

Deed Poll

Housing New Zealand Limited (Issuer)



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DEED POLL

Date: 17 December 2009

PARTIES

Housing New Zealand Limited (*Issuer*)

BACKGROUND

- A The Issuer has entered into the Facility Agreement with the Arranger and the Dealers, establishing a facility for, amongst other things, the issue of Notes.
- B Pursuant to the Facility Agreement, the Issuer may from time to time issue Notes constituted by this Deed, which Notes may be transferred.
- C This Deed is entered into to extend all the Noteholders the benefit of this Deed and to constitute the terms and conditions of the Notes.

BY THIS DEED the parties agree as follows:

1 DEFINITIONS AND CONSTRUCTION

1.1 Defined terms

In this deed, unless the context requires otherwise:

Agency Agreement means the agency agreement dated on or about the date of this Agreement between the Issuer and Link Market Services Limited pursuant to which a registrar, issuing agent and paying agent in respect of the Notes is appointed (and any substitute agreement entered into with the prior written consent of the Arranger);

Agent means as the context requires, any or all of the Paying Agent, the Issuing Agent and the Registrar;

Arranger means ANZ National Bank Limited or any replacement arranger appointed under the Facility Agreement;

Business Day means a day (other than a Saturday or a Sunday) on which registered banks are open for general banking business in Wellington and Auckland;

Conditions means the terms and conditions of the Notes set out in Schedule 1 (as modified from time to time);

Dealer means a Dealer as defined in the Facility Agreement;

Deed means this deed and the Conditions;

Default Rate means, in respect of each calendar month, the bid settlement rate (rounded upwards, if necessary, to the nearest four decimal places) as displayed at

or about 10.45 a.m. on the first Business Day of that calendar month on the Reuters Monitor Screen page BKBM (or its successor page) for one month bank bills, plus 2% (or, if no such rate can be ascertained, the nearest practicable alternative rate as determined by the Paying Agent);

Dollars and *\$* means New Zealand dollars;

Face Value means, in relation to any Note, the amount payable by the Issuer to the Noteholder to redeem that Note on its Maturity Date;

Facility Agreement means the agreement dated on or about the date of this Deed between the Issuer, the Arranger and the Dealers, establishing a facility for, amongst other things, the issue of Notes, as amended from time to time;

Issue Date means, in relation to a Note, the date on which it is issued and paid for;

Issuing Agent means:

- (a) Link Market Services Limited, being the institution initially appointed as the issuing agent by the Issuer pursuant to the Agency Agreement; and/or
- (b) any other or further issuing agent in respect of the Notes as may (with the prior approval of, and on terms previously approved by, the Arranger in writing (such approval not to be unreasonably withheld)) from time to time be appointed by the Issuer;

Maturity Date means, in relation to a Note, the date fixed or determined in accordance with the terms of issue as the date upon which the Note is to be redeemed by payment of the Face Value to the Noteholder;

Noteholder means each person whose name is entered in the Register as a holder of a Note;

Notes means registered notes of variable maturities issued under this Deed and the Facility Agreement in uncertificated book entry form;

Paying Agent means:

- (a) Link Market Services Limited, being the institution initially appointed as the paying agent by the Issuer pursuant to the Agency Agreement; and/or
- (b) any other or further paying agent in respect of the Notes as may (with the prior approval of, and on terms previously approved by, the Arranger in writing) from time to time be appointed by the Issuer;

Record Date has the meaning given to that term in Condition 5;

Register means the register kept by the Registrar in which is entered the name and address of each person who is the holder of a Note; and

Registrar means:

- (a) Link Market Services Limited, being the institution initially appointed as the registrar by the Issuer pursuant to the Agency Agreement; and/or
- (b) any other or further registrar in respect of the Notes as may (with the prior approval of, and on terms previously approved by, the Arranger in writing) from time to time be appointed by the Issuer.

1.2 **Construction of certain references**

In this Deed, unless the context otherwise requires, any reference to:

an agreement includes a contract, deed, licence, franchise, undertaking or other document (in each case, oral and written) and includes that agreement as modified, supplemented, novated or substituted from time to time;

tax(es) includes any present and future tax, levy, impost, duty, rate, charge, fee, deduction or withholding of any nature regardless of where or by whom imposed, levied, collected, withheld or assessed and includes interest, penalties, fines, costs, charges and expenses and other amounts relating to or arising in connection with taxes;

a gender includes each other gender;

the singular includes the *plural* and vice versa;

any legislation includes any amendments or reenactments of it, legislation enacted in substitution for it and a regulation, order-in-council or other instrument from time to time issued or made under it; and

a party to this Deed or another agreement includes its successors and, in the case of the Arranger, its assignees and transferees and, in the case of the Issuer, its permitted assignees and transferees.

