaid); and (ii) each of the Bond Trustee and Security Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction. In exercising any of its powers, trusts, authorities and discretions under this paragraph each of the Bond Trustee and the Security Trustee shall only have regard to the interests of the Covered Bondholders of all Series equally and shall not have regard to the interests of any other Secured Creditors.

No Covered Bondholder, Receiptholder or Couponholder shall be entitled to institute proceedings directly against the Issuer, the Guarantor (in the case of Covered Bonds issued by BNZ IF) or the Covered Bond Guarantor or to take any action with respect to the Bond Trust Deed, the Covered Bonds, the Receipts, the Coupons, or the Security unless the Bond Trustee or the Security Trustee, as applicable, having become bound so to proceed, fails so to do within a reasonable time and such failure is continuing in which event any Covered Bondholder, Receiptholder or Couponholder may, on giving an indemnity and/or security satisfactory to the Bond Trustee, in the name of the Bond Trustee (but not otherwise) himself institute such proceedings and/or prove in the winding up, administration or liquidation of the Issuer and/or the Guarantor or the Covered Bond Guarantor to the same extent and in the same jurisdiction (but not further or otherwise than the Bond Trustee would have been entitled to do so in respect of the Covered Bonds, Receipts and Coupons and/or the Bond Trust Deed).

#### **10. Replacement of Covered Bonds, Receipts, Coupons and Talons**

Should any Covered Bond, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the UK Paying Agent in London (in the case of Bearer Covered Bonds, Receipts or Coupons) or the specified office of the relevant Registrar (in the case of Registered Covered Bonds), or any other place approved by the Bond Trustee of which notice shall have been published in accordance with Condition 13 (Notices) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as

to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Covered Bonds, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

**11. UK Paying Agent, NZ Paying Agent, Paying Agents, Luxembourg Registrar, NZ Registrar, Transfer Agent and Exchange Agent**

The names of the initial UK Paying Agent, NZ Paying Agent, the other initial Paying Agents, the initial Luxembourg Registrar, the NZ Registrar, the initial Transfer Agent, the initial Exchange Agent and their initial specified offices are set out below.

In the event of the appointed office of any such bank being unable or unwilling to continue to act as the UK Paying Agent, or failing duly to determine the Rate of Interest, if applicable, or to calculate the Interest Amounts for any Interest Period, the Issuer shall appoint the London office of such other bank as may be approved by the Bond Trustee to act as such in its place. The UK Paying Agent may not resign its duties or be removed from office without a successor having been appointed as aforesaid.

In the event of the appointed NZ Paying Agent and/or NZ Registrar being unable or unwilling to continue to act as the NZ Paying Agent and/or NZ Registrar, or failing duly to determine the Interest Rate, if applicable, or to calculate the Interest Amounts for any Interest Period, the Issuer shall appoint such other paying agent and/or registrar as may be approved by the Bond Trustee to act as such in its place. Each of the NZ Paying Agent and the NZ Registrar may not resign its duties or be removed from office without a successor having been appointed as aforesaid.

The Issuer and the Guarantor (in the case of Covered Bonds issued by BNZ-IF) are entitled, with the prior written approval of the Bond Trustee (not to be unreasonably withheld), to vary or terminate the appointment of any Paying Agent or Registrar and/or appoint additional or other Paying Agents or Registrars and/or approve any change in the specified office through which any Paying Agent or Registrar acts, provided that:

- (a) there will at all times be a UK Paying Agent, a Luxembourg Registrar and, so long as any NZ Registered Covered Bonds are outstanding, a NZ Paying Agent and a NZ Registrar;
- (b) so long as any of the Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Covered Bonds) and a Transfer Agent (in the case of Registered Covered Bonds) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or as the case may be, other relevant authority;
- (c) so long as any of the Registered Global Covered Bonds payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent;
- (d) the Issuer will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive if any; and
- (e) the Issuer will ensure that it appoints a Paying Agent in a Member State of the European Union (other than the United Kingdom) in the event that it is required to withhold or deduct tax on payments made in the United Kingdom.

In addition, the Issuer shall, when necessary appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(e). Notice of any such variation,

termination, appointment or change will be given by the Issuer to the Covered Bondholders as soon as reasonably practicable in accordance with Condition 13 (Notices).

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

## **12. Exchange of Talons**

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

## **13. Notices**

All notices regarding the Bearer Covered Bonds will be valid if published (a) in a leading English language daily newspaper of general circulation in London, and (b) if and for so long as the Bearer Covered Bonds are admitted to trading on, and listed on the Regulated Market of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg and/or the Luxembourg Stock Exchange's website, *www.bourse.lu*. It is expected that any such newspaper publication will be made in the *Financial Times* in London and the *d'Wort* or the *Tageblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Covered Bonds are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers or where published in such newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Bond Trustee shall approve.

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

Until such time as any Definitive Covered Bonds are issued, there may, so long as the Covered Bonds are represented in their entirety by any Global Covered Bonds held on behalf of Austraclear New Zealand and/or DTC and/or Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Austraclear New Zealand and/or DTC and/or Euroclear and/or Clearstream, Luxembourg for communication by them to the Covered Bondholders and, in addition, for so long as any Covered Bonds are listed on a stock exchange or admitted to trading by any other relevant authority and the rules of that stock exchange, or as the case may be, other relevant authority so require, such notice or notices will be

published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Covered Bondholders on the day on which the said notice was given to Austraclear New Zealand and/or DTC and/or Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Covered Bondholder shall be in writing and given by lodging the same, together (in the case of any Covered Bond in definitive form) with the relative Covered Bond or Covered Bonds, with the Agent (in the case of the Bearer Covered Bonds) or the Registrar (in the case of Registered Covered Bonds). Whilst any of the Covered Bonds are represented by a Global Covered Bond, such notice may be given by any holder of a Covered Bond to the relevant Principal Paying Agent or the Registrar through Austraclear New Zealand and/or Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the relevant Principal Paying Agent, the Registrar and Austraclear New Zealand and/or Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

#### **14. Meetings of Covered Bondholders, Modification, Waiver and Substitution**

**Covered Bondholders, Receiptholders, Couponholders and other Secured Creditors should note that the Issuer, the Guarantor, the Covered Bond Guarantor and the relevant Principal Paying Agent may without their consent or the consent of the Bond Trustee or the Security Trustee agree to modify any provision of any Final Terms which 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.**

The Bond Trust Deed contains provisions for convening meetings of the Covered Bondholders of any Series to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Conditions or the provisions of the Bond Trust Deed. The quorum at any such meeting in respect of the Covered Bonds of any Series for passing an Extraordinary Resolution is one or more persons holding or representing not less than a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned meeting one or more persons being or representing the Covered Bondholders of such Series whatever the Principal Amount Outstanding of the Covered Bonds of such Series so held or represented, except that at any meeting the business of which includes any Series Reserved Matter, the quorum shall be one or more persons holding or representing not less than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one third of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding. The expression Extraordinary Resolution when used in these Conditions means: (a) a resolution passed at a meeting of the Covered Bondholders duly convened and held in accordance with the Bond Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three fourths of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of Covered Bondholders holding not less than seventy five per cent. in Principal Amount Outstanding of the Covered Bonds then outstanding, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Covered Bondholders. An Extraordinary Resolution passed at any meeting of the Covered Bondholders of a Series shall, subject as provided below, be binding on all the Covered Bondholders of such Series, whether or not they are present at the meeting, and on all Receiptholders and Couponholders in respect of such Series of Covered Bonds. Pursuant to the Bond Trust Deed, the Bond Trustee may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Bond Trustee there is no conflict between the respective interests of such Covered Bondholders, in which event the provisions of this paragraph shall apply thereto *mutatis mutandis*.

Notwithstanding the provisions of the immediately preceding paragraph, any Extraordinary Resolution to direct the Bond Trustee to accelerate the Covered Bonds pursuant to Condition 9(a) or to give a Covered Bond Guarantee Acceleration Notice pursuant to Condition 9(b) (Events of Default and Enforcement) or to direct the Bond Trustee or the Security Trustee or to direct the Bond Trustee to direct the Security Trustee to take any enforcement action or to direct the Bond Trustee to determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default shall not be treated as such for the purposes of the Bond Trust Deed (each a **Programme Resolution**) shall only be capable of being passed at a single meeting of the Covered Bondholders of all Series then outstanding. Any such meeting to consider a Programme Resolution may be convened by the Issuer, the Guarantor, the Covered Bond Guarantor or the Bond Trustee or by the Covered Bondholders of any Series. The quorum at any such meeting for passing a Programme Resolution is one or more persons holding or representing at least a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding or at any adjourned such meeting one or more persons holding or representing Covered Bonds whatever the Principal Amount Outstanding of the Covered Bonds of any Series so held or represented. A Programme Resolution passed at any meeting of the Covered Bondholders of all Series shall be binding on all the Covered Bondholders of all Series, whether or not they are present at the meeting, and on all related Receiptholders and Couponholders.

In connection with any meeting of the holders of Covered Bonds of more than one Series where such Covered Bonds are not denominated in NZ Dollars, the Principal Amount Outstanding of the Covered Bonds of any Series not denominated in NZ Dollars shall be converted into NZ Dollars at the relevant Swap Rate.

The Bond Trustee may, without the consent or sanction of any of the Covered Bondholders of any Series, the related Receiptholders and/or the Couponholders and without the consent of the other Secured Creditors, at any time and time to time, concur with the relevant Issuer, the Guarantor (in the case of Covered Bonds issued by BNZ-IF), the Covered Bond Guarantor or any other party or direct the Security Trustee to concur with the Issuers, the Guarantor, the Covered Bond Guarantor or any other party in making any modification of the Covered Bonds of one or more Series, the related Receipts and/or Coupons or any Programme Document:

- (a) which in the opinion of the Bond Trustee may be expedient to make provided the Bond Trustee is of the opinion that such modification is not materially prejudicial to the interests of the Covered Bondholders of any Series but such power does not extend to any such modification referred to in the definition of Series Reserved Matter; or
- (b) which is in the opinion of the Bond Trustee of a formal, minor or technical nature, or in the opinion of the Bond Trustee is made to correct a manifest error or is made to comply with mandatory provisions of law (and for this purpose the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter; or
- (c) (without prejudice to (a) and (b) above) which is made to enable Covered Bondholders and Secured Creditors to obtain the protection and/or other benefits of any legislation or regulations or any directive of any regulatory body including, without limitation, the RBNZ that are introduced in New Zealand for the purpose of regulating covered bonds provided that the Bond Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Covered Bondholders of any Series.

Notwithstanding the above the Bond Trustee and the Security Trustee shall not be obliged to agree to any amendment, which, in the sole opinion of the Bond Trustee or the Security Trustee, (as applicable), would have the effect of (i) exposing the Bond Trustee or the Security Trustee, (as

applicable), to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the protections, of the Bond Trustee or the Security Trustee, (as applicable), in the Bond Trust Deed, the other Programme Documents and/or the Conditions.

The Bond Trustee may without the consent of any of the Covered Bondholders of any Series, the related Receiptholders and/or Couponholders and without the consent of any other Secured Creditor and without prejudice to its rights in respect of any subsequent breach, Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default from time to time and at any time but only if in so far as in its opinion the interests of the Covered Bondholders of any Series shall not be materially prejudiced thereby, waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by an Issuer, the Guarantor or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in the Bond Trust Deed, the other Programme Documents or the Conditions or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default shall not be treated as such for the purposes of the Bond Trust Deed, PROVIDED ALWAYS THAT the Bond Trustee shall not exercise any powers conferred on it in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 9 (a) or (b) (Events of Default and Enforcement) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, shall be binding on the Covered Bondholders, the related Receiptholders and/or the Couponholders and, if, but only if, the Bond Trustee shall so require, shall be notified by the Issuer, the Guarantor or the Covered Bond Guarantor (as the case may be) to the Covered Bondholders in accordance with Condition 13 (Notices) as soon as practicable thereafter.

