

AUCKLAND COUNCIL
INDICATIVE TERMS SHEET NO. 005
FIXED RATE GREEN BONDS DUE 27 SEPTEMBER 2028

Current at 18 September 2023.

This Terms Sheet sets out the key terms of an offer by Auckland Council (**Council**) for an offer of up to NZ\$200,000,000 (with the ability to accept up to NZ\$100,000,000 in oversubscriptions at Council's discretion) of fixed rate green bonds (**Green Bonds**) under its master trust deed dated 27 September 2012 (as amended and restated from time to time) (**Master Trust Deed**) and as modified and supplemented by the supplemental trust deed dated 7 June 2018 entered into between Council and Trustees Executors Limited (**Supervisor**) (together, **Trust Documents**).

Important notice

The offer of Green Bonds by Council is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**).

The offer contained in this Terms Sheet is an offer of Green Bonds that will have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as Council's:

1. NZ\$150,000,000 fixed rate green bonds maturing 10 July 2025 with a fixed interest rate of 2.013% per annum, which are quoted on the NZX Debt Market under the ticker code AKC120;
2. NZ\$500,000,000 fixed rate green bonds maturing 28 September 2050 with a fixed interest rate of 2.95% per annum, which are quoted on the NZX Debt Market under the ticker code AKC130; and
3. NZ\$300,000,000 fixed rate green bonds maturing on 20 October 2027 with a fixed interest rate of 2.411% per annum, which are quoted on the NZX Debt Market under the ticker code AKC140,

(together, **Quoted Green Bonds**). Accordingly, the Green Bonds are of the same class as the Quoted Green Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014 (**FMC Regulations**).

Council is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (**NZX**) for the purpose of that information being made available to participants in the market and that information can be found by visiting www.nzx.com/companies/AKC.

Investors should look to the market price of the Quoted Green Bonds to find out how the market assesses the returns and risk premium for those bonds.

Terms	Description
Issuer	Council.
Description of Green Bonds	Secured, unsubordinated, debt obligations of Council.
Type of Green Bonds	Fixed rate Green Bonds.
Offer amount	Up to NZ\$200,000,000, with the ability to accept up to NZ\$100,000,000 in oversubscriptions at Council's discretion. Allocation of the Green Bonds (including oversubscriptions) shall be determined by Council in consultation with the Joint Lead Managers (see Applications section below for more detail).

Security	The Green Bonds are secured by a charge created by the debenture trust deed dated 2 December 2010, as amended and restated on 25 May 2016, (Debenture) over all rates from time to time set or assessed by Council and all rates revenue of Council and proceeds arising directly from the collection of those rates.
Purpose / Use of proceeds	<p>The proceeds of this offer are intended to be allocated in accordance with Council's Sustainable Finance Framework dated September 2023 (as updated from time to time) as it relates to green bonds (Framework) to the financing of eligible assets (as defined in the Framework and as updated from time to time in a list available at https://www.aucklandcouncil.govt.nz/about-auckland-council/investor-centre/information-for-investors/Pages/green-bonds.aspx) or the refinancing of corporate debt that supports eligible assets, in each case that align with the eligible sectors listed in the Framework.</p> <p>The Supervisor has no obligations in relation to the application of the proceeds of the Green Bonds.</p>
Interest Rate	The Interest Rate will be fixed for the term of the Green Bonds. The Interest Rate will be equal to the Base Rate plus the Margin on the Rate Set Date and will be announced by Council via NZX on the Rate Set Date.
Base Rate	The semi-annual mid market swap rate for an interest rate swap from the Issue Date to the Maturity Date as calculated by the Joint Lead Managers on the Rate Set Date in accordance with market convention with reference to Bloomberg page ICNZ4 (or any successor page) and expressed on a semi-annual basis, rounded to 3 decimal places, if necessary with 0.0005 being rounded up.
Margin	The Margin will be a percentage rate per annum set on the Rate Set Date following a bookbuild process conducted by the Joint Lead Managers.
Indicative Margin range	0.65 to 0.70% per cent per annum.
Principal Amount	NZ\$1.00 per Green Bond.
Issue Price	NZ\$1.00 per Green Bond.
Minimum Subscription Amount and Minimum Principal Amount	NZ\$5,000 and in multiples of NZ\$1,000 thereafter.
Minimum transfer amounts	The Green Bonds may only be transferred in multiples of NZ\$1,000. However, no transfer may be effected if it would result in the transferor or transferee holding an aggregate principal amount of less than the minimum holding of NZ\$5,000 (other than zero).
Opening Date	Monday, 18 September 2023.
Closing Date	The offer is expected to close at 11am on Wednesday, 20 September 2023.
Rate Set Date	Wednesday, 20 September 2023.
Issue / Allotment Date	Wednesday, 27 September 2023.
Maturity Date	Wednesday, 27 September 2028.

