

Notice of Facility

From: Minister of Finance

To: Chief Executive Officer
Waka Kotahi NZ Transport Agency
Chews Lane, 50 Victoria Street
Private Bag 6995
Wellington 6141

Dated: December 2021

WAKA KOTAHI NZ TRANSPORT AGENCY - NOTICE OF FACILITY

I refer to clause 3.1 of the Master Facility Agreement, made between Her Majesty the Queen in right of New Zealand (the **Crown**) and Waka Kotahi NZ Transport Agency (**NZTA**) on 25 June 2014 as amended or amended and restated from time to time (the **Master Agreement**), and hereby give notice of a Facility as follows:

NZTA Loan Appropriation: as detailed in the table below:

Vote	Appropriation Minister	Title	Type	Period	Scope
Transport	Minister of Transport	National Land Transport Programme Loan 2021 – 2024	Non-departmental Capital Expenditure	Start: 1 December 2021 End: 30 June 2025	This appropriation is limited to a loan to Waka Kotahi NZ Transport Agency to support the implementation and delivery of the National Land Transport Programme 2021 – 2024.

Facility Amount:	\$2,000,000,000
Purpose of Facility:	NZTA must use this Facility to fund National Land Transport Plan 2021-2024 approved activities.
Drawdown restrictions:	This Facility may be drawn in tranches, so long as the total of all tranches outstanding does not exceed the Facility Amount for this Facility. The amount of a Drawdown must not be less than \$10,000,000.
Form of Facility:	Fixed Rate Facility
Interest Rate:	Regardless of anything in the Master Agreement to the contrary, the interest rate applicable to each Drawdown under this Facility will be the percentage rate per annum which is the aggregate of: <ul style="list-style-type: none"> (a) the New Zealand Government Bond Rate on the relevant Rate Set Date; and (b) a margin of 0.15 per cent. per annum. A Drawdown under this Facility is otherwise deemed to be a Fixed Rate Drawdown under the Master Agreement. For the purposes of this Facility Notice:

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	<p>Mid Rate means, with respect to the determination of the New Zealand Government Bond Rate for a Fixed Rate Advance, the yield as displayed on page ICNG3 on Bloomberg L.P. or any other generally accepted successor page, at or about 11.00am on the relevant Rate Set Date or at any other time advised by the Crown;</p> <p>New Zealand Government bond means a nominal bond issued by the New Zealand government; and</p> <p>New Zealand Government Bond Rate means, in respect of a Fixed Rate Advance, an interest rate expressed as a percentage per annum being:</p> <ul style="list-style-type: none"> (a) the Mid Rate for a New Zealand Government bond which has the same term as the Fixed Rate Advance; or (b) if there is no New Zealand Government bond with the same term as the Fixed Rate Advance: <ul style="list-style-type: none"> (i) the rate derived by NZDMO using Linear Interpolation of the Mid Rates for New Zealand Government Bonds which have a term: <ul style="list-style-type: none"> (A) shorter than, but closest to, the term of the Fixed Rate Advance; and (B) longer than, but closest to, the term of the Fixed Rate Advance; or (ii) if no such rates are displayed, the rate determined by NZDMO in its absolute discretion taking into account market rates and conditions.
<p>Availability Period Commencement Date:</p>	<p>The date that NZDMO receives a properly completed and signed Confirmation of Facility from NZTA in respect of the Facility, in accordance with clause 3.3 of the Master Agreement.</p>
<p>Availability Period Termination Date:</p>	<p>30 June 2025</p>
<p>Facility Termination Date:</p>	<p>Date falling 10 years after the last Drawdown under this Facility within the Availability Period.</p> <p>The Crown reserves the right to terminate this Facility with immediate effect and declare that all or part of the Facility Balance and accrued interest for the Facility is payable on demand, if:</p> <ul style="list-style-type: none"> (a) NZTA fails to pay any of the Facility Balance, accrued interest and all other amounts outstanding and payable by it in relation to the Facility, in the manner required, within 10 Business Days of the date when due; or (b) any loan obligation of NZTA in excess of \$50,000,000: <ul style="list-style-type: none"> (i) becomes due and payable before its due date by reason of any event of default or breach by NZTA; or (ii) is not paid when due or within any applicable grace period and is not being contested in good faith by NZTA; or

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	<p>(c) NZTA is presumed unable to pay its debts within the meaning of clause 3 of Schedule 11 to the Companies Act 1993, or a liquidator is appointed to NZTA, or NZTA is declared to be subject to statutory management under the Corporations (Investigations and Management) Act 1989; or</p> <p>(d) the parties have been unable to agree terms on which the Crown is willing to continue to make this Facility available to NZTA by the date six months after the date of notice that the Crown requires negotiations following an Event of Review.</p>
Compound Interest Facility:	Yes
Compound Interest Period Termination Date:	30 June 2024 (or, if that date is not a Business Day, the next Business Day). Interest is to be paid in arrears every six months thereafter.
Drawdown Maturity Date:	The Drawdown Maturity Date for each Drawdown under this Facility will be the date 10 years after the Drawdown Date for the relevant Drawdown. The repayment schedule will be agreed on the Drawdown Date.
Additional undertakings:	<p>In addition to the undertakings in the Master Agreement, NZTA agrees that:</p> <p>(a) Quarterly Reporting: it will include, with its quarterly report to the Minister</p> <ul style="list-style-type: none"> (i) details of each Drawdown requested under this Facility; (ii) a forecast of each Drawdown to be requested under this Facility in the six months following the date of the report; and (iii) Total spend by activity class and forecast spend for each activity class; and <p>(b) Event of Review: it will promptly notify the Crown of the occurrence of any of the following events (each an Event of Review), and, if required by notice in writing from the Crown, it will enter into negotiations in good faith with the Crown with a view to agreeing terms on which the Crown is willing to continue to make this Facility available to NZTA:</p> <ul style="list-style-type: none"> (i) NZTA fails to comply in any material respect with any material undertaking in clause 12.1 of the Master Agreement or in this Facility Notice and in respect of any such failure which is capable of being remedied, such failure is not remedied within 10 Business Days of NZTA becoming aware of such failure; or (ii) any representation or warranty under clause 11.1 of the Master Agreement is untrue, incorrect or misleading in a material respect when made or repeated and, if the circumstances giving rise to the misrepresentation are capable of being remedied, such circumstances are not remedied within 10 Business Days of NZTA becoming aware of such misrepresentation; or (iii) an event or circumstance has occurred or exists and is outstanding which constitutes a default by NZTA under any other agreement or instrument which is binding on

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	NZTA or to which its assets are subject which has had or will have a material adverse effect in respect of NZTA.
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The terms and conditions of the Master Agreement will apply to this Facility.

The Facility will be available upon delivery by you of a Confirmation of Facility to the Crown in accordance with clause 3.3 of the Master Agreement.

Yours faithfully

Minister of Finance

PROACTIVELY RELEASED BY
THE MINISTRY OF TRANSPORT