Subject to as provided below, the Bond Trustee shall be bound to waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by an Issuer, the Guarantor or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in the Bond Trust Deed, the other Programme Documents or the Conditions or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default shall not be treated as such for the purposes of the Bond Trust Deed if it is: (i) in the case of such waiver or authorisation, (a) so directed by Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series in the circumstances provided in the Bond Trust Deed and, if applicable, converted into NZ Dollars at the relevant Swap Rate) or (b) requested to do so in writing by the holders of not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series in the circumstances provided in the Bond Trust Deed and, if applicable, converted into NZ Dollars at the relevant Swap Rate) or (ii), in the case of any such determination, (a) so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding with the Covered Bonds of all Series taken together as a single Series and, if applicable, converted into NZ Dollars at the relevant Swap Rate) or (b) requested to do so in writing by the holders of not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds of all Series then outstanding with the Covered Bonds of all Series taken together as a single Series and, if applicable, converted into NZ Dollars as aforesaid), and at all times then only if it shall be indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

The Security Trustee may, without the consent of the Secured Creditors (other than any Secured Creditor who is a party to the relevant document) and without prejudice to its right in respect of any further or other breach, from time to time and at any time, but only if so directed by (a) the Bond



Trustee, so long as there are any Covered Bonds outstanding or (b) all of the other Secured Creditors, if there are no Covered Bonds outstanding, authorise or waive any proposed or actual breach of any of the covenants or provisions contained in any Programme Document and/or agree to any modification to any Programme Document. Any such authorisation or waiver or modification shall be binding on the Secured Creditors and, unless the Bond Trustee otherwise agrees, notice thereof shall be given by the Issuer or the Guarantor or the Covered Bond Guarantor (as the case may be) to the Secured Creditors as soon as practicable thereafter.

Any such modification, waiver, authorisation or determination shall be binding on all the Covered Bondholders of all Series of Covered Bonds for the time being outstanding, the related Receiptholders and the Couponholders and the other Secured Creditors, and unless the Bond Trustee otherwise agrees, any such modification shall be notified by the Issuer, to the Covered Bondholders of all Series of Covered Bonds for the time being outstanding and the other Secured Creditors in accordance with Condition 13 (Notices) as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Bond Trustee and the Security Trustee shall have regard to the general interests of the Covered Bondholders of each Series as a class (but shall not have regard to any interests arising from circumstances particular to individual Covered Bondholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Covered Bondholders, the related Receiptholders, Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Bond Trustee and the Security Trustee shall not be entitled to require, nor shall any Covered Bondholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Guarantor, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Covered Bondholders, Receiptholders and/or Couponholders, except to the extent already provided for in Condition 7 (Taxation) and/or in any undertaking or covenant given in addition to, or in substitution for, Condition 7 (Taxation) pursuant to the Bond Trust Deed.

Prior to the Bond Trustee and/or the Security Trustee making or granting any waiver, authorisation or determination pursuant to this Condition, the Guarantor must send written confirmation to the Bond Trustee and Security Trustee that: (i) any such waiver, authorisation or determination would not require the RBNZ to be notified; or (ii) if such waiver, authorisation or determination would require the RBNZ to be notified, the Guarantor has provided all information required to be provided to the RBNZ and, if consent or confirmation of non-objection is required, the RBNZ has given its consent or confirmed its non-objection to the proposed waiver, authorisation or determination.

Subject to any required RBNZ consent, the Bond Trustee and Security Trustee shall concur in and effect any modifications to the Programme Documents that are requested by the Covered Bond Guarantor or the Trust Manager to accommodate the accession of a new Servicer, new Swap Provider or new Agent to the Programme provided that (a) each of the Swap Providers provide written confirmation to the Security Trustee consenting to such modification of those documents to which they are a party (such consent not to be unreasonably withheld); (b) the Covered Bond Guarantor or the Trust Manager, as the case may be, has certified to the Security Trustee and the Bond Trustee in writing that such modifications are required in order to accommodate the addition of the new Servicer, new Swap Provider or new Agent to the Programme; and (c) all other conditions precedent to the accession of the new Servicer, new Swap Provider or new Agent to the Programme set out in the Programme Documents have been satisfied at the time of the accession.

## Substitution

The Bond Trust Deed provides that the Bond Trustee may, without the consent of the Covered Bondholders, Receiptholders or Couponholders agree with the Issuer and (where applicable) the Guarantor, to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Covered Bonds, Receipts, Coupons and the Bond Trust Deed of another company, being a subsidiary of the Issuer or, in the case of Covered Bonds issued by BNZ-IF, the Guarantor, subject to (a) (where the Issuer is BNZ-IF) the Covered Bonds continuing to be guaranteed by the Guarantor, (b) the Bond Trustee being satisfied that the interests of the Covered Bondholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Bond Trust Deed being complied with.

The Bond Trust Deed provides that in connection with any scheme of amalgamation or reconstruction of the Issuer or, as the case may be, the Guarantor not involving the bankruptcy or insolvency of the Issuer or, as the case may be, the Guarantor and (A) where the Issuer or, as the case may be, the Guarantor does not survive the amalgamation or reconstruction or (B) where all or substantially all of the assets and business of the Issuer or the Guarantor, as the case may be, will be disposed of to, or succeeded to, by another entity (whether by operation of law or otherwise), the Bond Trustee shall, if requested by the Issuer and (where applicable) the Guarantor, be obliged, without the consent of the Covered Bondholders, Receiptholders or Couponholders, at any time to agree to the substitution in the place of (a) the Issuer as principal debtor under the Covered Bonds, Receipts, Coupons and the Bond Trust Deed or (b) the Guarantor (in the case of Covered Bonds issued by BNZ-IF) as guarantor of Covered Bonds issued by BNZ-IF, of another company (the **Substituted Debtor**) being the entity with and into which the Issuer or the Guarantor, as the case may be, amalgamates or the entity to which all or substantially all of the business and assets of the Issuer or the Guarantor is transferred, or succeeded to, pursuant to such scheme of amalgamation or reconstruction (whether by operation of law or otherwise), subject to, *inter alia*:

- (i) the Substituted Debtor entering into a supplemental trust deed in form and manner satisfactory to the Bond Trustee agreeing to be bound by the Bond Trust Deed with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the Substituted Debtor had been named in the Bond Trust Deed as principal debtor or guarantor in place of the Issuer or the Guarantor, as the case may be;
- (ii) the Substituted Debtor acquiring or succeeding to pursuant to such scheme of amalgamation or reconstruction all or substantially all of the assets and business of the Issuer or the Guarantor, as the case may be;
- (iii) (in the case of the substitution of BNZ-IF) the obligations of the Substituted Debtor being or remaining guaranteed by the Guarantor on the terms set out in the Bond Trust Deed; and
- (iv) confirmations being received by the Bond Trustee from each Rating Agency that the substitution will not adversely affect the rating of the Covered Bonds.

Any such supplemental trust deed or undertaking shall, if so expressed, operate to release the relevant Issuer or the Guarantor, as the case may be, or in either case the previous substitute as aforesaid from all of its obligations as principal debtor or guarantor, as the case may be, under the Bond Trust Deed.

In addition, subject as further provided in the Bond Trust Deed, the Bond Trustee may without the consent of the Covered Bondholders, Receiptholders or Couponholders at any time agree with the relevant Issuer and (in the case of Covered Bonds issued by BNZ-IF) the Guarantor to the substitution in place of the relevant Issuer (or any previous substitute under this Condition) as the

principal debtor under the Covered Bonds, Receipts, Coupons and the Bond Trust Deed of any Subsidiary of the relevant Issuer or (in the case of Covered Bonds issued by BNZ-IF) the Guarantor subject to (a) where the Issuer is BNZ-IF, all amounts payable under the Bond Trust Deed continuing to be guaranteed by the Guarantor, (b) the Bond Trustee being satisfied that the interests of the Covered Bondholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Bond Trust Deed being complied with.

Any substitution pursuant to this Condition 14 shall be binding on the Covered Bondholders, the Receiptholders and the Couponholders and, unless the Bond Trustee agrees otherwise, shall be notified by the Issuer to the Covered Bondholders not later than 14 days after any such substitution in accordance with Condition 13 (Notices).

It shall be a condition of any substitution pursuant to this Condition 14 that the Covered Bond Guarantee shall remain in place or be modified to apply *mutatis mutandis* and continue in full force and effect in relation to any Substituted Debtor; and

### **Rating Agencies**

If:

- (a) a confirmation or affirmation of rating or other response by a Rating Agency is a condition to any action or step under any Programme Document; and
- (b) a written request for such confirmation or response is delivered to that Rating Agency by any of the Covered Bond Guarantor, the Issuer, the Guarantor, the Seller, the Servicer, the Bond Trustee and/or the Security Trustee, as applicable (each a **Requesting Party**) and the Rating Agency indicates that it does not consider such confirmation, affirmation or response necessary in the circumstances,

the Requesting Party shall be entitled to assume for the purposes of the Programme Documents that the then current ratings of the Covered Bonds in issue will not be downgraded or withdrawn by such Rating Agency as a result of such action or step.

The Bond Trustee shall be entitled to treat as conclusive a certificate signed by an Authorised Signatory of the Issuer or the Covered Bond Guarantor as to any matter referred to in (b) above and the Bond Trustee shall not be responsible for any loss, liabilities, costs, damages, expenses or inconvenience that may be caused as a result.

For the purposes of this Condition 14:

**Potential Issuer Event of Default** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Issuer Event of Default;

**Potential Covered Bond Guarantor Event of Default** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute a Covered Bond Guarantor Event of Default; and

**Series Reserved Matter** in relation to Covered Bonds of a Series means: (i) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the

Covered Bonds; (ii) alteration of the currency in which payments under the Covered Bonds, Receipts and Coupons are to be made, other than pursuant to Condition 5(h) (Redenomination); (iii) alteration of the quorum or majority required to pass an Extraordinary Resolution; (iv) any amendment to the Guarantee, the Covered Bond Guarantee or the Security Deed; (v) except in accordance with Condition 6(j) (Cancellation) or the provision relating to substitution in this Condition 14, the sanctioning of any scheme or proposal for the exchange or sale of the Covered Bonds for or the conversion of the Covered Bonds into, or the cancellation of the Covered Bonds in consideration of, shares, stock, Covered Bonds, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, Covered Bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the Covered Bondholders to execute an instrument of transfer of the Registered Covered Bonds held by them in favour of the persons with or to whom the Covered Bonds are to be exchanged or sold respectively; and (vi) alteration of the proviso to paragraph 5 or paragraph 6 of Schedule 4 to the Bond Trust Deed or the alteration of this definition.

**15. Indemnification of the Bond Trustee and the Security Trustee and the Bond Trustee and Security Trustee contracting with the Issuer, the Guarantor and/or the Covered Bond Guarantor**

If, in connection with the exercise of its powers, trusts, authorities or discretions the Bond Trustee is of the opinion that the interests of the Covered Bondholders of any one or more series would be materially prejudiced thereby, the Bond Trustee shall not exercise such power, trust, authority or discretion without the approval of such Covered Bondholders of the relevant Series by Extraordinary Resolution or by a direction in writing of such Covered Bondholders of at least 25 per cent. of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding or as otherwise required under the Programme Documents.

The Bond Trust Deed and the Security Deed contain provisions for the indemnification of the Bond Trustee and the Security Trustee and for their relief from responsibility, including provisions relieving them from taking any action unless indemnified and/or secured and/or prefunded to their satisfaction.

The Bond Trust Deed and the Security Deed also contain provisions pursuant to which each of the Bond Trustee and Security Trustee, respectively, is entitled, *inter alia*: (i) to enter into business transactions with the Issuer, the Guarantor, the Covered Bond Guarantor and/or any of their respective Subsidiaries and affiliates and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Guarantor, the Covered Bond Guarantor and/or any of their respective Subsidiaries and affiliates; (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Covered Bondholders, Receiptholders or Couponholders or the other Secured Creditors and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

Neither the Bond Trustee nor the Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any Mortgage Loans or Related Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons whether or not on behalf of the Bond Trustee and/or the Security Trustee. Neither the Bond Trustee nor the Security Trustee will be responsible for *inter alia*: (i) supervising the performance by the Issuer, the Guarantor or any other party to the Programme Documents of their respective obligations

under the Programme Documents and the Bond Trustee and the Security Trustee will be entitled to assume, until they each have written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Issuer, the Guarantor or any other party to the Programme Documents under the Programme Documents; (iii) monitoring the Mortgage Loan Portfolio, including, without limitation, whether the Mortgage Loan Portfolio is in compliance with the Asset Coverage Test, the Pre-Maturity Test or the Amortisation Test; or (iv) monitoring whether Mortgage Loans and Related Security satisfy the Eligibility Criteria. Neither the Bond Trustee nor the Security Trustee will be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent secured creditor in relation to the Security and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Programme Documents.

The Bond Trustee may refrain from taking any action or exercising any right, power, authority or discretion vested in it relating to the transactions contemplated in the Programme Documents until it has been indemnified and/or secured and/or prefunded to its satisfaction against any and all actions, charges, claims, costs, damages, demands, expenses, liabilities, losses and proceedings which might be sustained by it as a result and will not be required to do anything which may cause it to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights, powers, authorities or discretions if it has reasonable grounds for believing that repayment of such funds or adequate indemnity, security or prefunding against such liability is not assured to it.