Expected date of initial quotation and trading on the NZX Debt Market	Thursday, 28 September 2023.									
Quotation and NZX Debt Market ticker code	Application has been made to NZX for permission to quote the Green Bonds on the NZX Debt Market. NZX ticker code AKC150 has been reserved for the Green Bonds.									
Credit ratings	<table border="1"> <thead> <tr> <th></th> <th>Issuer Rating</th> <th>Expected Issue Rating</th> </tr> </thead> <tbody> <tr> <td>S&P Global Ratings</td> <td>AA (stable)</td> <td>AA</td> </tr> <tr> <td>Moody's</td> <td>Aa2 (stable)</td> <td>Aa2</td> </tr> </tbody> </table> <p>The ratings referred to in this Terms Sheet are not a recommendation to invest in the Green Bonds, and each rating may be subject to revision or withdrawal at any time by S&P Global Ratings or Moody's, as the case may be. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the Green Bonds. Neither S&P Global Ratings nor Moody's has been involved in the preparation of this Terms Sheet.</p>		Issuer Rating	Expected Issue Rating	S&P Global Ratings	AA (stable)	AA	Moody's	Aa2 (stable)	Aa2
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Interest Payment Dates	27 March and 27 September each year during the term of the Green Bonds up to and including the Maturity Date.									
First Interest Payment Date	27 March 2024.									
Frequency of Interest payments	Interest will be payable semi-annually in arrear in two equal amounts on each Interest Payment Date.									
Applications	<p>All of the Green Bonds (including oversubscriptions) are reserved for clients of the Joint Lead Managers, institutional investors and other approved participants. Council may allocate Green Bonds (including oversubscriptions) to those persons during the offer period or once the offer closes at Council's discretion, in consultation with the Joint Lead Managers. Council reserves the right to refuse all or any part of an application without giving any reason.</p> <p>There is no public pool for the Green Bonds. Accordingly, retail investors should contact a Joint Lead Manager or their financial advisor for details of the application process for the Green Bonds.</p> <p>Each investor's financial advisor will be able to advise them as to what arrangements will need to be put in place for them to trade the Green Bonds including obtaining a common shareholder number (CSN), an authorisation code (FIN) and opening an account with a Primary Market Participant as well as the costs and timeframes for putting such arrangements in place.</p>									
Green Bond Principles assurance	Council has obtained limited assurance (dated 8 September 2023) in relation to its Framework from Ernst & Young which confirms that Council's Framework is in accordance with the International Capital Markets Association Green Bond Principles (GBP). Council will also seek post-issuance assurance at least once during the tenor of the Green Bonds.									