Headings and the table of contents are to be ignored in construing this Deed.

2 **CONDITIONS OF NOTES**

The Issuer:

- (a) acknowledges that the Conditions are the terms and conditions applicable to the Notes; and
- (b) undertakes to each Noteholder that it will comply with all the Conditions in relation to that Noteholder's Note.

3 **COVENANT TO PAY FACE VALUE**

3.1 **Covenant to pay**

The Issuer will, in accordance with the Conditions and this Deed:

- (a) on the Maturity Date of each Note, or on any earlier date on which the Note becomes payable under the Conditions, pay or procure to be paid unconditionally to or to the order of the Noteholder, the Face Value of that Note; and
- (b) punctually pay all other amounts as may be payable in respect of each Note.

3.2 Payment on non-Business Days

If the due date for payment of any amount in respect of a Note is not a Business Day, payment will instead fall due on the next following Business Day (without interest being payable at the Default Rate).

3.3 Late payment

Except as otherwise expressly provided in this Deed or the Agency Agreement, if and to the extent that any payment of the Face Value of any Note or other indebtedness owing by the Issuer under any Note is made after the due date, interest will accrue on the amount unpaid at the Default Rate from the due date of payment until the unpaid amount is actually paid (both before and after any judgment), compounded at the end of each calendar month until paid.

3.4 Unclaimed payments

If any payment made by the Issuer to any Noteholder at that Noteholder's address last entered in the Register is returned unclaimed, the amount concerned shall (unless the Issuer has in the meantime received notice of a change of address to be entered in the Register) be retained by the Paying Agent to be held by it for the Noteholder concerned without any liability on the part of either the Paying Agent or the Issuer to invest or pay interest on that amount. Any money not claimed within a period of six months from the original date of payment shall be returned to the Issuer. The Issuer will have no liability in respect of the amount concerned if it remains unclaimed six years after the original date of payment. The provisions of this clause shall be subject to any applicable provisions of law (including the Unclaimed Money Act 1971).

3.5 Reinstatement

If any payment made to a Noteholder by, or on behalf of, the Issuer is avoided by law, that payment is deemed not to have discharged or affected the liability of the Issuer in respect of which that payment was made. In that event, the Noteholder and the Issuer shall be restored to the position in which each would have been, and be entitled to exercise all the rights which each would have had, if that payment had not been made.

3.6 Taxation indemnity of Noteholder

Each Noteholder will, upon request, provide the Issuer, the Registrar or the Paying Agent with its tax file number, a copy of any RWT exemption certificate held by the Noteholder and such evidence as may reasonably be required from it by the Issuer, the Registrar or the Paying Agent that the exemption certificate remains in effect. If, in respect of any Note, the Paying Agent or the Issuer becomes liable to make any payment of or on account of tax payable by, or in relation to any payment to, the Noteholder, the Paying Agent and the Issuer will be indemnified by the Noteholder in respect of that liability. Any moneys paid by the Paying Agent or the

Issuer in respect of any such liability may be recovered from the Noteholder as a debt due to the Paying Agent or the Issuer. Nothing in this clause will prejudice or affect any other right or remedy of the Paying Agent or the Issuer.

4 NOTES

4.1 Form of Notes

The Notes will:

- (a) be in uncertificated book entry form;
- (b) have the benefit of and be subject to the Conditions; and
- (c) have a Face Value of \$500,000 or any greater amount which is an integral multiple of \$100,000, unless agreed otherwise by the Issuer and a Noteholder.

4.2 Title

Title to a Note passes upon the registration of a transfer of that Note in accordance with this Deed, the Conditions and the Agency Agreement.

5 EVIDENCE OF TITLE TO REGISTERED NOTE

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer and the Paying Agent are each entitled to treat the registered holder of a Note as its absolute owner, notwithstanding any notice to the contrary. All payments made to a Noteholder are valid and, to the extent of the sum so paid, effective to satisfy and discharge the liability of the Issuer for the moneys payable on the relevant Note.

6 AMENDMENTS

The Issuer may at any time, with the prior written agreement of the Arranger (not to be unreasonably withheld), amend in writing all or any part of this Deed and the Conditions or the Facility Agreement without the prior approval of Noteholders. However, no amendment will affect the terms of any Note already issued or the subject of an agreement to be issued or the rights of any holder of such a Note.