## **16. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Covered Bondholders, the Receiptholders or the Couponholders to create and issue further bonds having terms and conditions the same as the Covered Bonds of any Series or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same shall be consolidated and form a single Series with the outstanding Covered Bonds of such Series.

## **17. Limited Recourse and non-petition**

- (a) Only the Security Trustee may pursue the remedies available under the general law or under the Security Deed to enforce the Security and no Transaction Party shall be entitled to proceed directly against the Covered Bond Guarantor to enforce the Security. In particular, each Transaction Party (other than the Covered Bond Guarantor and the Security Trustee) has agreed with and acknowledges to each of the Covered Bond Guarantor and the Security Trustee, and the Security Trustee agreed with and acknowledged to the Covered Bond Guarantor, that:
- (i) none of the Transaction Parties (nor any person on their behalf, other than the Security Trustee where appropriate) is entitled, otherwise than as permitted by the Programme Documents, to direct the Security Trustee to enforce the Security or take any proceedings against the Covered Bond Guarantor to enforce the Security;
  - (ii) none of the Transaction Parties (other than the Security Trustee) shall have the right to take or join any person in taking any steps against the Covered Bond Guarantor for the purpose of obtaining payment of any amount due from the Covered Bond Guarantor to any of such Transaction Parties;
  - (iii) until the date falling two years after the Vesting Date none of the Transaction Parties nor any person on their behalf shall initiate or join any person in initiating an Insolvency Event in

relation to the Trust other than a Receiver appointed under clause 15 of the Security Deed;  
and

- (iv) none of the Transaction Parties shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priorities of Payments not being complied with.
- (b) The Covered Bondholders agree with and acknowledge to each of the Covered Bond Guarantor and the Security Trustee, and the Security Trustee has agreed with and acknowledged to the Covered Bond Guarantor, that notwithstanding any other provision of any Programme Document, all obligations of the Covered Bond Guarantor to such party including, without limitation, the Secured Obligations, are limited in recourse to the Covered Bond Guarantor as set out below:
- (i) it will have a claim only in respect of the Charged Property and will not have any claim, by operation of law or otherwise, against, or recourse to, any of the Covered Bond Guarantor's other assets;
  - (ii) sums payable to each party in terms of the Covered Bond Guarantor's obligations to such party shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such party and (b) the aggregate amounts received, realised or otherwise recovered and immediately available for payment by or for the account of the Covered Bond Guarantor in respect of the Charged Property whether pursuant to enforcement of the Security or otherwise, net of any sums which are payable by the Covered Bond Guarantor in accordance with the Priorities of Payments in priority to or *pari passu* with sums payable to such party; and
  - (iii) upon the Security Trustee giving written notice to the relevant party that it has determined in its opinion, and the Servicer having certified to the Security Trustee, that there is no reasonable likelihood of there being any further realisations in respect of the Charged Property (whether arising from an enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the relevant Programme Document, the relevant party shall have no further claim against the Covered Bond Guarantor in respect of any such unpaid amounts and the obligations to pay such unpaid amounts shall be discharged in full.
- (c) To the extent permitted by law, no recourse under any obligation, covenant, or agreement of any person contained in the Programme Documents shall be had against any shareholder, officer, agent or director of such person as such, by the enforcement of any assessment or by any legal proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that the Programme Documents are corporate obligations of each person expressed to be a party thereto and no personal liability shall attach to or be incurred by the shareholders, officers, agents or directors of such person as such, or any of them, under or by reason of any of the obligations, covenants or agreements of such person contained in the Programme Documents, or implied therefrom, and that any and all personal liability for breaches by such person of any of such obligations, covenants or agreements, either under any applicable law or by statute or constitution, of every such shareholder, officer, agent or director is expressly waived by each person expressed to be a party thereto as a condition of and consideration for execution of the Programme Documents.

## **18. Contracts (Rights of Third Parties) Act 1999**

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

**19. Governing Law**

The Bond Trust Deed (including the Covered Bond Guarantee), the Principal Agency Agreement, the Covered Bonds, the Receipts, and the Coupons 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 unless specifically stated to the contrary. The NZ Agency Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with New Zealand law.

**UK PAYING AGENT, EXCHANGE AGENT AND TRANSFER AGENT**

**Deutsche Bank, London Branch  
Winchester House, 1 Great Winchester Street, London, EC2N 2DB**

**LUXEMBOURG REGISTRAR**

**Deutsche Bank, Luxembourg S.A.  
2, Boulevard Konrad Adenauer, L-115, Luxembourg**

**NZ REGISTRAR**

**Computershare Investor Services Limited  
159 Hurstmere Road, Takapuna  
North Shore City 0622  
Private Bag 92119  
Victoria Street West  
Auckland 1142  
New Zealand**

**NZ PAYING AGENT**

**Bank of New Zealand  
Level 6, 80 Queen Street, Auckland, New Zealand**

and/or such other or further Luxembourg Registrar or UK Paying Agent or Exchange Agent or Transfer Agent or NZ Registrar or NZ Paying Agent and/or specified offices as may from time to time be duly appointed by the Issuers and notice of which has been given to the Covered Bondholders.



**SCHEDULE 2**

**FORMS OF GLOBAL AND DEFINITIVE COVERED BONDS, RECEIPTS, COUPONS AND  
TALONS**

**PART 1**

**FORM OF TEMPORARY BEARER GLOBAL COVERED BOND**

[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 1650]AND 1287(a) OF THE INTERNAL REVENUE CODE.]<sup>1</sup>

[THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE "AGENCY AGREEMENT") AND PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE COVERED BONDS OF THE TRANCHE OF WHICH THIS TEMPORARY BEARER GLOBAL COVERED BOND FORMS PART, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE (i) PURSUANT TO RULE 903 OR 904 OR REGULATIONS UNDER THE SECURITIES ACT OR (ii) TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN, AND IN TRANSACTIONS PURSUANT TO, RULE 144A UNDER THE SECURITIES ACT.]

**[BNZ INTERNATIONAL FUNDING LIMITED**  
(acting through its London branch)  
(*incorporated with limited liability under the laws of New Zealand*)  
(the Issuer)

and

**BANK OF NEW ZEALAND**  
(*incorporated with limited liability under the laws of New Zealand*)  
(the Guarantor)]

/

**[BANK OF NEW ZEALAND**  
(the Issuer)  
(*incorporated with limited liability under the laws of New Zealand*)]

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<sup>1</sup> Delete where the original maturity of the Bonds is 1 year or less.

## TEMPORARY BEARER GLOBAL COVERED BOND

*Unconditionally and irrevocably guaranteed as to payment of interest and principal by*

### CBG TRUSTEE COMPANY LIMITED

*(incorporated with limited liability under the laws of New Zealand)*

**(the Covered Bond Guarantor)**

This Covered Bond is a **Temporary Bearer Global Covered Bond** in respect of a duly authorised issue of Covered Bonds of the Issuer (the **Covered Bonds**) of the Principal Amount Outstanding, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Covered Bonds (the **Final Terms**), a copy of which is annexed hereto. References herein to the Conditions shall be to the Terms and Conditions of the Covered Bonds as set out in Schedule 1 (Terms and Conditions of the Covered Bonds) to the Bond Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail.

Words and expressions defined in the Conditions shall bear the same meanings when used in this Temporary Bearer Global Covered Bond.

This Temporary Bearer Global Covered Bond is issued subject to, and with the benefit of, the Conditions and a bond trust deed (such bond trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 2 June 2010 and made between the Issuer, the Guarantor, the Covered Bond Guarantor and Deutsche Trustee Company Limited.

For value received, the Issuer, subject as hereinafter provided and subject to and in accordance with the Conditions and the Bond Trust Deed, promises to pay to the bearer hereof on each Instalment Date (if the Covered Bonds are repayable in instalments) and on the Final Maturity Date and/or on such earlier date(s) as all or any of the Covered Bonds represented by this Temporary Bearer Global Covered Bond may become due and repayable in accordance with the Conditions and the Bond Trust Deed, the amount payable under the Conditions in respect of such Covered Bonds on each such date and to pay interest (if any) on the Principal Amount Outstanding of the Covered Bonds from time to time represented by this Temporary Bearer Global Covered Bond calculated and payable as provided in the Conditions and the Bond Trust Deed together with any other sums payable under the Conditions and the Bond Trust Deed, upon presentation and, at maturity, surrender of this Temporary Bearer Global Covered Bond to or to the order of the Principal Paying Agent or any of the other Paying Agents located outside the United States and its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer in respect of the Covered Bonds.

If the Final Terms indicate that this Temporary Bearer Global Covered Bond is intended to be a New Global Covered Bond, the nominal amount of Covered Bonds represented by this Temporary Bearer Global Covered Bond shall be the aggregate amount from time to time entered in the records of both Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg** and together with Euroclear, the **relevant Clearing Systems**). The records of the relevant Clearing Systems (which expression in this Temporary Bearer Global Covered Bond means the records that each relevant Clearing System holds for its customers which reflect the amount of such customer's interest in the Covered Bonds) shall be conclusive evidence of the nominal amount of Covered Bonds represented by this Temporary Bearer Global Covered Bond and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the bearer upon request) stating the nominal amount of Covered Bonds represented by this Temporary Bearer Global Covered Bond at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

If the Final Terms indicate that this Temporary Bearer Global Covered Bond is not intended to be a New Global Covered Bond, the nominal amount of the Covered Bonds represented by this Temporary Bearer

Global Covered Bond shall be the amount stated in the Final Terms or, if lower, the nominal amount most recently entered by or on behalf of the Issuer in the relevant column in Part 2, 3 or 4 of Schedule 1 or in Part 1 of Schedule 2 (*Exchanges*).

On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Covered Bonds represented by this Temporary Bearer Global Covered Bond, the Issuer shall procure that:

- (i) if the Final Terms indicate that this Temporary Bearer Global Covered Bond is intended to be a New Global Covered Bond, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered pro rata in the records of the relevant Clearing Systems, and, upon any such entry being made, the nominal amount of the Covered Bonds recorded in the records of the relevant Clearing Systems and represented by this Temporary Bearer Global Covered Bond shall be reduced by this aggregate nominal amount of the Covered Bonds so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid; or
- (ii) if the Final Terms indicate that this Temporary Bearer Global Covered Bond is not intended to be a New Global Covered Bond, details of such redemption, payment, purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule 1 hereto and the relevant space in Schedule 1 hereto recording any such redemption, payment, purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption, payment of an instalment, purchase and cancellation the Principal Amount Outstanding of this Temporary Bearer Global Covered Bond and the Covered Bonds represented by this Temporary Bearer Global Covered Bond shall be reduced by the Principal Amount Outstanding of such Covered Bonds so redeemed or purchased and cancelled or the amount of such instalment.

Payments due in respect of Covered Bonds for the time being represented by this Temporary Bearer Global Covered Bond shall be made to the bearer of this Temporary Bearer Global Covered Bond and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to above shall not affect such discharge.

Payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will only be made to the bearer hereof to the extent that there is presented to the Principal Paying Agent by a relevant Clearing System a certificate to the effect that it has received from or in respect of a person entitled to a particular principal amount of the Covered Bonds represented by this Temporary Bearer Global Covered Bond (as shown by its records) as certificate of non-US beneficial ownership in the form required by it. The bearer of this Temporary Bearer Global Covered Bond will not (unless upon due presentation of this Temporary Bearer Global Covered Bond for exchange, delivery of the appropriate number of Bearer Definitive Covered Bonds (together, if applicable, with the Receipts, Coupons and Talons appertaining thereto in or substantially in the forms set out in Part 3, Part 4, Part 5 and Part 6 of Schedule 2 (*Forms of Global and Definitive Covered Bonds, Receipts, Coupons and Talons*) to the Bond Trust Deed) or, as the case may be, issue and delivery (or, as the case may be, endorsement) of the Permanent Bearer Global Covered Bond is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment hereon due on or after the Exchange Date.

On or after the date (the **Exchange Date**) which is 40 days after the Issue Date, this Temporary Bearer Global Covered Bond may be exchanged (free of charge) in whole or in part for, as specified in the Final Terms, either (a) security printed Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons (on the basis that all the appropriate details have been included on the face of such Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Final Terms has been endorsed or

attached to such Bearer Definitive Covered Bonds) or (b) either, if the Final Terms indicate that this Temporary Bearer Global Covered Bond is intended to be a New Global Covered Bond, interests recorded in the records of the relevant Clearing Systems in a Permanent Bearer Global Covered Bond or, if the Final Terms indicate that this Temporary Bearer Global Covered Bond is not intended to be a New Global Covered Bond, a Permanent Bearer Global Covered Bond, which, in either case, is in or substantially in the form set out in Part 2 of Schedule 2 (Form of Permanent Bearer Global Covered Bond) to the Bond Trust Deed (together with the Final Terms attached thereto), in each case upon notice being given by a relevant Clearing System acting on the instruction of any holder of an interest in this Temporary Bearer Global Covered Bond and subject, in the case of Bearer Definitive Covered Bonds, to such notice period as is specified in the Final Terms.

If Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupon and/or Talons have already been issued in exchange for all the Covered Bonds represented for the time being by the Permanent Bearer Global Covered Bond, then this Temporary Bearer Global Covered Bond may only thereafter be exchanged for Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons pursuant to the terms hereof.

This Temporary Bearer Global Covered Bond may be exchanged by the bearer hereof on any Business Day in London. The Issuer shall procure that Bearer Definitive Covered Bonds or (as the case may be) the interests in the Permanent Bearer Global Covered Bond shall be (in the case of Bearer Definitive Covered Bonds) issue and delivered and (in the case of the Permanent Bearer Global Covered Bond where the Final Terms indicate that this Temporary Bearer Global Covered Bond is intended to be a New Global Covered Bond) recorded in the records of the relevant Clearing System in exchange for only that portion of this Temporary Bearer Global Covered Bond in respect of which there shall have been presented to the Principal Paying Agent by a relevant Clearing System a certificate to the effect that it has received from or in respect of a person entitled to a beneficial interest in particular nominal amount of the Covered Bonds represented by this Temporary Bearer Global Covered Bond (as shown by its records) a certificate of non-US beneficial ownership in the form required by it.

On an exchange of the whole of this Temporary Bearer Global Covered Bond, this Temporary Bearer Global Covered Bond shall be surrendered to or to the order of the Principal Paying Agent. On an exchange of part only of this Temporary Bearer Global Covered Bond, the Issuer shall procure that:

- (i) if the Final Terms indicate that this Temporary Bearer Global Covered Bond is intended to be a New Global Covered Bond, details of such exchange shall be entered pro rata in the records of the relevant Clearing Systems; or
- (ii) if the Final Terms indicate that this Temporary Bearer Global Covered Bond is not intended to be a New Global Covered Bond on an exchange of part only of this Temporary Bearer Global Covered Bond, details of such exchange shall be entered by or on behalf of the Issuer in Schedule 2 hereto and the relevant space in Schedule 2 hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Temporary Bearer Global Covered Bond and the Covered Bonds represented by this Temporary Bearer Global Covered Bond shall be reduced by the Principal Amount Outstanding of this Temporary Bearer Global Covered Bond so exchanged. On any exchange of this Temporary Bearer Global Covered Bond for a Permanent Bearer Global Covered Bond, details of such exchange shall be entered by or on behalf of the Issuer in Schedule 2 to the Permanent Bearer Global Covered Bond and the relevant space in Schedule 2 thereto recording such exchange shall be signed by or on behalf of the Issuer.

Until the exchange of the whole of this Temporary Bearer Global Covered Bond as aforesaid, the bearer hereof shall (subject as provided in the next paragraph) in all respects (except as otherwise provided herein) be entitled to the same benefits as if he were the bearer of Bearer Definitive Covered Bonds and the relative

Receipts, Coupons and/or Talons (if any) in the form(s) set out in Parts 3, 4, 5 and 6 (as applicable) of Schedule 2 (Forms of Global and Definitive Covered Bonds, Receipts, Coupons and Talons) to the Bond Trust Deed.

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of the Covered Bonds represented by this Temporary Bearer Global Covered Bond (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee, the Principal Paying Agent and any other Paying Agent as the holder of such principal amount of such Covered Bonds for all purposes other than with respect to the payment of principal and interest on such principal amount of such Covered Bonds, the right to which shall be vested, as against the Issuer and the Guarantor, solely in the bearer of this Temporary Bearer Global Covered Bond in accordance with and subject to the terms of this Temporary Bearer Global Covered Bond and the Bond Trust Deed.

This Temporary Bearer Global Covered Bond is governed by, and shall be construed in accordance with, English law.

A person who is not a party to this Temporary Bearer Global Covered Bond has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Temporary Bearer Global Covered Bond, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

This Temporary Bearer Global Covered Bond shall not be valid unless authenticated by Deutsche Bank, London Branch as Principal Paying Agent and, if the Final Terms indicate that this Temporary Bearer Global Covered Bond is intended to be a New Global Covered Bond (i) which is intended to be held in a manner which would allow Eurosystem eligibility or (ii) in respect of which the Issuer has notified the Principal Paying Agent that effectuation is to be applicable, effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems.

**IN WITNESS WHEREOF** the Issuer has caused this Temporary Bearer Global Covered Bond to be signed manually or in facsimile by a person duly authorised on its behalf.

Issued as of the Issue Date specified in the Final Terms.

**[BNZ-INTERNATIONAL FUNDING LIMITED, acting through its London branch]**

[By: .....  
**Authorised Signatory]**

**[BANK OF NEW ZEALAND]**

By: .....  
**Authorised Signatory**

By: .....  
**Authorised Signatory**

Authenticated by  
**DEUTSCHE BANK, LONDON BRANCH**  
as Principal Paying Agent

By: .....  
**Authorised Officer**

<sup>2</sup>Effectuated without recourse,  
warranty or liability by

.....

as common safekeeper

By:

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<sup>2</sup> This should only be completed where the Final Terms indicates that this Global Covered Bond is intended to be a New Global Covered Bond.













**PART 2**

**FORM OF PERMANENT BEARER GLOBAL COVERED BOND**

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.

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE AGENCY AGREEMENT) AND PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT.

**[BNZ INTERNATIONAL FUNDING LIMITED**

(acting through its London branch)

*(incorporated with limited liability under the laws of New Zealand)*

**(the Issuer)**

and

**BANK OF NEW ZEALAND**

*(incorporated with limited liability under the laws of New Zealand)*

**(the Guarantor)]**

/

**[BANK OF NEW ZEALAND**

**(the Issuer)**

*(incorporated with limited liability under the laws of New Zealand)]*

**PERMANENT BEARER GLOBAL COVERED BOND**

*Unconditionally and irrevocably guaranteed as to payment of interest and principal by*

**CBG TRUSTEE COMPANY LIMITED**

*(incorporated with limited liability under the laws of New Zealand)*

**(the Covered Bond Guarantor)**

This Covered Bond is a **Permanent Bearer Global Covered Bond** in respect of a duly authorised issue of Covered Bonds of the Issuer (the **Covered Bonds**) of the Principal Amount Outstanding, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Covered Bonds (the **Final Terms**), a copy of which is annexed hereto, and which are constituted by a Bond Trust Deed (as defined below). References herein to the **Conditions** shall be to the Terms and Conditions of the

Covered Bonds as set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to the Bond Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail.

Words and expressions defined in the Conditions shall bear the same meanings when used in this Permanent Bearer Global Covered Bond.

This Permanent Bearer Global Covered Bond is issued subject to, and with the benefit of, the Conditions and a bond trust deed (such bond trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 2 June 2010 and made between the Issuer, the Covered Bond Guarantor and Deutsche Trustee Company Limited.

For value received, the Issuer, subject as hereinafter provided and subject to and in accordance with the Conditions and the Bond Trust Deed, promises (i) to pay to the bearer hereof on each Instalment Date (if the Covered Bonds are repayable in instalments) and on the Final Maturity Date and/or on such earlier date(s) as all or any of the Covered Bonds represented by this Permanent Bearer Global Covered Bond may become due and repayable in accordance with the Conditions and the Bond Trust Deed, the amount payable under the Conditions in respect of such Covered Bonds on each such date and to pay interest (if any) on the Principal Amount Outstanding of the Covered Bonds from time to time represented by this Permanent Bearer Global Covered Bond calculated and payable as provided in the Conditions and the Bond Trust Deed together with any other sums payable under the Conditions and the Bond Trust Deed, upon presentation and (ii) to perform all of its obligations to deliver Asset Amounts under the Conditions on such date(s) as such Asset Amounts become deliverable and, at maturity, surrender of this Permanent Bearer Global Covered Bond to or to the order of the Principal Paying Agent or any of the other Paying Agents located outside the United States, its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer in respect of the Covered Bonds.

If the Final Terms indicates that this Permanent Bearer Global Covered Bond is intended to be a New Global Covered Bond, the Principal Amount Outstanding of Covered Bonds represented by this Permanent Bearer Global Covered Bond shall be the aggregate amount from time to time entered in the records of both Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg** and together with Euroclear, the **relevant Clearing Systems**). The records of the relevant Clearing Systems (which expression in this Permanent Bearer Global Covered Bond means the records that each relevant Clearing System holds for its customers which reflect the amount of each such customer's interest in the Covered Bonds) shall be conclusive evidence of the Principal Amount Outstanding of Covered Bonds represented by this Permanent Bearer Global Covered Bond and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the bearer upon request) stating the Principal Amount Outstanding of Covered Bonds represented by this Permanent Bearer Global Covered Bond at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

If the Final Terms indicates that this Permanent Bearer Global Covered Bond is not intended to be a New Global Covered Bond, the Principal Amount Outstanding of the Covered Bonds represented by this Permanent Bearer Global Covered Bond shall be the amount stated in the Final Terms or, if lower, the Principal Amount Outstanding most recently entered by or on behalf of the Issuer in the relevant column in Part II, III, or IV of Schedule One hereto or in Schedule Two hereto.

On any redemption of, or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Covered Bonds represented by this Permanent Bearer Global Covered Bond the Issuer shall procure that:

- (i) if the Final Terms indicates that this Permanent Bearer Global Covered Bond is intended to be a New Global Covered Bond, details of such redemption, payment, or purchase and cancellation (as the case may be) shall be entered pro rata in the records of the relevant Clearing Systems and, upon any such entry being made, the Principal Amount Outstanding of the Covered Bonds recorded in the records of the relevant Clearing Systems and represented by this Permanent Bearer Global Covered Bond shall be reduced by the aggregate nominal amount of the Covered Bonds so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid; or
- (ii) if the Final Terms indicates that this Permanent Bearer Global Covered Bond is not intended to be a New Global Covered Bond, details of such redemption, payment, or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such redemption, payment, or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer, whereupon the Principal Amount Outstanding of this Permanent Bearer Global Covered Bond and the Covered Bonds represented by this Permanent Bearer Global Covered Bond shall be reduced by the nominal amount of such Covered Bonds so redeemed or purchased and cancelled or the amount of such instalment so paid.

Payments due in respect of Covered Bonds for the time being represented by this Permanent Bearer Global Covered Bond shall be made to the bearer of this Permanent Bearer Global Covered Bond and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to above shall not affect such discharge.

If the Covered Bonds represented by this Permanent Bearer Global Covered Bond were, on issue, represented by a Temporary Bearer Global Covered Bond then on any exchange of such Temporary Bearer Global Covered Bond for this Permanent Bearer Global Covered Bond or any part hereof, the Issuer shall procure that:

- (i) if the Final Terms indicate that this Permanent Bearer Global Covered Bond is intended to be a New Global Covered Bond, details of such exchange shall be entered pro rata in the records of the relevant Clearing Systems such that the nominal amount of the Covered Bonds recorded in the records of the relevant Clearing Systems and represented by this Permanent Bearer Global Covered Bond shall be increased by the nominal amount of the Temporary Global Covered Bond so exchanged; or
- (ii) if the Final Terms indicate that this Permanent Bearer Global Covered Bond is not intended to be a New Global Covered Bond, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the Principal Amount Outstanding of this Permanent Bearer Global Covered Bond and the Covered Bonds represented by this Bearer Global Covered Bond shall be increased by the nominal amount of the Temporary Global Covered Bond so exchanged.

This Permanent Bearer Global Covered Bond may be exchanged (free of charge) in whole, but not in part, for Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons in or substantially in the forms set out in Part 3 (*Form of Bearer Definitive Covered Bond*), Part 4 (*Form of Receipt*), Part 5 (*Form of Coupon*) and Part 6 (*Form of Talon*) of Schedule 2 (*Forms of Global and Definitive Covered Bonds, Receipts, Coupons and Talons*) to the Bond Trust Deed (on the basis that all the appropriate details

have been included on the face of such Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Final Terms has been endorsed on or attached to such Bearer Definitive Covered Bonds) either, as specified in the applicable Final Terms:

- (a) upon not less than 60 days' written notice being given to the Principal Paying Agent by Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Permanent Bearer Global Covered Bond); or
- (b) upon the occurrence of an Exchange Event.