Events of Default	<p>If an Event of Default (as defined in the Trust Documents) occurs the Supervisor may in its discretion, and will immediately upon being directed to do so by an Extraordinary Resolution (as defined in the Trust Documents), by notice in writing to Council, declare the Green Bonds to be immediately due and payable.</p> <p>If the Green Bonds are repaid on a date that is not an Interest Payment Date following an Event of Default, the interest payable on the date of repayment will be adjusted to reflect the number of days from the previous Interest Payment Date (or the Issue Date if the Green Bonds are repaid prior to the first Interest Payment Date) to the date of repayment.</p> <p>The occurrence of an Event of Default will not necessarily mean the Debenture becomes enforceable. Enforcement of the Debenture is subject to its terms.</p> <p>Unless the Green Bonds are declared due and payable by the Supervisor after an Event of Default occurs, the Principal Amount of the Green Bonds will be repaid on the Maturity Date.</p>
No Event of Default	<p>Failure by Council to:</p> <ol style="list-style-type: none"> 1. allocate the proceeds of the Green Bonds as described in the Framework; 2. comply with the GBP in respect of the Green Bonds; 3. comply with any environmental laws and standards in respect of the eligible assets or otherwise; 4. receive further assurance; 5. comply with the Framework (including updating its website in respect of the Green Bonds); 6. notify holders that the Green Bonds cease to comply with the Framework or the GBP; or 7. in any other way ensure that the Green Bonds retain their green attributes, <p>is not an Event of Default or other default or breach of any obligation under the Trust Documents and does not have the result of requiring, or permitting holders to require, the Green Bonds to be repaid.</p>
Record Date	6.00 p.m. on the tenth date before the due date for the making of that payment.
Business day convention	If a payment date is not a Business Day (as defined in the Trust Documents), Council will make payment on the next Business Day.
ISIN	NZAKCDT595C8
Approved Issuer Levy	Council intends to register the Green Bonds for approved issuer levy (AIL) and, where it is eligible to do so in respect of interest paid to a non-resident holder of Green Bonds that is subject to the non-resident withholding tax rules, to pay AIL in lieu of deducting non-resident withholding tax. If the Green Bonds qualify for the 0% rate of AIL, Council intends to apply the 0% rate. Otherwise, it will pay AIL at the applicable rate and deduct the AIL amount from interest paid to that non-resident holder.
Registrar	Computershare Investor Services Limited.
Joint Lead Managers	ANZ Bank New Zealand Limited, Bank of New Zealand, Commonwealth Bank of Australia (ABN 48 123 123 124) (acting through its New Zealand branch) and

	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch).
Other debt securities	Council may issue other Green Bonds under the Trust Documents (as well as other debt instruments under the Master Trust Deed or other programme documents) without your consent on such terms as it thinks fit.
Repo-eligibility	Council intends to apply to the Reserve Bank of New Zealand for the Green Bonds to be included as eligible securities for domestic market operations.
Selling restrictions	The selling restrictions set out in the schedule to this Terms Sheet apply.
No Crown guarantee	No obligation of Council under or in respect of the Green Bonds is guaranteed by the Crown. Payments by Council of principal and interest with respect to Council's outstanding indebtedness, including the Green Bonds, are not supported by any guarantee by the Crown. The Crown is not obliged or legally required to provide any support in respect of the Green Bonds.
Governing Law	New Zealand.

The dates set out in this Terms Sheet are indicative only and are subject to change. Council has the right in its absolute discretion and without notice to amend the indicative margin range and the issue amount, to close the offer early, to accept late applications, to extend the Closing Date, or to choose not to proceed with the offer. If the Closing Date is extended then subsequent dates relating to the offer may be extended accordingly.

The Supervisor accepts no responsibility for the information contained in this Terms Sheet.

Any internet site addresses provided in this Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Terms Sheet.

Copies of the Trust Documents and Debenture will be made available by Council for inspection during usual business hours by any holder at the office of the Council at the address below (or such office as Council may notify the holders from time to time). Copies of the Trust Documents, Debenture and final post-offer Terms Sheet can also be found on Council's website at:

<https://www.aucklandcouncil.govt.nz/about-auckland-council/business-in-auckland/Pages/investor-centre.aspx>

Investors are personally responsible for ensuring compliance with all relevant laws and regulations applicable to them (including any required registrations). Investors should seek qualified independent financial and taxation advice before deciding to invest.

The Joint Lead Managers and their respective directors, officers, employees and agents:

- (a) have not authorised or caused the issue of, or made any statement in, any part of this Terms Sheet;
- (b) do not make any representation, recommendation or warranty, express or implied regarding the origin, validity, accuracy, adequacy, reasonableness or completeness of, or any errors or omissions in, any information, statement or opinion contained in this Terms Sheet; and
- (c) to the extent permitted by law, do not accept any responsibility or liability for this Terms Sheet or for any loss arising from this Terms Sheet or its contents or otherwise arising in connection with the offer of Bonds.

This Terms Sheet does not constitute financial advice or a recommendation from any Joint Lead Manager or any of their respective directors, officers, employees, agents or advisers to purchase, any Bonds.