7 DOCUMENTS

Copies of this Deed and each Agency Agreement will be made available by the Issuer for inspection during usual business hours by the Arranger and any Noteholder or Dealer at:

- (a) the office of the Issuer which, at the date of this Deed, is Level 3, 28 Grey Street, Wellington; and
- (b) the principal office of the Registrar which, at the date of this Deed, is Level 16, Brookfields House, 19 Victoria Street West, Auckland.

8 CONTRACTS (PRIVITY) ACT 1982

The Issuer acknowledges and declares that:

- (a) the obligations contained in this Deed constitute contractual promises which confer benefits on each Noteholder; and
- (b) the provisions of the Contracts (Privity) Act 1982 apply to the Issuer's contractual promises,

so that each Noteholder is entitled to:

- (c) the benefit of this Deed pursuant to section 4 of the Contracts (Privity) Act 1982; and
- (d) enforce the obligations contained in this Deed against the Issuer.

9 GOVERNING LAW

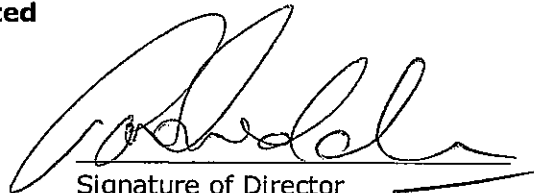
This Deed and the Notes are governed by and are to be construed in accordance with New Zealand law.

EXECUTED AS A DEED

Signed by **Housing New Zealand Limited**

PATRICK SNOODEN

Name of Director



Signature of Director

Penelope Gorman

Name of Director



Signature of Director

SCHEDULE 1
TERMS AND CONDITIONS OF THE NOTES

1 STATUS

1.1 Deed Poll

Each Note is a Note as defined in a deed poll dated 17 December 2009 made by the Issuer (the *Deed Poll*). Each Note is issued with the benefit and subject to the provisions of the Deed Poll.

1.2 Definitions

Words and expressions **defined** or construed in the Deed Poll have the same meanings or construction in each Note.

1.3 Status

Each Note constitutes unsecured, unsubordinated obligations of the Issuer and ranks at least equally with the claims of all its other unsecured and unsubordinated creditors (other than those preferred by law).

2 TITLE AND TRANSFER

2.1 Register

The Issuer will ensure that the Registrar keeps the Register in which is entered the name and address of each Noteholder together with the Face Value, Maturity Date, purchase price and any other particulars of each Note required by the Agency Agreement and of all transfers of Notes.

2.2 Record Date restrictions

No Noteholder may require the transfer of a Note to be registered on the due date for any payment of the Face Value of the Note or on the date the Note is due to be redeemed in accordance with these Conditions.

2.3 Securities Act

Each Noteholder must comply with all applicable laws and regulations (including but not limited to the Securities Act 1978) in relation to any offer or sale of a Note by it.

3 INTEREST ON OVERDUE AMOUNTS

Interest is payable on overdue amounts in accordance with the provisions of the Deed Poll. The rate of interest applicable from time to time to any overdue amount payable in respect of a Note will be the Default Rate.

4 REDEMPTION

Unless previously redeemed, each Note will be redeemed by payment of its Face Value on the Maturity Date (or, if that is not a Business Day, on the next Business Day, without interest being payable at the Default Rate).

5 PAYMENTS

5.1 Payments to Noteholder

Payments of the Face Value of each Note are to be made on its Maturity Date to the Noteholder named on the Register in relation to that Note at the close of business on the Business Day before the due date for payment (the *Record Date*). Payment is to be made by transfer to a New Zealand dollar account designated by the payee with a bank in New Zealand.

5.2 Bank transfer

Upon application by a Noteholder to the Paying Agent prior to the Record Date, payments of the Face Value of each Note may be made by cheque drawn on a bank in New Zealand and mailed to the Noteholder (or to the first named of two or more joint Noteholders) at his or her address appearing in the Register. Subject to the due delivery by post to that address and the subsequent clearance of the cheque, payment will be deemed to have been made on the date the cheque is despatched to the Noteholder by pre-paid post in accordance with this Condition. Payments in all cases are to be made subject to the provisions of the Agency Agreement and to any fiscal or other laws and regulations applicable to the Issuer or the Noteholder.