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

If this Permanent Bearer Global Covered Bond is exchangeable following the occurrence of an Exchange Event:

- (i) the Issuer will promptly give notice to Covered Bondholders in accordance with Condition 13 (*Notices*) upon the occurrence of such Exchange Event; and
- (ii) Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Permanent Bearer Global Covered Bond) or the Bond Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (b) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange.

Any such exchange shall occur on a date specified in the notice not more than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The first notice requesting exchange in accordance with the above provisions shall give rise to the issue of Bearer Definitive Covered Bonds for the Principal Amount Outstanding of Covered Bonds represented by this Permanent Bearer Global Covered Bond.

Any such exchange as aforesaid will be made upon presentation of this Permanent Bearer Global Covered Bond by the bearer hereof on any Business Day in London at the office of the Principal Paying Agent specified above.

The aggregate Principal Amount Outstanding of Bearer Definitive Covered Bonds issued upon an exchange of this Permanent Bearer Global Covered Bond will be equal to the aggregate Principal Amount Outstanding of this Permanent Bearer Global Covered Bond. Upon exchange of this Permanent Bearer Global Covered Bond for Bearer Definitive Covered Bonds, the Principal Paying Agent shall cancel it or procure that it is cancelled.

Until the exchange of the whole of this Permanent Bearer Global Covered Bond as aforesaid, the bearer hereof shall (subject as provided in the next paragraph) in all respects be entitled to the same benefits as if he were the bearer of Bearer Definitive Covered Bonds and the relative Receipts, Coupons and/or Talons (if any) in the form(s) set out in Part 3 (*Form of Bearer Definitive Covered Bond*), Part 4 (*Form of Receipt*), Part 5 (*Form of Coupon*) and Part 6 (*Form of Talon*) (as applicable) of Schedule 2 (*Forms of Global and Definitive Covered Bonds, Receipts, Coupons and Talons*) to the Bond Trust Deed.

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of the

Covered Bonds represented by this Permanent Bearer Global Covered Bond (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee, the Principal Paying Agent and any other Paying Agent as the holder of such principal amount of such Covered Bonds for all purposes other than with respect to the payment of principal and interest on such principal amount of such Covered Bonds, the right to which shall be vested, as against the Issuer and the Covered Bond Guarantor, solely in the bearer of this Permanent Bearer Global Covered Bond in accordance with and subject to the terms of this Permanent Bearer Global Covered Bond and the Bond Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment or delivery made to the bearer of this Permanent Bearer Global Covered Bond.

This Permanent Bearer Global Covered Bond and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.

A person who is not a party to this Permanent Bearer Global Covered Bond has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Permanent Bearer Global Covered Bond, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

This Permanent Bearer Global Covered Bond shall not be valid unless authenticated by Deutsche Bank, London Branch as Principal Paying Agent and, if the applicable Final Terms indicates that this Permanent Bearer Global Covered Bond is intended to be held in a manner which would allow Eurosystem eligibility, effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems.

IN WITNESS whereof the Issuer has caused this Permanent Bearer Global Covered Bond to be signed manually or in facsimile by a person duly authorised on its behalf.

Issued as of the Issue Date specified in the Final Terms.

[BNZ-INTERNATIONAL FUNDING LIMITED, acting through its London branch]

By: .....  
**Authorised Signatory**

[BANK OF NEW ZEALAND]

By: .....  
**Authorised Signatory**

By: .....  
**Authorised Signatory**

Authenticated by  
**DEUTSCHE BANK, LONDON BRANCH**  
as Principal Paying Agent

By: .....  
**Authorised Officer**



<sup>5</sup>Effectuated without recourse,  
warranty or liability by

.....

as common safekeeper

By:

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<sup>5</sup> This should only be completed where the Final Terms indicates that this Global Covered Bond is intended to be a New Global Covered Bond.











PART 3

FORM OF BEARER DEFINITIVE COVERED BOND

[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.]<sup>8</sup>

[BANK OF NEW ZEALAND/BNZ FUNDING INTERNATIONAL LIMITED, ACTING THROUGH ITS LONDON BRANCH]

*(incorporated with limited liability under the laws of New Zealand)*  
(the **Issuer**)

[unconditionally and irrevocably guaranteed by

**BANK OF NEW ZEALAND**

*(incorporated with limited liability under the laws of New Zealand)*  
(the **Guarantor**)]

[Specified Currency and Nominal Amount of Tranche]  
**COVERED BONDS DUE**

[**Year of Maturity**]

unconditionally and irrevocably guaranteed as to payments of interest and principal by

**CBG TRUSTEE COMPANY LIMITED**

*(incorporated with limited liability under the laws of New Zealand)*  
(the **Covered Bond Guarantor**)

This Covered Bond is a **Bearer Definitive Covered Bond** in respect of a duly authorised issue of Covered Bonds of [Specified Currency(ies) and Specified Denomination(s)] each of the Issuer (**Covered Bonds**) of the Principal Amount Outstanding, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Covered Bonds (the **Final Terms**), a copy of which is annexed hereto. References herein to the **Conditions** shall be to the Terms and Conditions [endorsed hereon/set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to the Bond Trust Deed (as defined below) which shall be incorporated by reference herein and have effect as if set out herein] as supplemented, replaced and modified by the relevant information appearing in the Final Terms (the **Final Terms**) endorsed hereon but, in the event of any conflict between the provisions of the said Conditions and such information in the Final Terms, such information will prevail.

Words and expressions defined in the Conditions shall bear the same meanings when used in this Bearer Definitive Covered Bond.

This Bearer Definitive Covered Bond is issued subject to, and with the benefit of, the Conditions and a bond trust deed (such bond trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 2 June 2010 and made between the Issuer, the Covered Bond Guarantor and Deutsche Trustee Company Limited.

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<sup>8</sup> Delete where the original maturity of the Covered Bonds is 1 year or less.

For value received, the Issuer, subject to and in accordance with the Conditions and the Bond Trust Deed, hereby promises to pay to the bearer hereof on [each Instalment Date and] the Final Maturity Date and/or on such earlier date as this Bearer Definitive Covered Bond may become due and repayable in accordance with the Conditions and the Bond Trust Deed, the amount payable or Asset Amount deliverable on redemption of this Bearer Definitive Covered Bond and to pay interest (if any) on the Principal Amount Outstanding of this Bearer Definitive Covered Bond calculated and payable as provided in the Conditions and the Bond Trust Deed together with any other sums payable under the Conditions and the Bond Trust Deed.

This Bearer Definitive Covered Bond and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.

Neither this Bearer Definitive Covered Bond nor the Receipts or Coupons appertaining hereto shall be valid or obligatory for any purpose unless and until this Bearer Definitive Covered Bond has been authenticated by Deutsche Bank, London Branch as Principal Paying Agent.

IN WITNESS whereof this Bearer Definitive Covered Bond has been executed on behalf of the Issuer.

Issued as of [●], 200[●].

**[BNZ FUNDING INTERNATIONAL LIMITED, acting through its London branch]**

By: .....  
**Authorised Signatory**

**[BANK OF NEW ZEALAND]**

By: .....  
**Authorised Signatory**

By: .....  
**Authorised Signatory**

Authenticated by  
**[DEUTSCHE BANK, LONDON BRANCH]**  
as Principal Paying Agent

By: .....  
**Authorised Officer**

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[0,000/00,000]	[ISIN]	[Series]	[Serial No.]
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**[CONDITIONS]**

[Conditions to be as set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to this Bond Trust Deed or such other form as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s), but shall not be endorsed if not required by the relevant Stock Exchange (if any)]

## **FINAL TERMS**

[Here to be set out the text of the relevant information supplementing, replacing or modifying the Conditions which appears in the Final Terms relating to the Covered Bonds]

**PART 4**  
**FORM OF RECEIPT**

*[Face of Receipt]*

**[BANK OF NEW ZEALAND/BNZ INTERNATIONAL FUNDING LIMITED, ACTING THROUGH  
ITS LONDON BRANCH]**

[Specified Currency and Nominal Amount of Tranche]  
**COVERED BONDS DUE [Year of Maturity]**

[unconditionally and irrevocably guaranteed by

**BANK OF NEW ZEALAND**  
*(incorporated with limited liability under the laws of New Zealand)*  
**(the Guarantor)]**

unconditionally and irrevocably guaranteed as to payments of interest and principal by

**CBG TRUSTEE COMPANY LIMITED**

Series No. [●]

**[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.]<sup>9</sup>**

Receipt for the sum of [●] being the instalment of principal payable in accordance with the Terms and Conditions applicable to the Covered Bond to which this Receipt appertains (the **Conditions**) on [●].

This Receipt is issued subject to and in accordance with the Conditions which shall be binding upon the holder of this Receipt (whether or not it is for the time being attached to such Covered Bond) and is payable at the specified office of any of the Paying Agents set out on the reverse hereof (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Covered Bondholders).

This Receipt must be presented for payment or delivery of the relevant Asset Amount together with the Covered Bond to which it appertains. The Issuer shall have no obligation in respect of any Receipt presented without the Covered Bond to which it appertains or any unmatured Receipts.

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<sup>9</sup> Delete where the original maturity of the Covered Bonds is 1 year or less.

PART 5  
FORM OF COUPON

[*Face of Coupon*]

[BANK OF NEW ZEALAND/BNZ INTERNATIONAL FUNDING LIMITED, ACTING THROUGH  
ITS LONDON BRANCH]

Specified Currency/Nominal Amount  
**COVERED BONDS DUE** [Year of Maturity]

[unconditionally and irrevocably guaranteed by

**BANK OF NEW ZEALAND**  
*(incorporated with limited liability under the laws of New Zealand)*  
(the **Guarantor**)]

unconditionally and irrevocably guaranteed as to payments of interest and principal by

Series No. [●]\*

[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.]<sup>10</sup>

[Coupon appertaining to a Covered Bond in the denomination of [Specified Currency and Specified Denomination]].<sup>11</sup>

**Part A**

**[For Fixed Rate Covered Bonds:**

This Coupon is payable to bearer, separately negotiable and subject to the Terms and Conditions of the said Covered Bonds.      Coupon for [●] due on [●], [●]]

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1.           <sup>10</sup> Delete where the original maturity of the Covered Bonds is 1 year or less.  
2.           <sup>11</sup> Delete where the Covered Bonds are all of the same denomination

**Part B**

**[For Floating Rate Covered Bonds or Variable Interest Covered Bonds:**

Coupon for the amount due in accordance with the Terms and Conditions endorsed on, attached to or incorporated by reference into the said Covered Bonds on [the Interest Payment Date falling in [●] [●]/[●]].

This Coupon is payable to bearer, separately negotiable and subject to such Terms and Conditions, under which it may become void before its due date.

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[No.]	[0,000/00,000]	[ISIN]	[Series]	[Serial No.]
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PART 6  
FORM OF TALON

[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. ]<sup>12</sup>

[*Face of Talon*]

[BANK OF NEW ZEALAND/BNZ INTERNATIONAL FUNDING LIMITED, ACTING THROUGH  
ITS LONDON BRANCH]

Specified Currency/Nominal Amount  
COVERED BONDS DUE [Year of Maturity]

[unconditionally and irrevocably guaranteed by

**BANK OF NEW ZEALAND**  
*(incorporated with limited liability under the laws of New Zealand)*  
(the **Guarantor**)]

unconditionally and irrevocably guaranteed as to payments of interest and principal by

**CBG TRUSTEE COMPANY LIMITED**  
*(incorporated with limited liability under the laws of New Zealand)*  
(the **Covered Bond Guarantor**)

Series No. [●]

[Talon appertaining to a Covered Bond in the denomination of Specified Currency/Nominal Amount]<sup>13</sup>

On and after [●] further Coupons [and a further Talon]<sup>14</sup> appertaining to the Covered Bond to which this Talon appertains will be issued at the specified office of any of the Paying Agents set out on the reverse hereof (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Covered Bondholders) upon production and surrender of this Talon.

This Talon may, in certain circumstances, become void under the Terms and Conditions endorsed on the Covered Bond to which this Talon appertains.

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[No.]	[0,000/00,000]	[ISIN]	[Series]	[Serial No.]
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3. <sup>12</sup> Delete where the original maturity of the Covered Bonds is 1 year or less.  
4. <sup>13</sup> Delete where the Covered Bonds are all of the same denomination.  
5. <sup>14</sup> Not required on last Coupon sheet.

PART 7

FORM OF REGISTERED GLOBAL COVERED BOND

[THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT (1) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE AGENCY AGREEMENT) AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITY OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDER OF SUCH SECURITY SENT TO ITS REGISTERED ADDRESS, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).]<sup>1</sup>

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

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<sup>1</sup> This legend shall be borne by each Rule 144A Global Covered Bond.

[THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE AGENCY AGREEMENT) AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE ISSUE DATE, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE (I) PURSUANT TO RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (II) TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN, AND IN TRANSACTIONS PURSUANT TO, RULE 144A UNDER THE SECURITIES ACT.]<sup>2</sup>

[FOR THE PURPOSES OF APPLYING THE ORIGINAL ISSUE DISCOUNT RULES UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, (1) THE ISSUE DATE OF THIS REGISTERED GLOBAL COVERED BOND IS [ ]; (2) THE YIELD TO MATURITY IS [ ]% (COMPOUNDED SEMI-ANNUALLY); (3) THIS COVERED BOND IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT IN THE AMOUNT OF U.S.\$[ ] PER U.S.\$1,000 PRINCIPAL AMOUNT; (4) THE [ ] METHOD SPECIFIED IN THE PROPOSED TREASURY REGULATIONS HAS BEEN USED TO DETERMINE YIELD AND THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO THE SHORT INITIAL ACCRUAL PERIOD BEGINNING [ ] AND ENDING [ ]; AND (5) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO SUCH ACCRUAL PERIOD IS U.S.\$[ ] PER U.S.\$[ ] PRINCIPAL AMOUNT.]<sup>3</sup>

[THIS REGISTERED GLOBAL COVERED BOND IS A GLOBAL COVERED BOND WITHIN THE MEANING OF THE BOND TRUST DEED REFERRED TO HEREINAFTER. THIS REGISTERED GLOBAL COVERED BOND MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A COVERED BOND REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY TRUST COMPANY OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THIS REGISTERED GLOBAL COVERED BOND, AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THIS LEGEND. BENEFICIAL INTERESTS IN THIS REGISTERED GLOBAL COVERED BOND MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THIS LEGEND.]<sup>1</sup>

[UNLESS THIS REGISTERED GLOBAL COVERED BOND IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, (DTC), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED GLOBAL COVERED BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]<sup>4</sup>

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<sup>1</sup> This legend shall be borne by each Rule 144A Global Covered Bond  
<sup>2</sup> This legend shall be borne by each Regulation S Global Covered Bond.  
<sup>3</sup> Insert and complete if original issue discount applies.  
<sup>4</sup> This legend shall be borne by each Registered Global Covered Bond held by DTC



**BNZ INTERNATIONAL FUNDING LIMITED**  
(acting through its London branch)  
(incorporated with limited liability under the laws of New Zealand)  
**(the Issuer)**

and

**BANK OF NEW ZEALAND**  
(incorporated with limited liability under the laws of New Zealand) ]  
**(the Guarantor)**

/

**BANK OF NEW ZEALAND**  
(incorporated with limited liability under the laws of New Zealand)]  
**(the Issuer)**

**REGISTERED GLOBAL COVERED BOND**  
*Unconditionally and irrevocably guaranteed as to payment of interest and principal by*

**CBG TRUSTEE COMPANY LIMITED**  
(incorporated with limited liability under the laws of New Zealand)  
**(the Covered Bond Guarantor)**

This Covered Bond is a **Registered Global Covered Bond** in respect of a duly authorised issue of Covered Bonds of the Issuer (the **Covered Bonds**) of the Principal Amount Outstanding, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Covered Bonds (the **Final Terms**), a copy of which is annexed hereto. References herein to the Conditions shall be to the Conditions of the Covered Bonds as set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to the Bond Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail.

Words and expressions defined in the Conditions shall bear the same meanings when used in this Registered Global Covered Bond.

This Registered Global Covered Bond is issued subject to, and with the benefit of, the Conditions and a bond trust deed (as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 2 June 2010 and made between the Issuer, the Covered Bond Guarantor and Deutsche Trustee Company Limited.

The Issuer, subject to and in accordance with the Conditions and the Bond Trust Deed, agrees to pay to such registered holder on the Final Maturity Date and/or on such earlier date(s) as all or any of the Covered Bonds represented by this Registered Global Covered Bond may become due and repayable in accordance with the Conditions and the Bond Trust Deed, the amount payable under the Conditions in respect of such Covered Bonds on each such date and to pay interest (if any) on the Principal Amount Outstanding of the Covered Bonds from time to time represented by this Registered Global Covered Bond calculated and payable as provided in the Conditions and the Bond Trust Deed together with any other sums payable under the Conditions and the Bond Trust Deed, upon presentation and, at maturity, surrender of this Registered Global

Covered Bond at the specified office of the Registrar at [Deutsche Bank, Luxembourg S.A., 2, Boulevard Konrad Adenauer, L-115, Luxembourg/Computershare Investor Services Limited, Private Bag 92119, Victoria Street West, Auckland 1142, New Zealand] or such other specified office as may be specified in the Final Terms. On any redemption in whole or in part or payment of interest being made in respect of, or purchase and cancellation of, any of the Covered Bonds represented by this Registered Global Covered Bond details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption or purchase and cancellation the Principal Amount Outstanding of this Registered Global Covered Bond and the Covered Bonds held by the registered holder hereof shall be reduced by the Principal Amount Outstanding of such Covered Bonds so redeemed or purchased and cancelled. The Principal Amount Outstanding of this Registered Global Covered Bond and of the Covered Bonds held by the registered holder hereof following any such redemption or purchase and cancellation as aforesaid or any transfer or exchange as referred to below shall be the Principal Amount Outstanding most recently entered in the relevant column in Part II or III of Schedule One hereto or in Schedule Two hereto.

This Registered Global Covered Bond may be exchanged (free of charge) in whole, but not in part, for Registered Definitive Covered Bonds without Receipts, Coupons or Talons attached only upon the occurrence of an Exchange Event.

An "**Exchange Event**" means:

- (a) if Austraclear New Zealand 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 (other than in the case of a merger, disposal or consolidation not interrupting or degrading the services provided to its customers);
- (b) in the case of Covered Bonds registered in the name of the Depository Trust Company at its office at 55 Water Street, New York, NY 10041, United States of America (DTC) or its nominee, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Covered Bonds and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act; or
- (c) in the case of Covered Bonds registered in the name of a common depository for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) or its nominee, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, whether statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available.

Upon the occurrence of an Exchange Event:

- (i) the Issuer will promptly give notice to Covered Bondholders in accordance with Condition 13 (*Notices*) of the occurrence of such Exchange Event; and
- (ii) Austraclear New Zealand and/or DTC and/or Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Registered Global Covered Bond) or the Bond Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (c) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Covered Bonds represented by this Registered Global Covered Bond are transferable only in accordance with, and subject to, the provisions hereof and of the applicable Agency Agreement (as amended, supplemented, restated and/or novated from time to time) and the rules and operating procedures of Austraclear New Zealand and/or Euroclear and/or Clearstream, Luxembourg and/or DTC.

On any exchange or transfer pursuant to which either (i) Covered Bonds represented by this Registered Global Covered Bond are no longer to be so represented or (ii) Covered Bonds not so represented are to be so represented, details of such exchange or transfer shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such transfer shall be signed by or on behalf of the Issuer, whereupon the Principal Amount Outstanding of this Registered Global Covered Bond and the Covered Bonds held by the registered holder hereof shall be increased or reduced (as the case may be) by the Principal Amount Outstanding so exchanged or transferred.

Subject as provided in the following two paragraphs, until the exchange of the whole of this Registered Global Covered Bond as aforesaid, the registered holder hereof shall in all respects be entitled to the same benefits as if he were the registered holder of Registered Definitive Covered Bonds in the form set out in Part 8 (Form of *Registered Definitive Covered Bond*) of Schedule 2 (*Forms of Global and Definitive Covered Bonds, Receipts, Coupons and Talons*) to the Bond Trust Deed.

Where this Registered Global Covered Bond is registered in the name of New Zealand Central Securities Depository or another Depository (as defined in the rules and regulations of the Austraclear New Zealand System), and subject as provided in the Bond Trust Deed, each person who is for the time being shown in the records of Austraclear New Zealand as entitled to a particular Principal Amount Outstanding of the Covered Bonds represented by this Registered Global Covered Bond (in which regard any certificate or other document issued by Austraclear New Zealand as to the Principal Amount Outstanding of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such Principal Amount Outstanding of the Covered Bonds for all purposes other than with respect to payments of such Principal Amount Outstanding of such Covered Bonds for which purpose the registered holder of this Registered Global Covered Bond shall be deemed to be the holder of such Principal Amount Outstanding of the Covered Bonds in accordance with and subject to the terms of the Registered Global Covered Bond and the Bond Trust Deed.

Where this Registered Global Covered Bond is registered in the name of a common depository for Euroclear and/or Clearstream, Luxembourg or its nominee, and subject as provided in the Bond Trust Deed, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as entitled to a particular Principal Amount Outstanding of the Covered Bonds represented by this Registered Global Covered Bond (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the Principal Amount Outstanding of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such Principal Amount Outstanding of the Covered Bonds for all purposes other than with respect to payments of principal and interest on such Principal Amount Outstanding of such Covered Bonds for which purpose the registered holder of this Registered Global Covered Bond shall be deemed to be the holder of such Principal Amount Outstanding of the Covered Bonds in accordance with and subject to the terms of this Registered Global Covered Bond and the Bond Trust Deed.

Where this Registered Global Covered Bond is registered in the name of DTC or its nominee, and subject as provided in the Bond Trust Deed, each person who is for the time being shown in the records of DTC as entitled to a particular Principal Amount Outstanding of the Covered Bonds represented by this Registered Global Covered Bond (in which regard any certificate or other document issued by DTC as to the Principal Amount Outstanding of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such Principal Amount Outstanding of the Covered Bonds for all purposes other than with respect to payments of principal and interest on and voting, giving consents and making requests in respect of, such Principal Amount

Outstanding of such Covered Bonds for which purpose the registered holder of this Registered Global Covered Bond shall be deemed to be the holder of such Principal Amount Outstanding of the Covered Bonds in accordance with and subject to the terms of this Registered Global Covered Bond and the Bond Trust Deed.

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Registered Global Covered Bond, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

This Registered Global Covered Bond and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.

This Registered Global Covered Bond shall not be valid unless authenticated by [Deutsche Bank, Luxembourg S.A./Computershare Investor Services Limited], as Registrar.

IN WITNESS whereof the Issuer has caused this Registered Global Covered Bond to be signed manually or in facsimile by a person duly authorised on its behalf

[BNZ INTERNATIONAL FUNDING INTERNATIONAL LIMITED, acting through its London branch]

By: .....  
Authorised Signatory

[BANK OF NEW ZEALAND]

By: .....  
Authorised Signatory

By: .....  
Authorised Signatory

Authenticated by  
[COMPUTERSHARE INVESTOR SERVICES LIMITED/DEUTSCHE BANK, LUXEMBOURG  
S.A.]  
as Registrar

By: .....  
Authorised Officer











## PART 8

### FORM OF REGISTERED DEFINITIVE COVERED BOND

[THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE AGENCY AGREEMENT) AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITY OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDER OF SUCH SECURITY SENT TO ITS REGISTERED ADDRESS, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).

IF REQUESTED BY THE ISSUER OR BY A DEALER, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THIS REGISTERED DEFINITIVE COVERED BOND IS PERMISSIBLE UNDER THE SECURITIES ACT. THIS REGISTERED DEFINITIVE COVERED BOND AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO

MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS REGISTERED DEFINITIVE COVERED BOND TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFERS OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF THIS REGISTERED DEFINITIVE COVERED BOND, THE HOLDER HEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.]<sup>1</sup>

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

[THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE AGENCY AGREEMENT) AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE ISSUE DATE, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE (I) PURSUANT TO RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (II) TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN, AND IN TRANSACTIONS PURSUANT TO, RULE 144A UNDER THE SECURITIES ACT.]<sup>2</sup>

[FOR THE PURPOSES OF APPLYING THE ORIGINAL ISSUE DISCOUNT RULES UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, (1) THE ISSUE DATE OF THIS REGISTERED DEFINITIVE COVERED BOND IS [ ]; (2) THE YIELD TO MATURITY IS [ ]% (COMPOUNDED SEMI-ANNUALLY); (3) THIS REGISTERED DEFINITIVE COVERED BOND IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT IN THE AMOUNT OF U.S.\$[ ] PER U.S.\$1,000 PRINCIPAL AMOUNT; (4) THE [ ] METHOD SPECIFIED IN THE TREASURY REGULATIONS HAS BEEN USED TO DETERMINE YIELD AND THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO THE SHORT INITIAL ACCRUAL PERIOD BEGINNING [ ] AND ENDING [ ]; AND (5) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCATED TO SUCH ACCRUAL PERIOD IS U.S.\$[ ] PER U.S.\$[ ] PRINCIPAL AMOUNT.]<sup>3</sup>

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<sup>1</sup> This legend shall be borne by Registered Definitive Covered Bonds issued in exchange for a Rule 144A Global Covered Bond.