Singapore Securities and Futures Act Product Classification: Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) as modified or amended from time to time (the **SFA**), Council has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Green Bonds are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

Address details

Issuer

Auckland Council

135 Albert Street
Auckland 1010
www.aucklandcouncil.govt.nz

Joint Lead Manager

ANZ Bank New Zealand Limited

23-29 Albert Street
Auckland 1010

Joint Lead Manager

Commonwealth Bank of Australia (ABN 48 123 123 124) (acting through its New Zealand branch)

Level 2 ASB North Wharf, 12 Jellicoe Street
Auckland 1010

Registrar

Computershare Investor Services Limited

Private Bag 92119
Victoria Street West
Auckland 1142

Joint Lead Manager

Bank of New Zealand

Level 6, Deloitte Centre,
80 Queen Street
Auckland 1010

Joint Lead Manager

Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)

Westpac on Takutai Square
16 Takutai Square
Auckland, 1010

Schedule – Selling restrictions

General

The Green Bonds may only be offered to investors in New Zealand and to investors in the jurisdictions set out below.

No action has been or will be taken by Council which would permit an offer of Green Bonds, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

Green Bonds may only be offered for sale or sold in New Zealand in conformity with all applicable laws and regulations in New Zealand and the jurisdictions set out below in conformity with all applicable laws and regulations and the selling restrictions set out below relating to those jurisdictions.

No person may purchase, offer, sell, distribute or deliver Green Bonds, or have in their possession, publish, deliver or distribute to any person, any offering material or any documents in connection with the Green Bonds, in New Zealand and the jurisdictions set out below other than in compliance with all applicable laws and regulations and the selling restrictions set out below relating to those jurisdictions.

United States of America

The Green Bonds have not been and will not be registered under the Securities Act of 1933, as amended (**Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

None of Council or any Joint Lead Manager nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts in relation to the Green Bonds, and each of Council and the Joint Lead Managers have complied and will comply with the offering restrictions requirements of Regulation S.

The Green Bonds will not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the completion of the distribution of all Green Bonds of the tranche of which such Green Bonds are part, as determined and certified by the Joint Lead Managers, except in accordance with Rule 903 of Regulation S. Any Green Bonds sold to any distributor, dealer or person receiving a selling concession, fee or other remuneration during the distribution compliance period require a confirmation or notice to the purchaser at or prior to the confirmation of the sale to substantially the following effect:

“The Green Bonds covered hereby have not been registered under the United States Securities Act of 1933, as amended (the ‘Securities Act’) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act) (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Green Bonds and the closing date except in either case pursuant to a valid exemption from registration in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S.”

Until 40 days after the completion of the distribution of all Green Bonds or the tranche of which those Green Bonds are a part, an offer or sale of the Green Bonds within the United States by a Joint Lead Manager or any dealer or other distributor (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Regulation S.

Member States of the European Economic Area

In relation to each Member State of the European Economic Area, no Green Bonds have been offered and no Green Bonds will be offered that are the subject of the offering contemplated by this Terms Sheet in relation thereto to the public in that Member State except that an offer of Green Bonds to the public in the Member State may be made:

- (a) to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Joint Lead Manager (as applicable) nominated by Council for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of the Green Bonds shall require Council or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an **offer of Green Bonds to the public** in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Green Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Green Bonds and the expression **EU Prospectus Regulation** means Regulation (EU) 2017/1129 (as amended or superseded).

United Kingdom

No Green Bonds have been offered and no Green Bonds will be offered that are the subject of the offering contemplated by this Terms Sheet in relation thereto to the public in the United Kingdom except that an offer of Green Bonds to the public in the United Kingdom may be made:

- (a) to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Joint Lead Manager (as applicable) nominated by Council for any such offer; or
- (c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (**FSMA**),

provided that no such offer of the Green Bonds shall require Council or any Joint Lead Manager to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an **offer of Green Bonds to the public** means the communication in any form and by any means of sufficient information on the terms of the offer and the Green Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Green Bonds and the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Other regulatory restrictions

No communication, invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) has been or may be made or caused to be made or will be made in connection with the issue or sale of the Green Bonds in circumstances in which section 21(1) of the FSMA applies to Council.