5.3 Payments free and clear

Each payment under a Note is to be made:

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

5.4 Taxes

- (a) All payments of the Face Value of the Notes will be made on behalf of the Issuer by the Paying Agent net of any withholding or deduction for, or on account of, any present or future taxes or duties of any nature required by law to be withheld or deducted.
- (b) Unless satisfied otherwise, the Issuer and the Paying Agent will be entitled to assume that each Noteholder is resident in New Zealand for taxation purposes and resident withholding tax will be deducted at the applicable rate from the amount payable under each Note. However, a Noteholder may receive a payment without any withholding or deduction for or on account of resident withholding tax if a Noteholder presents a valid original RWT exemption certificate issued pursuant to section 32H of the Tax Administration Act 1994 or a certified copy thereof to the Paying Agent together with such other evidence or information which the Paying Agent may reasonably require in order to make payment without a withholding or deduction of resident withholding tax at the time of presentation of a Note on maturity.
- (c) If:
 - (i) the Issuer or the Paying Agent is satisfied that a Noteholder is not

resident in New Zealand for taxation purposes; and

(ii) not later than five Business Days prior to the presentation of a Note on maturity the Paying Agent receives from the Noteholder a request in writing that the Issuer make a payment of approved issuer levy (as defined in section 86F of the Stamp and Cheque Duties Act 1971) in relation to the amount payable under the Note (*the specified amount*); and

(iii) the Issuer is entitled to make that payment of approved issuer levy,

the Paying Agent will deduct the amount of such approved issuer levy from the specified amount otherwise payable by the Issuer to the Noteholder without any obligation for the Issuer or the Paying Agent to make any additional payment to the Noteholder on account of such deduction and the payment of such reduced amount to the Noteholder will be in full discharge of the Issuer's obligations to pay the specified amount to the Noteholder.

6 REGULATIONS

- (a) Each Note is to be in an amount of \$500,000 or any greater amount which is an integral multiple of \$100,000, unless agreed otherwise by the Issuer and a Noteholder.
- (b) Each Note is transferable (subject to paragraph (g) below) in an amount or an integral multiple of \$100,000 by execution of any common form of transfer, or other form of transfer approved by the Registrar, duly executed under the hand of the transferor or, where the transferor is a corporation, under the hand of its officer or officers duly authorised in writing. In this Schedule, *transferor* includes joint transferors.
- (c) A Note to be transferred must be transferred by delivery to the office of the Registrar of the approved form of transfer accompanied by:
- (i) any other evidence (including legal opinions) as the Issuer and the Registrar may reasonably require to prove the title of the transferor or his or her right to transfer the Notes and his or her identity; and
- (ii) if the form of the transfer is executed by some other person on his or her behalf or, in the case of the execution of the form of transfer on behalf of a corporation by its officers, the authority of that person to do so.

The signature of the person effecting a transfer of a Note must conform to any list of duly authorised specimen signatures supplied by the Noteholder or be certified by a recognised bank, notary public or in any other manner required by the Registrar.

- (d) Each executor or administrator of a deceased Noteholder (not being one of several joint Noteholders) and, in the case of the death of one or more of

several joint Noteholders, each survivor of a joint Noteholder, is the only person recognised by the Issuer as having any title to the relevant Note.

- (e) Each person becoming entitled to a Note on the death or bankruptcy of a Noteholder may, upon producing such evidence that he or she holds the position in respect of which he or she proposes to act under this paragraph or of his or her title as the Issuer and the Registrar may require (including legal opinions), be registered himself or herself as the Noteholder. The Issuer and the Registrar may retain any amount payable upon the Note to which any person is so entitled until that person is so registered or duly transfers the Note.
- (f) The joint Noteholders of a Note are entitled to only one Note in relation to their joint holding. A Note is, except where the joint Noteholders otherwise direct, to be issued to the joint Noteholder whose name appears first in the Register in relation to that joint holding.
- (g) A Noteholder may transfer part only of his or her holding in a Note. However, no transfer will be registered if registration would result in the vendor or purchaser holding or continuing to hold Notes with an aggregate Face Value of less than \$500,000, unless as a consequence of the transfer the vendor will cease to be a Noteholder.
- (h) The Issuer and the Registrar are to make no service charge to the Noteholders for:
 - (i) the registration of any holding of Notes; or
 - (ii) the transfer of Notes.

The Issuer and the Registrar may, however, require the payment of any taxes and other governmental charges payable as a result.

- (i) A transfer of a Note will be effected by the Registrar as of the day of receipt by it of the form of transfer (subject to Condition 2.2).