<sup>2</sup> This legend shall be borne by Registered Definitive Covered Bonds issued in exchange for a Regulation S Global Covered Bond.

<sup>3</sup> Insert and complete if original issue discount applies.

**BNZ INTERNATIONAL FUNDING LIMITED**  
(acting through its London branch)  
(*incorporated with limited liability under the laws of New Zealand*)  
(**the Issuer**)

and

**BANK OF NEW ZEALAND**  
(*incorporated with limited liability under the laws of New Zealand*) ]  
(**the Guarantor**)

/

**BANK OF NEW ZEALAND**  
(*incorporated with limited liability under the laws of New Zealand*)]  
(**the Issuer**)

**DEFINITIVE REGISTERED COVERED BOND**  
*Unconditionally and irrevocably guaranteed as to payment of interest and principal by*

**CBG TRUSTEE COMPANY LIMITED**  
(*incorporated with limited liability under the laws of New Zealand*)  
(**the Covered Bond Guarantor**)

This Covered Bond is a **Definitive Registered Covered Bond** in respect of a duly authorised issue of Covered Bonds of [Specified Currency(ies) and Specified Denomination(s)] each of the Issuer (the **Covered Bonds**) of the Aggregate Principal Amount Outstanding, Specified Currency(ies) and the Specified Denomination(s) as are specified in the Final Terms applicable to the Covered Bonds (the **Final Terms**), a copy of which is annexed hereto. References herein to the Conditions shall be to the Terms and Conditions of the Covered Bonds as set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to the Bond Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail.

Words and expressions defined in the Conditions shall bear the same meanings when used in this Definitive Registered Covered Bond.

This Definitive Registered Covered Bond is issued subject to, and with the benefit of, the Conditions and a bond trust deed (such bond trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 2 June 2010 and made between (*inter alios*) the Issuer, the Covered Bond Guarantor and Deutsche Trustee Company Limited.

THIS IS TO CERTIFY that [ ] is/are the registered holder(s) of one or more of the above-mentioned Definitive Registered Covered Bonds and is/are entitled on the Final Maturity Date and/or on such earlier date as this Definitive Registered Covered Bond may become due and repayable in accordance with the Conditions and the Bond Trust Deed, to the amount payable or assets deliverable, as the case may be, on redemption of this Definitive Registered Covered Bond and to receive interest (if any) on the Principal Amount Outstanding of this Definitive Registered Covered Bond calculated and payable as provided in the

Conditions and the Bond Trust Deed together with any other sums payable under the Conditions and the Bond Trust Deed.

This Definitive Registered Covered Bond and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.

This Definitive Registered Covered Bond shall not be valid unless authenticated by [Deutsche Bank, Luxembourg S.A./Computershare Investor Services Limited], as Registrar.

**IN WITNESS** whereof this Definitive Registered Covered Bond has been executed on behalf of the Issuer.

Issued as of [ ], 20[ ].

**[BNZ FUNDING INTERNATIONAL LIMITED, acting through its London branch]**

By: .....  
**Authorised Signatory**

**[BANK OF NEW ZEALAND]**

By: .....  
**Authorised Signatory**

By: .....  
**Authorised Signatory**

Authenticated by  
**[COMPUTERSHARE INVESTOR SERVICES LIMITED/DEUTSCHE BANK, LUXEMBOURG S.A.]**  
as Registrar

By: .....  
**Authorised Officer**



**[Conditions]**

[Conditions to be as set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to this Bond Trust Deed or such other form as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s), but shall not be endorsed if not required by the relevant Stock Exchange (if any).]

## **Final Terms**

[Here to be set out text of the relevant information supplementing, replacing or modifying the Conditions which appear in the Final Terms relating to the Covered Bonds]



### SCHEDULE 3

#### FORM OF NOTICE TO PAY

*[On the letterhead of the Bond Trustee]*

To: CBG Trustee Company Limited (the **Covered Bond Guarantor**)  
Level 10, 141 Willis Street, Wellington, New Zealand

*[insert date]*

Dear Sirs,

#### **Notice to Pay under Covered Bond Guarantee**

We refer to the NZ\$3,000,000,000 BNZ Covered Bond Programme of the Issuers and the bond trust deed dated 2 June 2010 made between the Issuers, the Guarantor, the Covered Bond Guarantor and the Bond Trustee (the **Bond Trust Deed**).

We hereby confirm that an Issuer Event of Default has occurred and that we have served an Issuer Acceleration Notice on the Issuer and the Guarantor. Accordingly, this notice shall constitute a Notice to Pay which is served upon the Covered Bond Guarantor pursuant to Clause 7 (Guarantee and Covered Bond Guarantee) of the Bond Trust Deed.

Unless the context otherwise requires, capitalised terms used in this Notice to Pay and not defined herein shall have the meanings provided in the Definitions Schedule entered into between, *inter alios*, the Issuer, the Guarantor, the Covered Bond Guarantor and the Bond Trustee.

Yours faithfully,

**Deutsche Trustee Company Limited**

## SCHEDULE 4

### PROVISIONS FOR MEETINGS OF COVERED BONDHOLDERS

1. (a) As used in this Schedule the following expressions shall have the following meanings unless the context otherwise requires:
  - (i) **voting certificate** shall mean an English language certificate issued by a Paying Agent and dated in which it is stated:
    - (A) that on the date thereof Bearer Covered Bonds (whether in definitive form or represented by a Bearer Global Covered Bond and not being Bearer Covered Bonds in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate or any adjourned such meeting) were deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such Bearer Covered Bonds will cease to be so deposited or held or blocked until the first to occur of:
      - I. the conclusion of the meeting specified in such certificate or, if later, of any adjourned such meeting; and
      - II. the surrender of the certificate to the Paying Agent who issued the same; and
    - (B) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Bearer Covered Bonds represented by such certificate;
  - (ii) **block voting instruction** shall mean an English language document issued by a Paying Agent and dated in which:
    - (A) it is certified that Bearer Covered Bonds (whether in definitive form or represented by a Bearer Global Covered Bond and not being Bearer Covered Bonds in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction and any adjourned such meeting) have been deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such Bearer Covered Bonds will cease to be so deposited or held or blocked until the first to occur of:
      - I. the conclusion of the meeting specified in such document if later, of any adjourned such meeting; and
      - II. the surrender to the Paying Agent not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the receipt issued by such Paying Agent in respect of each such deposited Bearer Covered Bond which is to be released or (as the case may require) the Bearer Covered Bond or Bearer Covered Bonds ceasing with the agreement of the Paying Agent to be held to its order or under its control or so blocked and the giving

of notice by the Paying Agent to the Relevant Issuer in accordance with paragraph 17 hereof of the necessary amendment to the block voting instruction;

- (B) it is certified that each holder of such Bearer Covered Bonds has instructed such Paying Agent that the vote(s) attributable to the Bearer Covered Bond or Bearer Covered Bonds so deposited or held or blocked should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;
  - (C) the aggregate principal amount of the Bearer Covered Bonds so deposited or held or blocked are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
  - (D) one or more persons named in such document (each hereinafter called a proxy) is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Bearer Covered Bonds so listed in accordance with the instructions referred to in (B) above as set out in such document;
- (iii) **24 hours** shall mean a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid; and
  - (iv) **48 hours** shall mean a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid.
- (b) A holder of a Bearer Covered Bond (whether in definitive form or represented by a Bearer Global Covered Bond) may obtain a voting certificate in respect of such Covered Bond from a Paying Agent or require a Paying Agent to issue a block voting instruction in respect of such Covered Bond by depositing such Bearer Covered Bond with such Paying Agent or (to the satisfaction of such Paying Agent) by such Bearer Covered Bond being held to its order or under its control or being blocked in an account with a clearing system, in each case not less than 48 hours before the time fixed for the relevant meeting and on the terms set out in subparagraph 1(a)(i)(A) or 1(a)(ii)(A) above (as the case may be), and (in the case of a block voting instruction) instructing such Paying Agent to the effect set out in subparagraph 1(a)(ii)(B) above. The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the relevant meeting or

adjourned meeting of Covered Bondholders be deemed to be the holder of the Bearer Covered Bonds to which such voting certificate or block voting instruction relates and the Paying Agent with which such Bearer Covered Bonds have been deposited or the person holding the same to the order or under the control of such Paying Agent or the clearing system in which such Bearer Covered Bonds have been blocked shall be deemed for such purposes not to be the holder of those Bearer Covered Bonds.

- (c) (i) A holder of Registered Covered Bonds (whether in definitive form or represented by a Registered Global Covered Bond may, by an instrument in writing in the English language (a **form of proxy**) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a **proxy**) to act on his or its behalf in connection with any meeting of the Covered Bondholders and any adjourned such meeting.
- (ii) Any holder of Registered Covered Bonds (whether in definitive form or represented by a Registered Global Covered Bond) which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a **representative**) in connection with any meeting of the Covered Bondholders and any adjourned such meeting.
- (iii) Any proxy appointed pursuant to subparagraph (i) above or representative appointed pursuant to subparagraph (ii) above shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Covered Bondholders, to be the holder of the Registered Covered Bonds to which such appointment relates and the holder of the Registered Covered Bonds shall be deemed for such purposes not to be the holder.
- (iv) For so long as any of the Registered Covered Bonds is represented by a Global Covered Bond registered in the name of DTC or its nominee, DTC may mail an Omnibus Proxy to the Relevant Issuer in accordance with and in the form used by DTC as part of its usual procedures from time to time in relation to meetings of Covered Bondholders. Such Omnibus Proxy shall assign the voting rights in respect of the relevant meeting to DTC's direct participants as of the record date specified therein. Any such assignee participant may, by an instrument in writing in the English language (a form of sub-proxy) signed by such assignee participant, or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar or any Transfer Agent before the time fixed for the relevant meeting, appoint any person (a **sub-proxy**) to act on his or its behalf in connection with any meeting of Covered Bondholders and any adjourned such meeting. All references to proxy or proxies in this Schedule other than in this paragraph shall be read so as to include references to sub-proxy or sub-proxies and all references to a form of proxy or forms of proxy shall be read to include references to form of sub proxy or forms of sub proxy.
- (v) For so long as the Covered Bonds are eligible for settlement through DTC's book entry settlement system, the Issuer and/or the Covered Bond Guarantor may fix a record date for the purpose of any meeting, provided such date is not more than 10 days prior to the date fixed for such a meeting or such other number of days prior thereto as the Bond Trustee shall in its absolute discretion determine. The person in

whose name a Covered Bond is registered on the record date shall be the holder for the purposes of the relevant meeting.

2. The Relevant Issuer, the Guarantor, the Covered Bond Guarantor or the Bond Trustee or (in relation to a meeting for the passing of a Programme Resolution) the Covered Bondholders of any Series may at any time and the Issuer shall upon a requisition in writing in the English language signed by the holders of not less than one tenth of the Principal Amount Outstanding of the Covered Bonds for the time being outstanding convene a meeting of the Covered Bondholders and if the Relevant Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Bond Trustee or the requisitionists. Every such meeting shall be held at such time and place as the Bond Trustee may approve. The Bond Trustee may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Bond Trustee there is no conflict between the holders of the relevant Series, in which event the provisions of this Schedule shall apply thereto *mutatis mutandis*.
3. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the place, day and hour of meeting shall be given to the holders of the relevant Covered Bonds prior to any meeting of such holders in the manner provided by Condition 13 (Notices). Such notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting thereby convened but (except for an Extraordinary Resolution) it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include statements, if applicable, to the effect that: (a) Bearer Covered Bonds may, not less than 48 hours before the time fixed for the meeting, be deposited with Paying Agents or (to their satisfaction) held to their order or under their control or blocked in an account with a clearing system for the purpose of obtaining voting certificates or appointing proxies; and (b) the holders of Registered Covered Bonds may appoint proxies by executing and delivering a form of proxy in the English language to the specified office of the Registrar not less than 48 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution of their directors or other governing body. A copy of the notice shall be sent to the Bond Trustee (unless the meeting is convened by the Bond Trustee), and to the Relevant Issuer (unless the meeting is convened by the Relevant Issuer), the Guarantor (in the case of Covered Bonds issued by BNZ-IF) and to the Covered Bond Guarantor (unless the meeting is convened by the Covered Bond Guarantor).
4. A person (who may but need not be a Covered Bondholder) nominated in writing by the Bond Trustee shall be entitled to take the chair at the relevant meeting or adjourned meeting but if no such nomination is made or if at any meeting or adjourned meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting or adjourned meeting the Covered Bondholders present shall choose one of their number to be Chairman, failing which the Relevant Issuer may appoint a Chairman. The Chairman of an adjourned meeting need not be the same person as was Chairman of the meeting from which the adjournment took place.
5. At any such meeting one or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-twentieth of the Principal Amount Outstanding of the Covered Bonds of the relevant Series for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business. The quorum at any such meeting for passing an Extraordinary Resolution (subject as provided below) shall be one or more persons present holding Bearer Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate a clear majority in Principal Amount Outstanding of the Covered Bonds for the time being outstanding PROVIDED THAT at any meeting the business of

which includes any of the following matters (each of which shall, subject only to Clause 20.2, only be capable of being effected after having been approved by Extraordinary Resolution) namely:

- (a) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the Covered Bonds;
- (b) alteration of the currency in which payments under the Covered Bonds, Receipts and Coupons are to be made other than pursuant to Condition 5(h) (Redenomination);
- (c) alteration of the quorum or the majority required to pass an Extraordinary Resolution;
- (d) any amendment to the Guarantee, the Covered Bond Guarantee or the Security Deed;
- (e) except in accordance with Condition 6(j) (Cancellation) or the provision relating to substitution in Condition 14 (Meetings of Covered Bondholders, Modification, Waiver and Substitution), the sanctioning of any scheme or proposal as is described in paragraph 18(j) below; and
- (f) alteration of this proviso or the proviso to paragraph 6 below or the alteration of the definition of Series Reserved Matter in Condition 14 (Meetings of Covered Bondholders, Modification, Waiver and Substitution);

(each a **Series Reserved Matter**), the quorum shall be one or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding.

6. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened upon the requisition of Covered Bondholders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Bond Trustee). If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall be dissolved. At any adjourned meeting one or more persons present holding Bearer Definitive Covered Bonds or voting certificates or being proxies or representatives (whatever the Principal Amount Outstanding of the Covered Bonds then outstanding so held or represented by them) shall (subject as provided below) form a quorum and shall have power to pass any Extraordinary Resolution, or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present PROVIDED THAT at any adjourned meeting the quorum for the transaction of business comprising any of the matters specified in the proviso to paragraph 5 above shall be one or more persons present holding [Bearer] Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-third of the aggregate Principal Amount Outstanding of the Covered Bonds for the time being outstanding.

7. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in paragraph 3 above and such notice shall state the relevant quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.
8. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Covered Bondholder or as a holder of a voting certificate or as a proxy or as a representative.
9. At any meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the Relevant Issuer, the Guarantor (in the case of Covered Bonds issued by BNZ-IF) the Covered Bond Guarantor, the Bond Trustee or any person present holding a Definitive Covered Bond or a voting certificate or being a proxy or representative (whatever the Principal Amount Outstanding of the Covered Bonds so held or represented by him) a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
10. Subject to paragraph 12 below, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
11. The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
12. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
13. The Bond Trustee and its lawyers and any director, officer or employee of a corporation being a bond trustee of the Trust Presents and any director or officer of the Relevant Issuer or, as the case may be, the Guarantor, the Covered Bond Guarantor and its or their lawyers and any other person authorised so to do by the Bond Trustee may attend and speak at any meeting. Save as aforesaid, but without prejudice to the proviso to the definition of outstanding in the Definitions Schedule, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of Covered Bondholders or join with others in requesting the convening of such a meeting or to exercise the rights conferred on Covered Bondholders by Condition 9 unless he either produces the Bearer Definitive Covered Bond or Bearer Definitive Covered Bonds of which he is the holder or a voting certificate or is a proxy or a representative or is the holder of a Registered Definitive Covered Bond or Registered Definitive Covered Bonds. No person shall be entitled to vote at any meeting in respect of Covered Bonds held by, for the benefit of, or on behalf of, the Relevant Issuer, the Guarantor or the Covered Bond Guarantor, any Subsidiary of the Relevant Issuer or the Guarantor or the Covered Bond Guarantor, any holding company of the Relevant Issuer or the Guarantor or the Covered Bond Guarantor or any other Subsidiary of any such holding company. Nothing herein shall prevent any of the proxies named in any block voting instruction or form of proxy or any representative from being a director, officer or representative of or otherwise connected with the Relevant Issuer, the Guarantor or the Covered Bond Guarantor.

14. Subject as provided in paragraph 13 hereof at any meeting:
- (a) on a show of hands every person who is present in person and produces a Bearer Definitive Covered Bond or voting certificate or is a holder of a Registered Definitive Covered Bond or is a proxy or representative shall have one vote; and
  - (b) on a poll every person who is so present shall have one vote in respect of each NZD1 or such other amount as the Bond Trustee may in its absolute discretion stipulate (or, in the case of meetings of holders of Covered Bonds denominated in another currency, such amount in such other currency as the Bond Trustee in its absolute discretion may stipulate) in the Principal Amount Outstanding of the Bearer Definitive Covered Bonds so produced or represented by the voting certificate so produced or in respect of which he is a proxy or representative or in respect of which (being a Registered Definitive Covered Bond) he is the registered holder.

Without prejudice to the obligations of the proxies named in any block voting instruction or form of proxy any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

15. The proxies named in any block voting instruction or form of proxy and representatives need not be Covered Bondholders.
16. Each block voting instruction together (if so requested by the Bond Trustee) with proof satisfactory to the Bond Trustee of its due execution on behalf of the relevant Paying Agent and each form of proxy shall be deposited by the relevant Paying Agent or (as the case may be) by the Registrar or the relevant Transfer Agent at such place as the Bond Trustee shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction or form of proxy propose to vote and in default the block voting instruction or form of proxy shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A copy of each block voting instruction and form of proxy shall (if the Bond Trustee so requires) be deposited with the Bond Trustee before the commencement of the meeting or adjourned meeting but the Bond Trustee shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such block voting instruction or form of proxy.
17. Any vote given in accordance with the terms of a block voting instruction or form of proxy shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or form of proxy or of any of the relevant Covered Bondholders' instructions pursuant to which it was executed PROVIDED THAT no intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent or in the case of a Registered Covered Bond from the holder thereof by the Relevant Issuer at its registered office (or such other place as may have been required or approved by the Bond Trustee for the purpose) by the time being 24 hours and 48 hours respectively before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction or form of proxy is to be used.
18. A meeting of the Covered Bondholders shall in addition to the powers hereinbefore given have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 5 and 6 above) namely:
- (a) Power to sanction any compromise or arrangement proposed to be made between the Relevant Issuer, the Guarantor (in the case of Covered Bonds issued by BNZ-IF), the Covered Bond Guarantor, the Bond Trustee, the Security Trustee, any Appointee and the Covered Bondholders, Receipt holders and Couponholders or any of them.



- (b) Power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Bond Trustee, any Appointee, the Covered Bondholders, the Receiptholders, Couponholders, the Relevant Issuer, the Guarantor (in the case of Covered Bonds issued by BNZ-IF) or the Covered Bond Guarantor or against any other or others of them or against any of their property whether such rights shall arise under the Trust Presents or otherwise.
- (c) Power to assent to any modification of the provisions of the Trust Presents which shall be proposed by the Relevant Issuer, the Guarantor (in the case of Covered Bonds issued by BNZ-IF), the Covered Bond Guarantor, the Bond Trustee, the Security Trustee or any Covered Bondholder.
- (d) Power to sanction any consent or approval or direction to be given by the Bond Trustee or the Security Trustee under or in relation to any of the Programme Documents.
- (e) Power to give any authority or sanction which under the provisions of the Trust Presents is required to be given by Extraordinary Resolution.
- (f) Power to appoint any persons (whether Covered Bondholders or not) as a committee or committees to represent the interests of the Covered Bondholders and to confer upon such committee or committees any powers or discretions which the Covered Bondholders could themselves exercise by Extraordinary Resolution.
- (g) Power to approve of a person to be appointed a trustee and power to remove any trustee or trustees for the time being of the Trust Presents.
- (h) Power to discharge or exonerate the Bond Trustee and/or any Appointee from all liability in respect of any act or omission for which the Bond Trustee and/or such Appointee may have become responsible under the Trust Presents.
- (i) Power to authorise the Bond Trustee and/or any Appointee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution.
- (j) Power to sanction any scheme or proposal for the exchange or sale of the Covered Bonds for or the conversion of the Covered Bonds into or the cancellation of the Covered Bonds in consideration of shares, stock, covered bonds, bonds, debentures, debenture stock and/or other obligations and/or securities of the Relevant Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, covered bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the Covered Bondholders to execute an instrument of transfer of the Registered Covered Bonds held by them in favour of the persons with or to whom the Covered Bonds are to be exchanged or sold respectively.
- (k) Power to approve the substitution of any entity for the Issuer, the Guarantor or the Covered Bond Guarantor (or any previous substitute) as principal debtor or guarantor under this Bond Trust Deed.

19. Any resolution (i) passed at a meeting of the Covered Bondholders duly convened and held in accordance with the Trust Presents, (ii) passed as a resolution in writing in accordance with the Trust Presents or (iii) passed by way of electronic consents given by holders through the relevant clearing system(s) in accordance with the Trust Presents shall be binding upon all the Covered Bondholders

whether present or not present at any meeting and whether or not voting on the resolution and upon all Receiptholders and Couponholders and each of them shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Covered Bondholders shall be published in accordance with Condition 13 (Notices) by the Relevant Issuer within 14 days of such result being known PROVIDED THAT the non-publication of such notice shall not invalidate such result.

20. The expression **Extraordinary Resolution** when used in the Trust Presents means: (a) a resolution passed at a meeting of the Covered Bondholders duly convened and held in accordance with the Trust Presents by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of Covered Bondholders holding not less than seventy five per cent. in Principal Amount Outstanding of the Covered Bonds then outstanding, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Covered Bondholders or (c) passed by way of electronic consents given by holders through the relevant clearing system(s) (in a form satisfactory to the Bond Trustee) by or on behalf of the Covered Bondholders of not less than three fourths in Principal Amount Outstanding for the time being outstanding.
21. Minutes of all resolutions and proceedings at every meeting of the Covered Bondholders shall be made and entered in books to be from time to time provided for that purpose by the Relevant Issuer and any such minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings transacted shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.
22. (a) If and whenever the Relevant Issuer shall have issued and have outstanding Covered Bonds of more than one Series the foregoing provisions of this Schedule shall have effect subject to the following modifications:
  - (i) a resolution which in the opinion of the Bond Trustee affects the Covered Bonds of only one Series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Covered Bonds of that Series;
  - (ii) a resolution which in the opinion of the Bond Trustee affects the Covered Bonds of more than one Series but does not give rise to a conflict of interest between the holders of Covered Bonds of any of the Series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Covered Bonds of all the Series so affected;
  - (iii) a resolution which in the opinion of the Bond Trustee affects the Covered Bonds of more than one Series and gives or may give rise to a conflict of interest between the holders of the Covered Bonds of one Series or group of Series so affected and the holders of the Covered Bonds of another Series or group of Series so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of the Covered Bonds of each Series or group of Series so affected;
  - (iv) a Programme Resolution shall be deemed to have been duly passed only if passed at a single meeting of the Covered Bondholders of all Series; and

- (v) to all such meetings all the preceding provisions of this Schedule shall *mutatis mutandis* apply as though references therein to Covered Bonds and Covered Bondholders were references to the Covered Bonds of the Series or group of Series in question or to the holders of such Covered Bonds, as the case may be.
  - (b) If the Relevant Issuer shall have issued and have outstanding Covered Bonds which are not denominated in NZ Dollars, in the case of any meeting of holders of Covered Bonds of more than one currency, the Principal Amount Outstanding of such Covered Bonds shall:
    - (i) for the purposes of paragraph 2 above be the equivalent in NZ dollars, converted at the relevant Swap Rate on the seventh dealing day prior to the day on which the requisition in writing is received by the Relevant Issuer; and
    - (ii) for the purposes of paragraphs 5, 6 and 14 above (whether in respect of the meeting or any adjourned such meeting or any poll resulting therefrom) be the equivalent in NZ dollars, converted at the relevant Swap Rate. In such circumstances, on any poll each person present shall have one vote for each NZ \$1 (or such other NZ dollar amount as the Bond Trustee may in its absolute discretion stipulate) in Principal Amount Outstanding of the Covered Bonds (converted as above) which he holds or represents.
23. Subject to all other provisions of the Trust Presents the Bond Trustee may without the consent of the Relevant Issuer, the Guarantor, the Covered Bond Guarantor, the Covered Bondholders, the Receiptholders or the Couponholders prescribe such further, alternative or other regulations regarding the requisitioning and/or the holding of meetings of Covered Bondholders and attendance and voting thereat as the Bond Trustee may in its sole discretion think fit.