All applicable provisions of the FSMA with respect to anything done in relation to the Green Bonds in, from or otherwise involving the United Kingdom must be complied with.

Hong Kong

No Green Bonds have been offered or sold or will be or may be offered or sold in Hong Kong, by means of any document other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “Prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Green Bonds may be issued or in the possession of any person or will be issued or be in the possession of any person in each case for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Green Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Japan

The Green Bonds have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**) in reliance upon the exemption from the registration requirements since the offering constitutes the small number private placement as provided for in “*ha*” of Article 2, Paragraph 3, Item 2 of the FIEA. A Japanese Person who transfers the Green Bonds shall not transfer or resell the Green Bonds except where the transferor transfers or resells all the Green Bonds en bloc to one transferee. For the purposes of this paragraph, “Japanese Person” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Singapore

This Terms Sheet has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Terms Sheet and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Green Bonds has not been, and will not be, circulated or distributed, nor have the Green Bonds been, nor will they be, offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA pursuant to Section 274 of the SFA), (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Green Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Green Bonds pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market)

The Green Bonds have not been and will not be offered, sold or publicly promoted or advertised in the United Arab Emirates (the **UAE**) other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

Dubai International Financial Centre

The Green Bonds have not been and will not be offered to any person in the Dubai International Financial Centre, unless such offer is:

- (a) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

Abu Dhabi Global Market

The Green Bonds have not been and will not be offered to any person in the Abu Dhabi Global Market, unless such offer is:

- (a) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the Financial Services Regulatory Authority (the "**FSRA**") rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.4.1 of the Conduct of Business Module of the FSRA rulebook.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the **Corporations Act**)) in relation to the Green Bonds (including this Terms Sheet) has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission (**ASIC**) or any other regulatory authority in Australia. No person may:

- (a) make or invite (directly or indirectly) an offer of the Green Bonds for issue, sale or purchase in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) distribute or publish, any Terms Sheet, information memorandum, prospectus or any other offering material or advertisement relating to the Green Bonds in Australia,

unless:

- (i) the minimum aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;
- (ii) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives; and
- (iv) such action does not require any document to be lodged with, or registered by, ASIC or any other regulatory authority in Australia.

By applying for the Green Bonds under this Terms Sheet, each person to whom the Green Bonds are issued (an **Investor**):

- (a) will be deemed by Council and each of the Joint Lead Managers to have acknowledged that if any Investor on-sells the Green Bonds within 12 months from their issue, the Investor will be required to lodge a prospectus or other disclosure document (as defined in the Corporations Act) with ASIC unless either:
 - (i) that sale is to an investor within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act to whom it is lawful to offer the Green Bonds in Australia without a prospectus or other disclosure document lodged with ASIC; or
 - (ii) the sale offer is received outside Australia; and
- (b) will be deemed by Council and each of the Joint Lead Managers to have undertaken not to sell those Green Bonds in any circumstances other than those described in paragraphs (a)(i) and (a)(ii) above for 12 months after the date of issue of such Green Bonds.

This Terms Sheet is not, and under no circumstances is to be construed as, an advertisement or public offering of any Green Bonds in Australia.

Switzerland

This Terms Sheet is not intended to constitute an offer or solicitation to purchase or invest in the Green Bonds. The Green Bonds may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Green Bonds to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Terms Sheet nor any other offering or marketing material relating to the Green Bonds constitutes a prospectus pursuant to the FinSA, and neither this Terms Sheet nor any other offering or marketing material relating to the Green Bonds may be publicly distributed or otherwise made publicly available in Switzerland.

The Green Bonds do not constitute collective investments within the meaning of the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). Accordingly, holders of the Green Bonds do not benefit from protection under the CISA or from the supervision of the Swiss Financial Market Supervisory Authority. Investors are exposed to the default risk of Council.

Indemnity

By its subscription for or purchase of the Green Bonds, each Holder agrees to indemnify Council, the Joint Lead Managers, the Supervisor, the Security Trustee and the Registrar and each of their respective directors, officers and employees for any loss, cost, claim, fine, damages, liability or expense sustained or incurred by any of them by reason of any breach of the selling restrictions.